

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 22, 2026

NEW ISSUE - FULL BOOK-ENTRY

RATING: Moody's: "Aa1"
See "RATING" herein.

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

\$25,200,000*
TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
(Riverside County, California)
2026 General Obligation Refunding Bonds

Dated: Date of Delivery

Due: August 1, as shown on inside front cover

Authority and Purpose. The above-captioned 2026 General Obligation Refunding Bonds (the "Bonds") are being issued pursuant to certain provisions of the California Government Code and a resolution of the Governing Board of the District adopted on April 16, 2026. The Bonds are being issued to refund certain outstanding general obligation bonds of the District, and to pay costs of issuance of the Bonds. See "THE BONDS – Authority for Issuance" and "- Purpose of Issue" herein.

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

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

Payments. The Bonds are dated the date of delivery set forth below and accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity or earlier redemption, commencing August 1, 2026. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as the designated paying agent, registrar and transfer agent (the "Paying Agent") to DTC for subsequent disbursement to DTC Participants, which will remit such payments to beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

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

MATURITY SCHEDULE
(See inside cover)

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

The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall LLP, Bond Counsel to the District, and subject to certain other conditions. Jones Hall LLP is also serving as Disclosure Counsel to the District. Kutak Rock LLP is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about May 13, 2026*.



The date of this Official Statement is _____, 2026.

* Preliminary; subject to change.

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

MATURITY SCHEDULE

\$25,200,000*

TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
(Riverside County, California)
2026 General Obligation Refunding Bonds

Base CUSIP[†]: 87970G

Maturity Date <u>(August 1)</u>	Principal <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP[†]</u>
--	--	-----------------------------	---------------------	---------------------------------

\$ _____ % Term Bond due August 1, 20__; Yield __%; CUSIP[†] ____

** Preliminary; subject to change.*

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

TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
(Riverside County, California)

GOVERNING BOARD

Dr. Joseph Komrosky, *President*
Dr. Melinda Anderson, *Clerk*
Jennifer Wiersma, *Vice Clerk*
Emil Barham, *Member*
Steven Schwartz, *Member*

DISTRICT ADMINISTRATION

Kimberly Velez, Ed.D., *Superintendent*
Nicole Lash, *Assistant Superintendent, Business Support Services*
Kevin Brejnak, *Executive Director, Business Support Services*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc.
Irvine, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Jones Hall LLP
San Mateo, California

UNDERWRITER'S COUNSEL

Kutak Rock LLP
Denver, Colorado

PAYING AGENT and ESCROW BANK

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

VERIFICATION AGENT

Causey Public Finance, LLC
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

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

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

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

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

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

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

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE REFINANCING PLAN	4
THE BONDS	6
Authority for Issuance	6
Description of the Bonds	6
Book-Entry Only System	6
Redemption	7
Notice of Redemption	7
Partial Redemption of Bonds	8
Effect of Redemption	8
Right to Rescind Notice of Redemption	8
Registration, Transfer and Exchange of Bonds	8
Defeasance and Discharge of Bonds	9
DEBT SERVICE SCHEDULES	11
SOURCES AND USES OF FUNDS	13
SECURITY FOR THE BONDS	14
<i>Ad Valorem</i> Taxes	14
Debt Service Fund	15
Not a County Obligation	15
PROPERTY TAXATION	16
Property Tax Collection Procedures	16
Taxation of State-Assessed Utility Property	16
Assessed Valuation	17
Reassessments and Appeals of Assessed Value	21
Tax Rates	22
Tax Levies and Delinquencies	23
Top 20 Property Owners	24
Direct and Overlapping Debt	25
TAX MATTERS	26
Tax Exemption	26
CERTAIN LEGAL MATTERS	28
Legality for Investment	28
Litigation	28
Compensation of Certain Professionals	28
MUNICIPAL ADVISOR	29
CONTINUING DISCLOSURE	29
ESCROW VERIFICATION	29
RATING	30
UNDERWRITING	30
ADDITIONAL INFORMATION	31
EXECUTION	32
APPENDIX A - GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT	
APPENDIX B - TEMECULA VALLEY UNIFIED SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2024-25	
APPENDIX C - ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF TEMECULA AND RIVERSIDE COUNTY	
APPENDIX D - PROPOSED FORM OF OPINION OF BOND COUNSEL	
APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE	
APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM	
APPENDIX G - RIVERSIDE COUNTY INVESTMENT POLICY AND INVESTMENT REPORT	

[THIS PAGE INTENTIONALLY LEFT BLANK]

\$25,200,000*
TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
(Riverside County, California)
2026 General Obligation Refunding Bonds

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of 2026 General Obligation Refunding Bonds (the “**Bonds**”) by Temecula Valley Unified School District (the “**District**”).

INTRODUCTION

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

The District. The District was organized as a unified school district in 1989 and provides public education for grades transitional kindergarten (“**TK**”) through twelve within an area of approximately 213 square miles located in the southwest portion of Riverside County (the “**County**”), in the State of California (the “**State**”). The District boundaries encompass a portion of the City of Temecula representing approximately two-thirds of the assessed value of properties within the boundaries of the City of Temecula, with the balance of the boundary encompassing the unincorporated area of the County and a small area within the City of Murrieta, serving a population of approximately 176,212 residents.

The District currently maintains 17 elementary schools, six middle schools, one TK-8 school, three comprehensive high schools, one alternative education program, one continuation high school, and an adult school. Enrollment in the District for the 2025-26 school year is approximately 26,267 students, excluding charter school enrollment.

In addition, the District currently operates three charter schools and there is one independent charter school operating in the boundaries of the District. Fiscally independent charter schools are not included in the District’s historical financial statements, and the District’s financial statements do not include any charter schools.

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

Purpose of Issue. The Bonds are being issued by the District to refund a portion of the District’s outstanding General Obligation Bonds, 2012 Election, Series 2016-B (the “**2016B Bonds**”) and its General Obligation Bonds, 2012 Election, Series 2018-C (the “**2018C Bonds**”) and, together with the 2016B Bonds, the “**Refunded Bonds**”), and to pay costs of issuance of the Bonds. See “THE REFINANCING PLAN” herein.

** Preliminary; subject to change.*

Authority for Issuance of the Bonds. The Bonds will be issued under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “**Refunding Law**”) and under a resolution adopted by the Governing Board of the District on April 16, 2026 (the “**Bond Resolution**”). See “THE BONDS - Authority for Issuance.”

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

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

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

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

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

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

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

* Preliminary; subject to change.

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

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

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

END OF INTRODUCTION

THE REFINANCING PLAN

The proceeds of the Bonds will be used to refund, on a current basis, the Refunded Bonds identified below, and to pay related costs of issuance.

2016B Bonds. On May 18, 2016, the District issued its General Obligation Bonds, 2012 Election, Series 2016-B (the “**2016B Bonds**”), in the aggregate principal amount of \$37,416,965.90. The 2016B Bonds are subject to optional redemption on or after February 1, 2026, at a redemption price of (i) 100% of the principal amount of the 2016B Current Interest Bonds being redeemed, plus any accrued interest, without premium, and (ii) 100% of the accreted value of the 2016B Capital Appreciation Bonds being redeemed as of the redemption date identified below, without premium. The 2016B Bonds are currently outstanding in the principal amount of \$29,252,577.90 and are being refunded in part, as more particularly described below.

The Bonds are being issued by the District to refund, on a current basis, certain maturities of the 2016B Bonds, as identified in the following table.

TEMECULA VALLEY UNIFIED SCHOOL DISTRICT Identification of Refunded 2016B Capital Appreciation Bonds*

Maturity Date (August 1)	CUSIP [†]	Initial Denominational Amount	Redemption Date	Accreted Value at Redemption	Redemption Price
2026	87970G MY0	\$310,225.95	6/11/2026	\$403,525.80	100%
2027	87970G MZ7	335,022.60	6/11/2026	445,408.80	100
2028	87970G NA1	355,041.60	6/11/2026	478,629.90	100
2029	87970G NB9	372,996.05	6/11/2026	511,884.35	100
2030	87970G NC7	391,537.50	6/11/2026	545,368.75	100
2031	87970G ND5	411,433.20	6/11/2026	579,351.60	100
2032	87970G NE3	424,747.50	6/11/2026	604,650.00	100
2033	87970G NF0	443,857.80	6/11/2026	635,606.60	100
2034	87970G NG8	459,898.60	6/11/2026	662,498.20	100
2035	87970G NH6	473,020.80	6/11/2026	685,449.60	100
2036	87970G NJ2	483,790.05	6/11/2026	706,615.20	100
2037	87970G NK9	494,505.00	6/11/2026	725,840.10	100
2038	87970G NL7	503,755.35	6/11/2026	742,343.25	100
2039	87970G NM5	513,918.90	6/11/2026	759,569.25	100
2040	87970G NN3	523,827.00	6/11/2026	776,506.50	100
Total	--	\$6,497,577.90		\$9,263,247.90	--

* Preliminary; subject to change.

†: CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. The District takes no responsibility for the accuracy of the CUSIP data.

T: Term Bonds.

The 2016B Bonds maturing on June 1, 2045, issued and outstanding in the principal amount of \$22,755,000, will remain outstanding.

2018C Bonds. On November 7, 2018, the District issued its General Obligation Bonds, 2012 Election, Series 2018-C (the “**2018C Bonds**”), in the aggregate principal amount of \$35,335,000. The 2018C Bonds are subject to optional redemption on or after February 1, 2026, at a redemption price of 100% of the principal amount being redeemed, plus any accrued interest, without premium. The 2018C Bonds are currently outstanding in the principal amount of \$32,945,000 and are being refunded in part, as more particularly described below.

The Bonds are being issued by the District to refund, on a current basis, certain maturities of the 2018C Bonds, as identified in the following table.

**TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
Identification of Refunded 2018C Bonds***

Maturity Date (August 1)	CUSIP [†]	Principal Amount Redeemed	Redemption Date	Redemption Price
2026	87970G NU7	\$50,000	6/11/2026	100%
2027	87970G NV5	115,000	6/11/2026	100
2028	87970G NW3	185,000	6/11/2026	100
2029	87970G NX1	265,000	6/11/2026	100
2030	87970G NY9	345,000	6/11/2026	100
2031	87970G NZ6	435,000	6/11/2026	100
2032	87970G PA9	530,000	6/11/2026	100
2033	87970G PB7	635,000	6/11/2026	100
2034	87970G PC5	750,000	6/11/2026	100
2035	87970G PD3	875,000	6/11/2026	100
2036	87970G PE1	1,005,000	6/11/2026	100
2037	87970G PF8	1,130,000	6/11/2026	100
2038	87970G PG6	1,270,000	6/11/2026	100
2044 T	87970G PH4	11,645,000	6/11/2026	100
Total		\$19,235,000		--

* Preliminary; subject to change.

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

T: Term Bond

The 2018C Bonds maturing on August 1, 2047, issued and outstanding in the original principal amount of \$13,710,000, will remain outstanding.

Escrow Fund. The District will deliver the net proceeds of the Bonds to U.S. Bank Trust Company, National Association, as escrow agent (the “**Escrow Bank**”), for deposit in an escrow fund (the “**Escrow Fund**”) established under an Escrow Agreement (the “**Escrow Agreement**”), entered into by and between the District and the Escrow Bank. The Escrow Bank will invest such funds in certain federal securities (“**Escrow Fund Securities**”), and will apply such funds, with cash, together with interest earnings (if any) on the investment of such funds in Escrow Fund Securities, to pay the principal of and interest on the Refunded Bonds on their respective redemption dates.

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

The amounts held by the Escrow Bank in the Escrow Fund are pledged solely to the payment of the Refunded Bonds. The funds deposited in the Escrow Fund will not be available for the payment of debt service with respect to the Bonds.

THE BONDS

Authority for Issuance

The Bonds will be issued under the authority of and pursuant to the Refunding Law and the Bond Resolution.

Description of the Bonds

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

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

Book-Entry Only System

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

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

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

Redemption*

Optional Redemption. The Bonds maturing on or before August 1, 2036, are not subject to redemption prior to maturity. The Bonds maturing on or after August 1, 2037, are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 2036, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20__ and August 1, 20__ (the “**Term Bonds**”), are subject to mandatory sinking fund redemption on August 1 in the years and in the amounts in accordance with the schedules set forth below. The Term Bonds so called for mandatory sinking fund redemption shall be redeemed in the sinking fund payments in the amounts and on the dates set forth below, respectively, without premium.

\$_____ Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Payment
<hr/>	

(maturity)

\$_____ Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Payment
<hr/>	

(maturity)

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

Notice of Redemption

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District to be mailed, first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the owners of the Bonds designated for redemption. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed,

**Preliminary; subject to change.*

together with interest accrued to said date, and that from and after such date interest with respect thereto shall cease to accrue and be payable. Such notice may be a conditional notice of redemption and subject to rescission as set forth below.

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

Partial Redemption of Bonds

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

Effect of Redemption

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

Right to Rescind Notice of Redemption

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

Registration, Transfer and Exchange of Bonds

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

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

Bonds may be exchanged at the principal office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity, together with a request for exchange signed by the owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book-entry only status of the Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon

the books required to be kept pursuant to the provisions of the Bond Resolution, by the person in whose name it is registered, in person or by their duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

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

Defeasance and Discharge of Bonds

Any or all of the Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable under the Bond Resolution by the District:

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

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

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

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior

to maturity, notice of such redemption has been given as provided in the Bond Resolution or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the County and the District in respect of such Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of the Bond Resolution will apply in all events.

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

DEBT SERVICE SCHEDULES

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

Temecula Valley Unified School District 2026 General Obligation Refunding Bonds Debt Service Schedule

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

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

**TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
General Obligation Bonds
Combined Debt Service Schedule**

Bond Year Ending (August 1)	2012 Election, Series 2016-B*	2012 Election, Series 2018-C*	2012 Election, Series 2021-D	2021 Refunding Bonds	The Bonds	Total Debt Service
2026	\$1,315,200.00	\$1,542,443.76	\$1,935,600.00	\$2,093,554.76		
2027	1,370,200.00	1,604,943.76	2,010,000.00	2,176,310.60		
2028	1,420,200.00	1,669,193.76	2,091,000.00	2,264,262.80		
2029	1,475,200.00	1,739,943.76	2,178,200.00	2,353,746.86		
2030	1,535,200.00	1,806,693.76	2,266,200.00	2,448,244.10		
2031	1,600,200.00	1,879,443.76	2,354,800.00	2,548,274.06		
2032	1,660,200.00	1,952,693.76	2,448,800.00	2,648,791.30		
2033	1,730,200.00	2,031,193.76	2,547,800.00	2,754,749.90		
2034	1,800,200.00	2,114,443.76	2,646,400.00	2,865,659.96		
2035	1,870,200.00	2,201,943.76	2,759,400.00	2,976,001.56		
2036	1,945,200.00	2,288,193.76	2,861,000.00	3,100,344.76		
2037	2,020,200.00	2,376,762.50	2,981,300.00	3,222,869.76		
2038	2,095,200.00	2,475,800.00	3,096,650.00	3,358,086.60		
2039	2,175,200.00	2,574,762.50	3,217,050.00	3,496,530.50		
2040	2,260,200.00	2,675,475.00	3,347,200.00	3,638,659.00		
2041	2,350,200.00	2,782,000.00	3,481,650.00	3,784,278.50		
2042	2,447,600.00	2,893,550.00	3,625,100.00	3,928,106.00		
2043	6,833,800.00	3,119,337.50	5,142,100.00	--		
2044	7,112,000.00	3,242,800.00	5,346,250.00	--		
2045	7,394,400.00	3,373,400.00	5,560,500.00	--		
2046	--	5,660,400.00	9,214,250.00	--		
2047	--	5,886,400.00	9,579,000.00	--		
TOTAL	\$52,411,000.00	\$57,891,818.86	\$80,690,250.00	\$49,658,471.02		

*Certain maturities expected to be refunded with the proceeds of the Bonds. See "THE REFINANCING PLAN" herein.

SOURCES AND USES OF FUNDS

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

<u>Sources of Funds</u>	Total
Principal Amount of Bonds	
[Net]Original Issue Premium	
Total Sources	_____
<u>Uses of Funds</u>	
Escrow Fund	
Costs of Issuance ⁽¹⁾	
Total Uses	_____

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

SECURITY FOR THE BONDS

Ad Valorem Taxes

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

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

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

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

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

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

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

Debt Service Fund

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

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

Not a County Obligation

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

PROPERTY TAXATION

Property Tax Collection Procedures

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

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

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

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

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (“**SBE**”) and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as “unitary

property”, a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and “operating nonunitary” property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuation

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

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

Assessed Valuation History. The table below shows a 10-year history of the District’s assessed valuation.

**TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
Assessed Valuations of All Taxable Property
Fiscal Years 2016-17 to 2025-26**

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2016-17	\$20,406,215,387	\$229,241	\$783,032,964	\$21,189,477,592	--%
2017-18	21,524,993,533	229,241	754,720,877	22,279,943,651	5.1
2018-19	22,669,369,782	285,651	768,188,696	23,437,844,129	5.2
2019-20	23,784,012,781	285,651	786,297,747	24,570,596,179	4.8
2020-21	24,918,917,331	285,651	829,011,803	25,748,214,785	4.8
2021-22	26,259,318,123	285,651	776,678,868	27,036,282,642	5.0
2022-23	28,364,949,159	285,651	819,652,549	29,184,887,359	7.9
2023-24	30,306,131,304	285,651	888,824,755	31,195,241,710	6.9
2024-25	31,989,291,559	285,651	949,963,319	32,939,540,529	5.6
2025-26	33,897,870,698	285,651	981,216,968	34,879,373,317	5.9

Source: California Municipal Statistics, Inc.

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

Wildfires. According to the State, fire season is starting earlier and ending later each year, with the increased length of the season corresponding to an increase in the extent of forest fires

across the State. In addition to destroying land and structures, there have been human fatalities and negative impacts on air quality throughout the State. Fires in the State and neighboring states have threatened the region's power grids, making some power lines unreliable. The Governor has issued executive orders in the past suspending penalties, costs and interest on late property tax payments for properties impacted by wildfires. The District cannot predict or make any representations regarding the effects that wildfires and related conditions have or may have on the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

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

Drought. The State has experienced drought conditions in recent years, including a period of drought followed by record-level precipitation, which resulted in related severe flooding and mudslides in certain regions. As of April 14, 2026, the U.S. Drought Monitor indicates that the State is classified as experiencing areas with no drought conditions, some abnormally dry areas and, in the northern part of the State moderate drought conditions, with the County currently experiencing mostly no drought conditions with some areas of abnormally dry conditions. During 2021, the Governor of the State proclaimed a drought state of emergency for all counties in the State, culminating with an October 19, 2021, proclamation, urging Californians to step up their water conservation efforts.

In January 2022, the State Water Board adopted emergency regulations aimed at saving water and raising drought awareness, with prohibitions focused on reducing outdoor water use, enforceable by local agencies and the State Water Board, generally with warning letters, mandatory water use audits, and fines. In January 2023, the State Water Board adopted its first five-year temporary groundwater recharge permit, in addition to adopting new statewide sanitary sewer orders and appointing eleven members to the Advisory Group on Safe Drinking Water Funding. Local agencies can impose and enforce their own drought conservation rules.

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

Public Health Emergencies. In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, the World Health Organization announced the official name for the outbreak of the disease known as COVID-19 ("**COVID-19**"), an upper respiratory tract illness, that spread across the world and materially impacted the global economy. While the national and global health emergencies have passed, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the District's operations and finances. In addition, the District cannot predict

whether future pandemics will occur and whether any such pandemics may impact its finances or operations. As of this date, several vaccines have been provided approval by federal health authorities and are widely available, and both the national emergency and state of emergency have officially ended, and the World Health Organization declared an end to the COVID-19 global health emergency.

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

TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2025-26

<u>Jurisdiction:</u>	<u>Assessed Valuation in District</u>	<u>% of District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in District</u>
City of Murrieta	\$5,121,748	0.01%	\$19,800,077,681	0.03%
City of Temecula	23,326,035,479	66.88	23,328,201,342	99.99
Unincorporated Riverside County	<u>11,548,216,090</u>	<u>33.11</u>	75,438,139,524	15.31
Total District	\$34,879,373,317	100.00%		
Riverside County	\$34,879,373,317	100.00%	\$450,641,568,216	7.74%

Source: California Municipal Statistics, Inc.

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

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

	2025-26 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
<u>Non-Residential:</u>				
Agricultural/Rural	\$ 781,252,990	2.30%	915	1.69%
Commercial/Office	3,368,386,114	9.94	902	1.66
Vacant Commercial	337,297,830	1.00	333	0.61
Industrial	1,969,748,724	5.81	651	1.20
Vacant Industrial	1,506,915	0.00	7	0.01
Recreational	60,812,634	0.18	48	0.09
Government/Social/Institutional	\$192,152,086	0.57	154	0.28
Miscellaneous	14,210,285	0.04	37	0.07
Other Vacant	<u>146,424,998</u>	<u>0.43</u>	<u>783</u>	<u>1.45</u>
Subtotal Non-Residential	\$6,871,792,576	20.27%	3,830	7.07%
<u>Residential:</u>				
Single Family Residence	\$23,373,935,197	68.95%	43,759	80.77%
Condominium/Townhouse	1,600,929,833	4.72	4,025	7.43
Mobile Homes/ Lots	292,504,222	0.86	797	1.47
Mobile Home Park	22,662,554	0.07	4	0.01
2-4 Residential Units	18,670,319	0.06	20	0.04
5+ Residential Units/Apartments	1,420,290,094	4.19	55	0.10
Vacant Residential	<u>297,085,903</u>	<u>0.88</u>	<u>1,687</u>	<u>3.11</u>
Subtotal Residential	\$27,026,078,122	79.73%	50,347	92.93%
Total	\$33,897,870,698	100.00%	54,177	100.00%

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

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

**TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2025-26**

	<u>No. of Parcels</u>	<u>2025-26 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	43,759	\$23,373,935,197	\$534,151	\$496,834

<u>2025-26 Assessed Valuation</u>	<u>No. of Parcels ⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$49,999	45	0.103%	0.103%	\$ 1,432,544	0.006%	0.006%
\$50,000 - \$99,999	204	0.466	0.569	16,038,625	0.069	0.075
\$100,000 - \$149,999	310	0.708	1.277	39,359,786	0.168	0.243
\$150,000 - \$199,999	767	1.753	3.030	137,930,919	0.590	0.833
\$200,000 - \$249,999	2,007	4.586	7.617	456,816,958	1.954	2.788
\$250,000 - \$299,999	3,049	6.968	14.584	840,891,234	3.598	6.385
\$300,000 - \$349,999	3,348	7.651	22.235	1,087,305,692	4.652	11.037
\$350,000 - \$399,999	3,629	8.293	30.529	1,363,212,374	5.832	16.869
\$400,000 - \$449,999	4,236	9.680	40.209	1,802,142,608	7.710	24.579
\$450,000 - \$499,999	4,572	10.448	50.657	2,172,113,275	9.293	33.872
\$500,000 - \$549,999	4,073	9.308	59.965	2,135,775,165	9.137	43.010
\$550,000 - \$599,999	3,586	8.195	68.160	2,059,875,592	8.813	51.822
\$600,000 - \$649,999	3,151	7.201	75.360	1,967,415,510	8.417	60.239
\$650,000 - \$699,999	2,725	6.227	81.588	1,836,939,309	7.859	68.098
\$700,000 - \$749,999	2,039	4.660	86.247	1,475,437,204	6.312	74.411
\$750,000 - \$799,999	1,591	3.636	89.883	1,231,419,266	5.268	79.679
\$800,000 - \$849,999	1,065	2.434	92.317	877,155,130	3.753	83.432
\$850,000 - \$899,999	779	1.780	94.097	680,473,266	2.911	86.343
\$900,000 - \$949,999	557	1.273	95.370	513,984,228	2.199	88.542
\$950,000 - \$999,999	385	0.880	96.250	374,606,660	1.603	90.145
\$1,000,000 and greater	<u>1,641</u>	<u>3.750</u>	100.000	<u>2,303,609,852</u>	<u>9.855</u>	100.000
	43,759	100.000%		\$23,373,935,197	100.000%	

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

Reassessments and Appeals of Assessed Value

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

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

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the applicable County board of equalization or assessment appeals board. In most cases, the appeal is

filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value.

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

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

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

Tax Rates

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

TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
Typical Total Tax Rates per \$100 of Assessed Valuation
(Tax Rate Area 13-004)⁽¹⁾
Fiscal Years 2021-22 through 2025-26

	2021-22	2022-23	2023-24	2024-25	2025-26
General Tax Rate	\$1.00000	\$1.00000	\$1.00000	\$1.00000	\$1.00000
Temecula Valley Unified School District	.02389	.02389	.02389	.01924	.01498
Mount San Jacinto Community College District	.01320	.01320	.01320	.00268	.00254
Eastern Municipal Water District I.D. U-8	.00200	.00150	.00150	.00150	.00120
Metropolitan Water District	.00350	.00350	.00350	.00700	.00700
Total Tax Rate	\$1.04259	\$1.04209	\$1.04209	\$1.03042	\$1.02572
Riverside County Water District State Water Project	\$0.30000	\$0.30000	\$0.30000	\$0.30000	\$0.30000
Total Land Only Tax Rate	\$0.30000	\$0.30000	\$0.30000	\$0.30000	\$0.30000

(1) 2025-26 assessed valuation of TRA 13-004 is \$7,030,916,344, which is 20.16% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

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

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

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

Finally, 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.

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

So long as the Teeter Plan remains in effect with respect to the District, the District’s receipt of revenues with respect to the levy of *ad valorem* property taxes on the secured roll will not be dependent upon actual collections of the *ad valorem* property taxes by the County.

Notwithstanding the above, the table below shows secured tax charges and delinquency rates for recent fiscal years.

TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2021-22 through 2024-25

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Delinquent June 30	% Delinquent June 30
2021-22	\$6,235,452.94	\$55,554.28	0.89%
2022-23	6,780,203.81	77,506.77	1.14
2023-24	7,203,074.22	113,197.15	1.57
2024-25	6,184,998.75	102,420.33	1.66

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

Top 20 Property Owners

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

TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
Top 20 Secured Property Taxpayers
Fiscal Year 2025-26

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2025-26 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1. Temecula Towne Center Associates	Shopping Center	\$ 181,606,492	0.54%
2. Temecula Valley Hospital Inc.	Medical Buildings	141,558,223	0.42
3. Solana Winchester LLC	Apartments	131,742,770	0.39
4. Solana Ridge	Apartments	108,539,011	0.32
5. BREIT MF Campanula Way	Apartments	101,180,448	0.30
6. Advanced Cardiovascular Systems Inc.	Industrial	101,045,509	0.30
7. CRP-GREP Upper Temecula Owner	Apartments	93,935,713	0.28
8. 42200 Moraga Road	Apartments	87,109,570	0.26
9. Cape May Temecula Apartments	Apartments	84,382,760	0.25
10. Foothills at Old Town	Apartments	84,133,562	0.25
11. RTA Rancho Highlands	Apartments	81,838,258	0.24
12. Circuit City Stores West Coast Inc.	Shopping Center	70,879,555	0.21
13. Redhawk Towne Center II	Shopping Center	70,725,844	0.21
14. Temecula Village Dev	Apartments	69,926,817	0.21
15. 41915 Business Park Drive	Industrial	68,666,398	0.20
16. Tuscany Ridge Temecula	Apartments	67,049,479	0.20
17. 29605 Solana Way	Apartments	63,054,952	0.19
18. Kimco Palm Plaza	Shopping Center	61,833,019	0.18
19. LIPT Winchester Road Inc.	Shopping Center	61,293,059	0.18
20. Morsilver LP	Industrial	61,229,379	0.18
		<u>\$1,791,730,818</u>	<u>5.29%</u>

(1) 2025-26 Local secured assessed valuation: \$33,897,870,698.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

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

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

**TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
(Debt Issued as of April 1, 2026)**

2025-26 Assessed Valuation: \$34,879,373,317

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 4/1/26</u>	
Metropolitan Water District	0.798%	\$ 128,039	
Mount San Jacinto Community College District	23.174	54,018,594	
Temecula Valley Unified School District	100.000	154,227,578	(1)
Temecula Valley Unified School District Community Facilities Districts	100.000	73,855,000	
Temecula Valley Unified School District Community Facilities District No. 2005-1H	100.000	1,700,000	(2)
Eastern Municipal Water District, I.D. Nos. 22, 24 & U-8	0.097-92.546	1,763,889	
Eastern Municipal Water District Community Facilities Districts	100.000	106,038,659	
City of Temecula Community Facilities Districts	100.000	109,780,180	
Riverside County Community Facilities District No. 07-2	20.909	11,376,587	
City and Special District 1915 Act Bonds	100.000	<u>2,535,000</u>	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$515,423,526	
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	7.740%	\$ 85,344,861	
Riverside County Pension Obligation Bonds	7.740	42,685,713	
City of Murrieta General Fund Obligations	0.026	<u>355</u>	
TOTAL OVERLAPPING GENERAL FUND DEBT		\$128,030,929	
<u>OVERLAPPING TAX INCREMENT DEBT:</u>			
Successor Agency to Riverside County Redevelopment Agency	0.393-2.054%	\$ 2,012,928	
Successor Agency to Temecula Redevelopment Agency	100.000	<u>56,995,000</u>	
TOTAL OVERLAPPING TAX INCREMENT DEBT		\$59,007,928	
COMBINED TOTAL DEBT		\$702,462,383	(3)

Ratios to 2025-26 Assessed Valuation:

DIRECT DEBT (\$154,227,578)	0.44%
Total Direct and Overlapping Tax and Assessment Debt	1.48%
Combined Total Debt	2.01%

Ratios to Redevelopment Incremental Valuation (\$2,964,166,211):

Overlapping Tax Increment Debt	1.99%
--------------------------------------	-------

(1) Excludes the Bonds offered for sale hereunder; includes Refunded Bonds to be refunded.
 (2) Property in Community Facilities District No. 2005-1H was transferred from Hemet Unified School District to Temecula Valley Unified School District in fiscal year 2015-16.
 (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
 Source: California Municipal Statistics, Inc.

TAX MATTERS

Tax Exemption

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

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

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

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

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

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

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

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

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

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

CERTAIN LEGAL MATTERS

Legality for Investment

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

Litigation

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

Claims and Lawsuits Against Public School Districts Generally. The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District, including with respect to Assembly Bill 218 (“**AB 218**”). Enacted in 2020, AB 218 extended the statute of limitations for survivors of childhood sexual assault to file civil claims and introduced a three-year revival window for previously time-barred cases. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future, including but not limited to claims relating to health issues and pandemics, or claims that may be made available by future legislation.

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall LLP, as Bond Counsel and Disclosure Counsel to the District, Fieldman, Rolapp & Associates, Inc., as Municipal Advisor to the District, and Kutak Rock LLP, as counsel to the Underwriter, are contingent upon issuance of the Bonds.

MUNICIPAL ADVISOR

The District has retained Fieldman, Rolapp & Associates, Inc. (the “**Municipal Advisor**”), as municipal advisor in connection with the issuance and sale of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement or any of the other legal documents and, further, the Municipal Advisor does not assume any responsibility for the information, covenants and representations with respect to the federal income tax status of the Bonds, or the possible impact of any current, pending or future actions taken by any legislative or judicial bodies or rating agencies.

CONTINUING DISCLOSURE

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

The District has prior undertakings pursuant to the Rule. In the previous five years, the District has not failed to materially comply with its existing continuing disclosure undertakings. The District has engaged Special District Financing & Administration, to serve as its dissemination agent with respect to prior undertakings, as well as with respect to the Bonds. Neither the County nor any other entity other than the District shall have any obligation or incur any liability whatsoever with respect to the performance of the District’s duties regarding continuing disclosure.

ESCROW VERIFICATION

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

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

RATING

Moody's Investor Services ("**Moody's**") has assigned a rating of "Aa1" to the Bonds. Such rating reflects only the views of Moody's and an explanation of the significance of such rating may be obtained only from Moody's. The District has provided certain additional information and materials to Moody's (some of which does not appear in this Official Statement because it has been considered not material to making an investment decision in the Bonds). There is no assurance that such rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by Moody's, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

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

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"). The Underwriter has agreed to purchase the Bonds at a price of \$_____ which is equal to the aggregate principal amount of the Bonds of \$_____, plus [net] original issue premium of \$_____, and less an Underwriter's discount of \$_____.

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

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

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

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend

to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

ADDITIONAL INFORMATION

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

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

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

EXECUTION

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

**TEMECULA VALLEY UNIFIED SCHOOL
DISTRICT**

By: _____
Assistant Superintendent,
Business Support Services

APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

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

GENERAL INFORMATION

The District. The District was organized as a unified school district in 1989 and provides public education for grades transitional kindergarten ("TK") through twelve within an area of approximately 213 square miles located in the southwest portion of Riverside County (the "**County**"), in the State of California (the "**State**"). The District boundaries encompass a portion of the City of Temecula representing approximately two-thirds of the assessed value of properties within the boundaries of the City of Temecula, with the balance of the boundary encompassing the unincorporated area of the County and a small area within the City of Murrieta, serving a population of approximately 176,212 residents. The District currently maintains 17 elementary schools, six middle schools, one TK-8 school, three comprehensive high schools, one alternative education program, one continuation high school, and an adult school. Enrollment in the District for the 2025-26 school year is approximately 26,267 students, excluding charter school enrollment.

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

Charter Schools

There are currently three charter schools that are operated by the District and one independent charter school operating in the boundaries of the District. The District can make no representations as to whether additional charter schools will be established within the boundaries of the District, the amount of any future transfers of students from the District to charter schools, and the corresponding financial impact on the District. Fiscally independent charter schools are not included in the District's historical financial statements, and the District's financial statements do not include any charter schools.

Charter schools are largely independent schools operating as part of the public school system created pursuant to Part 26.8 (beginning with Section 47600) of Division 4 of Title 2 of the State Education Code (the "**Charter School Law**"). A charter school is usually created or organized by a group of teachers, parents and community leaders, or a community-based organization, and the petition for a charter school's creation approved by an existing local public school district, a county board of education, or the State Board of Education.

A charter school is generally exempt from the laws governing school districts, except

where specifically noted in the law. The Charter School Law acknowledges that among its intended purposes are: (i) to provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system; (ii) to hold schools accountable for meeting measurable pupil outcomes and provide schools a way to shift from a rule-based to a performance-based system of accountability; and (iii) to provide competition within the public school system to stimulate improvements in all public schools.

Administration

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

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Dr. Joseph Komrosky	President	December 2026
Dr. Melinda Anderson	Clerk	December 2028
Jennifer Wiersma	Vice Clerk	December 2026
Emil Barham	Member	December 2026
Steven Schwartz	Member	December 2028

Administration. The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Dr. Kimberly Velez currently serves as the Superintendent of the District, and Nicole Lash as the Assistant Superintendent, Business Support Services. Kevin Brejnak is the Executive Director, Business Support Services.

Employee Relations

For fiscal year 2025-26 the District has approximately 1,478 certificated full-time equivalent (“FTE”) employees, 1,235 classified FTE employees, and 148 management FTE employees.

The employees of the District are represented by various bargaining units, as follows:

<u>Employee Group</u>	<u>Representation</u>	<u>Contract Expiration Date</u>
Certificated	Temecula Valley Educators Association	June 30, 2027
Classified	California School Employees Association	June 30, 2025*

* Employees continue to operate under expired contracts during negotiations.
 Source: Temecula Valley Unified School District.

Recent Enrollment Trends

The following table shows enrollment history for the District, with projection figures for fiscal year 2025-26.

ANNUAL ENROLLMENT⁽¹⁾
Fiscal Years 2020-21 through 2025-26
Temecula Valley Unified School District

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>% Change</u>
2020-21	26,710	--%
2021-22	26,562	(0.6)
2022-23	26,538	(0.1)
2023-24	26,491	(0.2)
2024-25	26,298	(0.7)
2025-26 ⁽²⁾	26,267	(0.1)

(1) Excludes charter school enrollment.

(2) Budgeted.

Source: California Department of Education for 2020-21 through 2024-25;
Temecula Valley Unified School District for 2025-26.

FINANCIAL INFORMATION

Education Funding Generally

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

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

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

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

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

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

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

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

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

Source: California Department of Education.

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

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the State Budget for fiscal year 2013-14 created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

District Accounting Practices

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

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

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

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's June 30, 2025 audited financial statements were prepared by Eide Bailly LLP, Rancho Cucamonga, California, and are attached to the Official Statement as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Office of the Assistant Superintendent, Business Support Services. The District has not requested, and the auditor has not provided, any review or update of such financial statements in connection with inclusion in this Official Statement.

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

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

<u>Revenues</u>	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24	Audited 2024-25
LCFF	\$245,170,521	\$258,133,006	\$288,395,080	\$306,139,800	\$303,930,018
Federal Revenues	24,848,302	19,771,916	23,549,147	26,479,095	12,467,829
Other state revenues	56,438,374	69,340,549	94,171,371	73,173,351	74,133,921
Other local revenues	6,172,582	7,656,074	14,523,509	21,392,842	22,236,055
Total Revenues	332,629,779	354,901,545	420,639,107	427,185,088	412,767,823
<u>Expenditures</u>					
Instruction	213,301,199	224,511,326	241,042,363	267,259,827	286,574,973
Instruction-related services:					
Supervision of instruction	8,100,526	8,756,919	12,056,446	11,157,157	13,110,836
Instructional library, media and tech.	3,030,271	3,241,219	3,337,858	3,675,954	3,823,134
School site administration	16,068,790	16,983,046	18,222,967	21,089,826	21,746,471
Pupil services:					
Home-to-school transportation	5,681,131	6,724,051	7,935,821	9,694,325	9,958,025
Food services	9,737	23,032	71,829	453,243	537,779
All other pupil services	21,035,729	22,759,356	25,854,429	29,374,831	31,720,199
Administration:					
Data processing	2,961,141	3,187,663	3,104,930	3,382,426	3,812,991
All other administration	13,100,029	12,386,788	15,166,636	19,218,295	17,683,648
Plant services	23,320,564	27,902,696	32,101,966	39,313,243	37,096,392
Facility acquisition and construction	74,263	1,599,860	7,878,918	9,109,116	4,615,275
Ancillary services	574,746	359,463	274,650	456,752	572,321
Community services	136,026	281,263	394,331	551,644	612,328
Enterprise activities	2,454,295	2,832,954	3,114,516	4,081,866	4,436,706
Other outgo	587,997	608,483	604,690	653,469	748,833
Debt service: principal	293,167	293,395	595,561	219,280	4,334,640
Debt service: interest	30,914	29,135	44,679	42,466	51,594
Total Expenditures	310,760,525	332,480,649	371,802,590	419,733,720	441,436,145
Excess of Revenues Over/(Under) Expenditures	21,869,254	22,420,896	48,836,517	7,451,368	(28,668,322)
<u>Other Financing Sources (Uses)</u>					
Transfers in	--	--	--	4,058,255 ⁽²⁾	--
Other sources	--	--	--	855,972	9,261,063
Other sources-Leases	--	--	180,374	--	100,321
Other sources-SBITAs	--	--	241,410	--	--
Transfers out ⁽³⁾	(2,413,160)	(2,579,444)	--	(7,798,973)	--
Total Other Financing Sources (Uses)	(2,413,160)	(2,579,444)	421,784	(2,884,746)	9,361,384
Net change in fund balance	19,456,094	19,841,452	49,258,301	4,566,622	(19,306,938)
Fund Balance, July 1	71,460,111	90,916,205	110,757,657	160,015,958	164,582,580
Fund Balance, June 30	\$90,916,205	\$110,757,657	\$160,015,958	\$164,582,580	\$145,275,642

(1) Totals may not foot due to rounding.

(2) Proceeds received from issuance of special tax revenue refunding bonds.

(3) Transfers out generally attributed to the consolidation of the District's Deferred Maintenance Fund, for reporting purposes into the District's General Fund.

Source: Audited financial statements of the District.

District Budget and Interim Financial Reporting

Budgeting and Interim Reporting Procedures. State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Riverside County Superintendent of Schools (the "**County Superintendent**"). The County Superintendent is independent from and not a part of the organizational structure of the County.

The County Superintendent must review and approve or disapprove the budget no later than September 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

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

A State law adopted in 1991 ("**A.B. 1200**") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal

year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

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

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

Copies of the District's budget, interim reports and certifications may be obtained upon request from the District Office at Temecula Valley Unified School District, 31350 Rancho Vista Road, Temecula California 92592, Telephone: (951) 676-2661. The District may impose charges for copying, mailing and handling.

District's General Fund. The following table shows the general fund figures for the District for fiscal year 2025-26 (adopted budget and second interim projections).

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

	Adopted Budget 2025-26	Second Interim 2025-26
Revenues		
Total LCFF Sources	\$315,104,902	\$316,130,307
Federal Revenues	11,635,963	11,543,790
Other state revenues	77,640,827	79,244,119
Other local revenues	13,251,093	15,173,035
Total Revenues	417,632,785	422,091,251
Expenditures		
Certificated Salaries	189,730,299	188,840,359
Classified Salaries	73,922,836	73,960,572
Employee Benefits	106,858,346	106,449,929
Books and Supplies	15,718,203	18,975,420
Services and Other Operating Expenditures	35,791,846	36,113,184
Capital Outlay	6,744,896	8,759,714
Other Outgo (excluding transfers of indirect costs)	5,028,674	4,942,853
Other Outgo	(259,209)	(259,741)
Total Expenditures	433,535,891	437,782,290
Excess of Revenues Over/(Under) Expenditures	(15,903,106)	(15,691,039)
Other Financing Sources (Uses)		
Operating transfers in		
Operating transfers out ⁽¹⁾	(4,176,983)	(4,176,983)
Other sources		
Contributions		
Total Other Financing Sources (Uses)	(4,176,983)	(4,176,983)
Net change in fund balance	(20,080,089)	(19,868,022)
Fund Balance, July 1	144,224,549	144,224,549
Fund Balance, June 30 ⁽²⁾⁽³⁾	\$124,144,460	\$124,356,527

(1) Reflects transfers to the District's Deferred Maintenance Fund, for accounting purposes.

(2) Columns may not sum to totals due to rounding.

(3) The District's reserves are not accounted for in its General Fund for purposes of budgeting and projections. As such, beginning and ending fund balance figures do not correspond with presentation of audited financial statements in the previous table, because the District's audits account for reserve funds within the General Fund.

Source: Temecula Valley Unified School District.

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

Under State law, there are certain restrictions on the amounts that can be held in reserve by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or school districts funded as Basic Aid school districts. When applicable, the reserve cap requires that a school district's adopted or

revised budget not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the State’s Public School System Stabilization Account and is triggered in any fiscal year in which the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period, if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multi-year infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap has not been triggered for fiscal year 2025-26.

Attendance - LCFF Funding

Funding Trends under LCFF. As described herein, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth recent LCFF funding per ADA for the District for fiscal years 2020-21 through 2025-26.

**TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
ADA and LCFF Funding
Fiscal Years 2020-21 through 2025-26**

Fiscal Year	ADA	LCFF Funding Per ADA
2020-21	26,736	\$9,170
2021-22	24,476	10,547
2022-23	24,711	11,671
2023-24	24,748	12,370
2024-25	24,798	12,256
2025-26 ⁽¹⁾	24,982	12,654

⁽¹⁾ Second interim projection.
Source: California Department of Education for fiscal years 2020-21 through 2023-24; Temecula Valley Unified School District for fiscal years 2024-25 through 2025-26.

District’s Unduplicated Student Count. Under LCFF, school districts are entitled to supplemental funding based on the unduplicated count of targeted students. The District’s percentage of unduplicated students is approximately 39% for purposes of calculating supplemental and concentration grant funding under LCFF. Recent federal deportation efforts may pose a risk to school districts relying on revenue from the LCFF. With the exception of community supported districts, school districts rely heavily on student attendance and enrollment, including Supplemental and Concentration Grant add-ons for serving a high percentage of English language learner and low-income students. If undocumented students, or students who have parents or caretakers that are undocumented or have been granted temporary status, face deportation, districts may experience a decrease in student enrollment or ADA. The District cannot predict potential changes to enrollment or attendance in response to such deportation efforts.

Revenue Sources

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

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

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

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

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

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

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

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

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

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

District Retirement Systems

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

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

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

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

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

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

Source: STRS.

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

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

STRS CONTRIBUTIONS
Temecula Valley Unified School District
Fiscal Years 2020-21 through 2025-26

Fiscal Year	Amount
2020-21	\$23,299,905
2021-22	25,075,292
2022-23	31,464,889
2023-24	34,765,882
2024-25	36,079,579
2025-26 ⁽¹⁾	52,928,741

(1) Second interim projection. Includes State on-behalf contributions.
Source: Temecula Valley Unified School District.

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

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

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

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

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

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

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

**PERS EMPLOYER CONTRIBUTIONS
Temecula Valley Unified School District
Fiscal Years 2020-21 through 2025-26**

Fiscal Year	Amount
2020-21	\$8,515,776
2021-22	10,193,361
2022-23	12,728,935
2023-24	15,669,288
2024-25	17,172,052
2025-26 ⁽¹⁾	17,111,869

(1) Second interim projection.
Source: Temecula Valley Unified School District.

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

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

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

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

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

Additional Information - STRS and PERS. Additional information regarding the District's retirement programs is available in Note 16 to the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811.

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

Other Post-Employment Retirement Benefits

Plan Description. The District's Governing Board administers the Postemployment Benefits Plan (the "**Plan**") as a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions ("**OPEB**") for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. In addition, some qualified certificated employees are participants in the Medicare Premium Payment Program, a cost-sharing defined benefit program administered through STRS. The District provides medical benefits to eligible retirees based on their various hire and retirement dates. As of June 30, 2025, membership of the Plan consisted of 213 retirees receiving benefits and 2,571 active Plan members. See "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDING JUNE 30, 2025 - Note 12- Other Postemployment Benefits (OPEB) Liability."

Contributions. The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Temecula Valley Education Association (“TVEA”), the local California Service Employees Association (“CSEA”), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, TVEA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2024, the District paid \$2,137,282 in benefits.

Total OPEB Liability and Actuarial Assumptions. The District’s total OPEB liability of \$28,056,117 was measured as of June 30, 2024 and was determined by an actuarial valuation as of the same date, using the following actuarial methods and assumptions, applied to all period unless otherwise specified: discount rate of 3.93%, based on the Bond Buyer 20-Bond General Obligation Index, inflation of 2.50%, salary increases of 3.00%, average, including inflation, and healthcare trend rate was 6.00% gradually decreasing to 3.9%.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District as shown in the District’s audited financial statements ending June 30, 2025, is shown in the following table:

**CHANGES IN TOTAL OPEB LIABILITY
Temecula Valley Unified School District**

Balance at June 30, 2023 (measurement date)	<u>\$30,911,778</u>
Changes for the year	
Service cost	1,806,042
Interest	1,155,195
Difference between expected and actual experience	(2,098,180)
Changes of assumptions	(1,581,436)
Benefit payments	<u>(2,137,282)</u>
Net changes	<u>(2,855,661)</u>
Balance at June 30, 2024 (measurement date)	<u>\$28,056,117</u>

Source: Temecula Valley Unified School District.

OPEB Expense. For the year ended June 30, 2025, the District recognized an OPEB expense of \$1,945,209.

For more information regarding the Plan, benefits provided and assumptions used in its most recent actuarial study, see Note 12 of APPENDIX B to the Official Statement.

Insurance – Joint Powers Agreement

The District is a member of the Riverside Schools' Insurance Authority (“RSIA”); the Self-Insured Schools of California III (“SISC III”); and the Joint Educational Transit of Riverside County joint powers authorities (“JPA's”). The District pays an annual amount to each entity for its employee medical benefits and property and liability coverage and other services. The relationships between the District and the JPA's are such that they are not component units of the District for financial reporting purposes.

During the fiscal year ended June 30, 2025, the District made payments of \$3,586,842 and \$13,101,092 to RSIA and SISC III, respectively, for the services noted.

For additional information about the District’s risk management and involvement with the JPAs, see Notes 15 and 18 of the District’s audited financial statements for fiscal year ended June 30, 2025, attached to the Official Statement as APPENDIX B.

Disclaimer Regarding Cyber Risks

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

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

Existing Debt Obligations

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

SUMMARY OF OUTSTANDING GENERAL OBLIGATION BONDS Temecula Valley Unified School District

Dated Date	Series	Principal Outstanding April 1, 2026
05/18/2016	2012 Election, Series 2016-B*	\$29,252,578
11/07/2018	2012 Election, Series 2018-C*	32,945,000
06/16/2021	2012 Election, Series 2021-D	53,190,000
06/16/2021	2021 Refunding Bonds	38,840,000
Total		\$154,227,578

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

Source: The District; the Municipal Advisor

Special Tax Revenue Bonds. The Temecula Valley Unified School District Financing Authority (“TVUSD FA”) was created to purchase the Community Facility Districts’ (“CFD”) debt. On February 26, 2015, the TVUSD FA issued \$55,350,000 of 2015 Special Tax Revenue Bonds. The bonds purchased the debt for CFDs 2000-1, 2002-1 Improvement Area 2, 2002-2, 2003-2, 2004-1 Improvement Area A, and 2005-1. On December 3, 2024, the TVUSD FA issued \$42,110,000 of 2024 Special Tax Refunding Revenue Bonds to refinance the existing obligations of 2015 Special Tax Revenue bonds and to purchase the debt for CFD 2001-1 Improvement Area 1 and CFD 2002-1 Hemet. The refunding resulted in a cumulative cash flow saving of \$5,531,953 over the life of the new debt and an economic gain of \$4,393,231 based on the difference between the present value of the existing debt service requirements and the new debt service requirement discounted at 3.00%.

On June 30, 2025, the principal balance outstanding on the 2024 Special Tax Refunding Revenue Bonds was \$42,110,000. The 2024 Special Tax Revenue Bonds mature as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$2,675,000	\$2,038,625	\$4,713,625
2027	2,300,000	1,914,250	4,214,250
2028	2,435,000	1,792,875	4,227,875
2029	2,590,000	1,670,250	4,260,250
2030	2,735,000	1,537,125	4,272,125
2031-2035	15,870,000	5,410,250	21,280,250
2036-2040	12,545,000	1,535,125	14,080,125
2041	960,000	24,000	984,000
Total	\$42,110,000	\$15,922,500	\$58,032,500

Source: Temecula Valley Unified School District.

Leases. The District has entered into various agreements to lease vehicles. As of June 30, 2025, the District recognized right-to-use assets totaling \$173,838 and lease liabilities totaling \$182,843 related to these agreements. The District is required to make principal and interest payments through December 2027 and the lease agreements have discount rates ranging from 4.4% to 7.7%. The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2025 are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$56,899	\$9,177	\$66,076
2027	60,771	5,305	66,076
2028	28,915	2,339	31,254
2029	21,391	1,233	22,624
2030	14,867	217	15,084
Total	\$182,843	\$18,271	\$201,114

Source: Temecula Valley Unified School District.

Financed Purchase Agreements. The District has entered into various financed purchase agreements for the financing of building improvements and equipment. The agreements bear interest rates ranging from 0.00 to 3.87% with payment terms ranging from 4 to 6 years, and the agreements have a final maturity date occurring in June 2030. As of June 30, 2025, the principal balance outstanding on the agreements was \$5,774,942.

The remaining principal and interest payment requirements for the financed purchase agreements as of June 30, 2025 are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$4,178,224	\$22,374	\$4,200,598
2027	633,200	14,986	648,186
2028	640,901	7,286	648,187
2029	296,639	1,910	298,549
2030	25,978	598	26,576
Total	\$5,774,942	\$47,154	\$5,822,096

Source: Temecula Valley Unified School District.

Compensated Absences. Total unpaid employee compensated absences as of June 30, 2025, amounted to \$22,812,312. This amount is included as part of long-term liabilities in the government-wide financial statements.

Investment of District Funds

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

Effect of State Budget on Revenues

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

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

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

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

State Funding of Education Generally

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

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

The State Budget Process

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

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

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

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

Resources Relating to State Budgets

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

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

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

The 2025-26 State Budget

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The 2026-27 State Budget Proposal

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

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

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

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

The Governor’s May Revision, expected in mid-May 2026, will update the proposal to reflect revised economic conditions, revenue estimates, outlooks and other estimates and assumptions, and may modify or eliminate policy initiatives included in the 2026-27 State Budget Proposal.

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

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

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

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

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

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

Disclaimer Regarding State Budgets

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

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

Legal Challenges to State Funding of Education

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

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

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

Constitutionally Required Funding of Education

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

Article XIII A of the California Constitution

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

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

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

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

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

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

Article XIII B of the California Constitution

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

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

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

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

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

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

Unitary Property

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

Articles XIII C and XIII D of the California Constitution

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

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

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

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

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

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

Proposition 98

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

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

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

Proposition 111

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

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

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

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

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

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

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

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

Proposition 39

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

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

Proposition 1A and Proposition 22

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

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

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

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

Proposition 30 and Proposition 55

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

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

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

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

Proposition 2

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

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

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

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

Proposition 19

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

Proposition 2 (2024)

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

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

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

Future Initiatives

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

APPENDIX B

**TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2024-25**

[THIS PAGE INTENTIONALLY LEFT BLANK]

Financial Statements
June 30, 2025

Temecula Valley Unified School District

Independent Auditor’s Report	1
Management’s Discussion and Analysis	7
Government-Wide Financial Statements	
Statement of Net Position	18
Statement of Activities.....	19
Governmental Fund Financial Statements	
Balance Sheet – Governmental Funds	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Proprietary Fund Financial Statements	
Statement of Net Position – Proprietary Funds.....	28
Statement of Revenues, Expenses, and Change in Net Position – Proprietary Funds	29
Statement of Cash Flows – Proprietary Funds.....	30
Fiduciary Fund Financial Statements	
Statement of Net Position – Fiduciary Funds	31
Statement of Changes in Net Position – Fiduciary Funds	32
Notes to Financial Statements	33
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	78
Schedule of Changes in the District’s Total OPEB Liability and Related Ratios	79
Schedule of the District’s Proportionate Share of the Net OPEB Liability – MPP Program	80
Schedule of the District’s Proportionate Share of the Net Pension Liability - CalSTRS	81
Schedule of the District’s Proportionate Share of the Net Pension Liability - CalPERS	82
Schedule of the District’s Contributions - CalSTRS	83
Schedule of the District’s Contributions - CalPERS	84
Notes to Required Supplementary Information	85
Supplementary Information	
Schedule of Expenditures of Federal Awards	87
Schedule of Average Daily Attendance	89
Schedule of Instructional Time	90
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	92
Schedule of Financial Trends and Analysis	93
Schedule of Charter Schools	94
Combining Balance Sheet – Non-Major Governmental Funds	95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds.....	96
Notes to Supplementary Information.....	99

Other Information	
Local Education Agency Organization Structure (Unaudited)	101
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 <i>Government Auditing Standards</i>	102
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance	104
Independent Auditor’s Report on State Compliance and on Internal Control Over Compliance	107
Schedule of Findings and Questioned Costs	
Summary of Auditor’s Results.....	111
Financial Statement Findings	112
Federal Awards Findings and Questioned Costs.....	114
State Awards Findings and Questioned Costs	115
Summary Schedule of Prior Audit Findings.....	116
Management Letter	117



Independent Auditor's Report

To the Governing Board
Temecula Valley Unified School District
Temecula, 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 Temecula Valley Unified School District (the District), as of and for the year ended June 30, 2025, 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 Temecula Valley Unified School District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Correction of an Error

As discussed in Note 19 to the financial statements, an error resulting in a misclassification of Capital Facilities Fund as a nonmajor fund as of June 30, 2024, was discovered during the current year. Accordingly, a restatement has been made to the fund balances of the Capital Facilities Fund and Aggregate Remaining Funds as of July 1, 2024, to correct the errors. Our opinions are not modified with respect to this matter.

Adoption of New Accounting Standard

As discussed in Note 19 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability – MPP program, schedule of the District's proportionate share of the net pension liability - 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 non-major governmental fund financial statements, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.



Rancho Cucamonga, California
December 15, 2025



This section of Temecula Valley Unified School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025, with comparative information for the year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the Temecula Valley Unified School District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

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

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

- The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.
- The *Proprietary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.
- The *Fiduciary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

The Primary unit of the government is the Temecula Valley Unified School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

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

Governmental Activities - The District reports all of its services in this category. This includes the education of kindergarten through grade twelve students, adult education students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, as well as proceeds from debt, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

Proprietary Funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. We use internal service 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 funds are 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, like our funds for the activity of the Community Facility Districts. The District's fiduciary activities are reported in the Fiduciary Fund Financial Statements. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$541,148,544 for the fiscal year ended June 30, 2025. Of this amount, \$(75,828,499) was unrestricted (deficit). Restricted net position is reported separately to show legal constraints from debt covenants, grantors, constitutional provisions, and enabling legislation that limit the governing board's ability to use the net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2025	2024*
Assets		
Current and other assets	\$ 410,695,667	\$ 404,823,167
Capital assets	677,260,967	654,877,630
Total assets	<u>1,087,956,634</u>	<u>1,059,700,797</u>
Deferred outflows of resources	<u>110,189,827</u>	<u>112,934,633</u>
Liabilities		
Current liabilities	47,395,500	30,226,474
Long-term obligations	249,407,022	217,485,752
Total OPEB liability	26,816,439	32,129,284
Aggregate net pension liability	<u>285,433,158</u>	<u>310,820,225</u>
Total liabilities	<u>609,052,119</u>	<u>590,661,735</u>
Deferred inflows of resources	<u>47,945,798</u>	<u>35,713,493</u>
Net Position		
Net investment in capital assets	425,164,020	469,848,066
Restricted	191,813,023	212,632,607
Unrestricted (deficit)	<u>(75,828,499)</u>	<u>(136,220,471)</u>
Total net position	<u>\$ 541,148,544</u>	<u>\$ 546,260,202</u>

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 19 for further information.

The \$(75,828,499) in unrestricted deficit net position represents the accumulated results of all past years' operations. Unrestricted deficit - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements decreased by 44.3% or \$60,391,972.

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 19. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2025	2024*
Revenues		
Program revenues		
Charges for services and sales	\$ 3,589,449	\$ 8,256,460
Operating grants and contributions	103,946,147	127,609,491
Capital grants and contributions	12,755,828	13,182,975
General revenues		
Federal and State aid not restricted	202,265,113	207,776,933
Property taxes	123,723,223	121,292,630
Other general revenues	26,755,776	22,190,577
Total revenues	473,035,536	500,309,066
Expenses		
Instruction-related	315,363,844	296,951,673
Pupil services	38,218,854	38,726,917
Administration	21,986,859	24,037,462
Plant services	38,021,381	32,644,277
Food services	12,263,597	12,062,436
All other services	22,244,881	39,641,315
Total expenses	448,099,416	444,064,080
Change in net position	\$ 24,936,120	\$ 56,244,986

* The expenses for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 19 for further information.

Governmental Activities

As reported in the *Statement of Activities* on page 19, the cost of all of our governmental activities was \$448,099,415. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$123,723,223 because the cost of services in the amount of \$3,589,449 was paid by those who benefited from the program, or by other governments and organizations who subsidized certain programs with grants and contributions (\$116,701,975). We paid for the remaining "public benefit" portion of our governmental activities with \$229,020,888 in Federal and State unrestricted funds and with other revenues, like interest and general entitlements.

In Table 3, we have presented the cost and net cost of each of the District's largest functions: instruction-related, including special instruction programs and other instructional programs, pupil services, administration, plant services, food services, and all other services. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	2025	2024*	2025	2024*
Instruction-related	\$ 315,363,844	\$ 296,951,673	\$ (247,289,309)	\$ (219,560,950)
Pupil services	38,218,854	38,726,917	(34,158,905)	(34,390,795)
Administration	21,986,859	24,037,462	(20,009,471)	(10,368,710)
Plant services	38,021,381	32,644,277	(22,242,501)	(23,784,587)
Food services	12,263,597	12,062,436	5,980,366	6,374,992
All other services	22,244,881	39,641,315	(10,088,172)	(13,285,104)
Total	\$ 448,099,416	\$ 444,064,080	\$ (327,807,992)	\$ (295,015,154)

* The expenses for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 19 for further information.

THE DISTRICT'S FUNDS

As the District completed this school year, our governmental funds reported a combined fund balance of \$307,110,242, which is a decrease of \$22,317,667, or 6.8% from last year (Table 4).

Table 4

Governmental Fund	Balances and Activity			June 30, 2025
	July 1, 2024	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	
General Fund	\$ 164,582,580	\$ 422,129,207	\$ 441,436,145	\$ 145,275,642
Building Fund	33,868,960	1,644,888	28,427,140	7,086,708
County School Facilities Fund	18,982,807	12,121,111	10,992,352	20,111,566
Special Reserve Fund for Capital Outlay Projects	30,694,182	17,009,658	2,250,637	45,453,203
Student Activity Fund	1,825,474	5,022,253	4,601,177	2,246,550
Adult Education Fund	109,969	255,267	323,461	41,775
Cafeteria Fund	18,997,597	19,197,377	13,292,482	24,902,492
Capital Facilities Fund	35,191,796	11,860,555	12,879,517	34,172,834
Capital Projects Fund for Blended Component Units	3,141,255	3,341,832	2,542,477	3,940,610
Bond Interest and Redemption Fund	18,241,561	8,073,727	8,146,931	18,168,357
Debt Service Fund for Blended Component Units	3,791,728	55,185,103	53,266,326	5,710,505
Total	\$ 329,427,909	\$ 555,840,978	\$ 578,158,645	\$ 307,110,242

The primary reasons for these increases/decreases are:

- a. The General Fund ending balance decreased by \$19,306,938 from prior year due to spending down one-time funds. The District has committed to a structural spending deficit for on-going salary increases.
- b. The Building Fund decreased by \$26,782,252 due to the spending down of Bond funds for construction projects throughout the district. Measure Y is planned to be fully spent early in the 2025-2026 fiscal year.
- c. The Capital Facilities Fund decreased by \$1,018,962 from prior year due to the construction from Summit Phase 3.
- d. The Student Activity Fund increased by \$421,076 due to an increase in ASB fundraising activities.
- e. The Adult Education Fund decreased slightly by \$68,194 in association with program cost increases.
- f. The Cafeteria Fund increased by \$5,904,895 due to an increase in federal and state per-meal reimbursement rates to the National School Lunch Program regulations.
- g. The County School Facilities Fund increased by \$1,128,759 due to interest.
- h. The Special Reserve Fund for Capital Outlay increased by \$14,759,021 due to the receipt of the school facilities apportionment for Summit Phase 1 and redevelopment agency funds.

- i. The Capital Project Fund for Blended Component Units increased \$799,355 due to community facility district revenue exceeding debt service requirements.
- j. The Bond Interest and Redemption Fund decreased by \$73,204 due to bond interest and redemption costs exceeding tax collections for the year.
- k. The Debt Service Fund for Blended Component Units increased by \$1,918,777 based on an increased revenue base of property included in community facility districts.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as unexpected changes in revenues and expenditures become known. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 78.)

- Overall budgeted revenues at the time of the adopted budget were \$394.9 million. At year-end, actual revenues were \$412.7 million, a difference of \$17.8 million. The increase was due to higher interest yields, a one-time Tesla battery incentive, an increased allocation for the Expanded Learning Opportunities Program, the receipt of the Golden State Pathways Program allocation, and the accounting entry for the Fair Market Value of cash.
- Overall, budgeted expenditures show an increase of \$20.7 million from adopted budget to actuals. This is due to negotiated salary increases and entering into a second cycle of tech device refreshes.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2025, the District had \$677,260,967 in a broad range of capital assets (net of depreciation and amortization), including land and construction in progress, land improvements, buildings and improvements, furniture and equipment, right-to-use leased assets, and right-to-use subscription IT assets. This amount represents a net increase (including additions, deductions, depreciation, and amortization) of \$22,383,337, or a 3.4% change from last year.

Table 5

	Governmental Activities	
	2025	2024
Land and construction in progress	\$ 153,253,246	\$ 162,813,423
Buildings and improvements	505,872,487	473,902,052
Furniture and equipment	16,914,526	17,781,516
Right-to-use leased assets	173,838	160,492
Right-to-use subscription IT assets	1,046,870	220,147
Total	\$ 677,260,967	\$ 654,877,630

The decrease to Construction in Progress is the result of projects being completed by June 30, 2025. The increase to Buildings and Improvements reflects the added value of the completed projects. The decrease in value to Furniture and Equipment is a result of depreciation during the 2024-2025 fiscal year.

We present more detailed information about our capital assets in the Notes to the financial statements.

Long-Term Liabilities

At the end of this year, the District had \$561,656,619 in long-term liabilities outstanding versus \$567,481,701 last year, a decrease of \$5,825,082, or 1.0%. Long-term liabilities consist of the following:

Table 6

	Governmental Activities	
	2025	2024*
Long-Term Liabilities		
General obligation bonds	\$ 158,920,937	\$ 161,620,039
Special tax revenue bonds	42,110,000	42,650,000
Premiums on issuance	12,629,365	13,903,172
Leases	182,843	169,008
Subscription-based IT arrangements	-	81,648
Financed purchases	5,774,942	680,385
Compensated absences	22,812,312	1,338,156
Claims liability	4,692,309	4,089,784
OPEB liability	29,100,753	32,129,284
Aggregate net pension liability	285,433,158	310,820,225
Total	\$ 561,656,619	\$ 567,481,701

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 19 for further information.

The State limits the amount of general obligation debt that districts can issue, which should not exceed more than five percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt (net of premium) of \$166,439,493 is significantly below this statutorily-imposed limit.

Other liabilities include special tax revenue bonds, leases, subscription-based IT arrangements, financed purchases, compensated absences, claims liability, OPEB liability, and aggregate net pension liability. We present more detailed information regarding our long-term liabilities in Notes of the financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

School districts in California face growing uncertainty in their future budgets as a result of shifting economic, demographic, and policy conditions. Because the state's school-funding system relies heavily on both state tax revenues and local property taxes, fluctuations in the broader economy directly affect how much money districts receive each year. At the same time, rising operational costs, declining student enrollment, and the expiration of temporary funding sources are placing additional pressure on school finances.

Specific factors from the 2025-2026 adopted state budget are outlined below:

Overall TK-14 Education Funding Up \$2 Billion. School and community college spending in California is governed by the rules of Proposition 98. The state meets the Proposition 98 funding requirement through a combination of state General Fund and local property tax revenue. Compared with the June 2024 enacted budget level, the total requirement is up \$3.9 billion across 2024-2025 and 2025-2026. This increase primarily reflects a higher requirement in 2024-2025 due to higher General Fund revenue estimates for the state.

Funds COLA and a Few Other Ongoing Augmentations. The state calculates the statutory COLA each year based on a price index published by the federal government. For 2025-2026, the budget provides \$2.2 billion to cover a 2.3% COLA for existing school programs. For schools, the budget also provides an ongoing increase of \$607 million for the Expanded Learning Opportunities Program which funds before and after school activities and summer enrichment. Although this augmentation will increase the share of districts qualifying for the program's higher "tier 1" funding rate, TVUSD is "tier 2" which may not see an overall benefit.

Funds One-Time Discretionary Grants. For schools, the budget provides \$1.7 billion for the Student Support and Professional Development Discretionary Block Grant with TVUSD receiving \$7.7 million. Districts can use these funds for any local purpose, but trailer legislation encourages them to prioritize teacher training and professional development, teacher recruitment and retention, career pathways for high school students, and dual enrollment programs. The state will distribute funds on an equal per-pupil basis (about \$312 per student). In addition, the budget funds several smaller grants for schools related to learning recovery, teacher training and recruitment, school meals, and career technical education.

Implements Payment Deferrals. The budget reduces spending in 2025-2026 by deferring \$1.9 billion pertaining to schools. The state will implement the school deferral by shifting a portion of the June 2026 apportionment payment to July 2026. The purpose of these deferrals implemented by the State is to free up funding for additional one-time and ongoing spending that would otherwise exceed the available Proposition 98 funding in 2025-2026.

STUDENT ACHIEVEMENT

Students in the Temecula Valley Unified School District continue to demonstrate mastery of state standards in ELA, Math, and Science. TVUSD students outperformed both state and county averages for the percentage of students meeting or exceeding standards,

Percentage of Students- Met of Above Standards			
Subject	Temecula Valley Unified	State of California	County of Riverside
ELA	63.82%	48.82%	44.32%
Math	49.72%	37.30%	29.78%
Science	45.37%	32.66%	26.78%
ELD (Level 4)	20.46%	15.53%	13.94%

Additionally, all grade levels K-5 had a significant increase in students at or above grade level in the 2024-2025 school year on the iReady diagnostic. iReady ELA score indicated 66% of students K-8 were on or above grade level, while in Math, 59% of students K-8 were on or above grade level. The iReady diagnostic test is an adaptive, nationally-normed test of student performance aligned to content standards given three times a year.

The graduation rate in TVUSD continues to improve, reaching 95.8% in the 2024-2025 school year. There was also an increase in the percentage of students who were considered College and Career Ready. 75.3% of students met this criterion for the 2024-2025 school year, an increase of 4.5%.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Assistant Superintendent, Business Support Services, at Temecula Valley Unified School District, 31350 Rancho Vista Road, Temecula, California, 92592, or email nlash@tvusd.us.

Temecula Valley Unified School District

Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>
Assets	
Deposits and investments	\$ 335,448,574
Receivables	27,091,331
Prepaid expense	1,630
Stores inventories	206,205
Lease receivables	2,447,927
Long-term receivables	45,500,000
Capital assets not depreciated or amortized	153,253,246
Capital assets, net of accumulated depreciation and amortization	<u>524,007,721</u>
Total assets	<u>1,087,956,634</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to OPEB	5,231,323
Deferred outflows of resources related to pensions	<u>104,958,504</u>
Total deferred outflows of resources	<u>110,189,827</u>
Liabilities	
Accounts payable	42,645,957
Interest payable	2,805,629
Unearned revenue	1,943,914
Long-term obligations	
Long-term liabilities other than OPEB and pensions due within one year	17,127,922
OPEB liability due within one year	2,284,314
Long-term liabilities other than OPEB and pensions due in more than one year	229,994,786
Other postemployment benefits (OPEB) liability due in more than one year	26,816,439
Aggregate net pension liability	<u>285,433,158</u>
Total liabilities	<u>609,052,119</u>
Deferred Inflows of Resources	
Deferred charge on refunding	3,988,030
Deferred inflows of resources related to OPEB	11,209,061
Deferred inflows of resources related to pensions	30,752,851
Deferred inflows of resources related to leases	<u>1,995,856</u>
Total deferred inflows of resources	<u>47,945,798</u>
Net Position	
Net investment in capital assets	425,164,020
Restricted for	
Debt service	66,573,233
Capital projects	54,284,400
Educational programs	37,105,236
Self-insurance	6,807,389
Child nutrition	24,754,440
Other activities	2,288,325
Unrestricted (deficit)	<u>(75,828,499)</u>
Total net position	<u>\$ 541,148,544</u>

Temecula Valley Unified School District
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 279,303,801	\$ 26,246	\$ 51,132,890	\$ 12,755,828	\$ (215,388,837)
Instruction-related activities					
Supervision of instruction	12,368,956	8,222	3,492,519	-	(8,868,215)
Instructional library, media, and technology	3,588,906	-	89,714	-	(3,499,192)
School site administration	20,102,181	32	569,084	-	(19,533,065)
Pupil services					
Home-to-school transportation	9,548,773	-	249,353	-	(9,299,420)
Food services	12,263,597	209,639	18,034,324	-	5,980,366
All other pupil services	28,670,081	26,268	3,784,328	-	(24,859,485)
Administration					
Data processing	3,749,397	-	-	-	(3,749,397)
All other administration	18,237,462	66,377	1,911,011	-	(16,260,074)
Plant services	38,021,381	2,559,458	13,219,422	-	(22,242,501)
Ancillary services	5,105,734	-	5,034,009	-	(71,725)
Community services	594,194	-	3,315,894	-	2,721,700
Enterprise services	4,134,132	-	(451)	-	(4,134,583)
Interest on long-term liabilities	11,572,044	-	-	-	(11,572,044)
Other outgo	838,777	693,207	3,114,050	-	2,968,480
Total governmental activities	\$ 448,099,416	\$ 3,589,449	\$ 103,946,147	\$ 12,755,828	(327,807,992)
General Revenues and Subventions					
Property taxes, levied for general purposes					113,371,127
Property taxes, levied for debt service					7,157,724
Taxes levied for other specific purposes					3,194,372
Federal and State aid not restricted to specific purposes					202,265,113
Interest and investment earnings					11,552,887
Interagency revenues					30,642
Miscellaneous					15,172,247
Subtotal, general revenues and subventions					352,744,112
Change in Net Position					24,936,120
Net Position - Beginning, as previously reported					546,260,202
Adjustments (Note 19)					(30,047,778)
Net Position - Beginning, as restated					516,212,424
Net Position - Ending					\$ 541,148,544

Temecula Valley Unified School District

Balance Sheet – Governmental Funds

June 30, 2025

	General Fund	Building Fund	County School Facilities Fund
Assets			
Deposits and investments	\$ 162,474,724	\$ 19,013,263	\$ 30,776,709
Receivables	22,000,958	219,876	313,174
Due from other funds	312,311	-	-
Prepaid expenditures	1,630	-	-
Stores inventories	66,928	-	-
Lease receivables	2,447,927	-	-
	<u>187,304,478</u>	<u>19,233,139</u>	<u>31,089,883</u>
Total assets	<u>\$ 187,304,478</u>	<u>\$ 19,233,139</u>	<u>\$ 31,089,883</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 38,149,812	\$ 4,222,340	\$ -
Due to other funds	27,766	7,924,091	10,978,317
Unearned revenue	1,855,402	-	-
	<u>40,032,980</u>	<u>12,146,431</u>	<u>10,978,317</u>
Total liabilities	<u>40,032,980</u>	<u>12,146,431</u>	<u>10,978,317</u>
Deferred Inflows of Resources			
Deferred inflows of resources related to leases	1,995,856	-	-
	<u>1,995,856</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	118,558	-	-
Restricted	37,105,236	7,086,708	20,111,566
Committed	62,889,572	-	-
Assigned	18,665,488	-	-
Unassigned	26,496,788	-	-
	<u>145,275,642</u>	<u>7,086,708</u>	<u>20,111,566</u>
Total fund balances	<u>145,275,642</u>	<u>7,086,708</u>	<u>20,111,566</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 187,304,478</u>	<u>\$ 19,233,139</u>	<u>\$ 31,089,883</u>

Temecula Valley Unified School District

Balance Sheet – Governmental Funds

June 30, 2025

	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Assets			
Deposits and investments	\$ 33,834,404	\$ 77,936,809	\$ 324,035,909
Receivables	647,982	3,799,772	26,981,762
Due from other funds	10,978,317	7,930,857	19,221,485
Prepaid expenditures	-	-	1,630
Stores inventories	-	139,277	206,205
Lease receivables	-	-	2,447,927
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 45,460,703</u>	<u>\$ 89,806,715</u>	<u>\$ 372,894,918</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 7,500	\$ 222,581	\$ 42,602,233
Due to other funds	-	312,499	19,242,673
Unearned revenue	-	88,512	1,943,914
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>7,500</u>	<u>623,592</u>	<u>63,788,820</u>
Deferred Inflows of Resources			
Deferred inflows of resources related to leases	-	-	1,995,856
	<u> </u>	<u> </u>	<u> </u>
Fund Balances			
Nonspendable	-	148,052	266,610
Restricted	-	89,035,071	153,338,581
Committed	-	-	62,889,572
Assigned	45,453,203	-	64,118,691
Unassigned	-	-	26,496,788
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>45,453,203</u>	<u>89,183,123</u>	<u>307,110,242</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 45,460,703</u>	<u>\$ 89,806,715</u>	<u>\$ 372,894,918</u>

Temecula Valley Unified School District
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2025

Total Fund Balance - Governmental Funds		\$ 307,110,242
<p>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.</p>		
The cost of capital assets is	\$ 1,048,414,127	
Accumulated depreciation and amortization is	<u>(371,153,160)</u>	
Net capital assets		677,260,967
<p>Receivables related to Temecula Valley Unified School District Financing Authority are not received in the near term (within a year) and therefore, are not reported as receivables in the governmental funds.</p>		
		45,500,000
<p>In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred.</p>		
		(2,805,629)
<p>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.</p>		
		6,807,389
<p>Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources amounted to and related to pensions at year end consisted of</p>		
Other postemployment benefits (OPEB) liability	5,231,323	
Aggregate net pension liability	<u>104,958,504</u>	
Total deferred outflows of resources		110,189,827
<p>Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported the District's funds. Deferred inflows of resources amount to and related to pensions at year end consisted of</p>		
Deferred charge on refunding	(3,988,030)	
OPEB liability	(11,209,061)	
Aggregate net pension liability	<u>(30,752,851)</u>	
Total deferred inflows of resources		(45,949,942)

Temecula Valley Unified School District
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2025

Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the District's funds.		\$ (285,433,158)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(29,100,753)
Long-term obligations, including bonds payable, 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	\$ (156,329,085)	
Special tax revenue bonds	(42,110,000)	
Unamortized premium on issuance	(12,629,365)	
Leases	(182,843)	
Financed purchases	(5,774,942)	
Compensated absences	(22,812,312)	
In addition, the District issued 'capital appreciation' general obligation bonds. The accretion of interest on unmatured general obligation bonds to date is	<u>(2,591,852)</u>	
Total long-term liabilities		<u>(242,430,399)</u>
Total net position - governmental activities		<u><u>\$ 541,148,544</u></u>

Temecula Valley Unified School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2025

	General Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund
Revenues				
Local Control Funding Formula (LCFF)	\$ 303,930,018	\$ -		\$ -
Federal sources	12,467,829	-		-
Other State sources	74,133,921	-		10,724,755
Other local sources	22,236,055	1,627,988		1,396,356
Total revenues	<u>412,767,823</u>	<u>1,627,988</u>		<u>12,121,111</u>
Expenditures				
Current				
Instruction	286,574,973	-		-
Instruction-related activities				
Supervision of instruction	13,110,836	-		-
Instructional library, media, and technology	3,823,134	-		-
School site administration	21,746,471	-		-
Pupil services				
Home-to-school transportation	9,958,025	-		-
Food services	537,779	-		-
All other pupil services	31,720,199	-		-
Administration				
Data processing	3,812,991	-		-
All other administration	17,683,648	-		-
Plant services	37,096,392	255,800		-
Ancillary services	572,321	-		-
Community services	612,328	-		-
Other outgo	748,833	-		-
Enterprise services	4,436,706	-		-
Facility acquisition and construction	4,615,275	27,104,324		-
Debt service				
Principal	4,334,640	-		-
Interest and other	51,594	1,067,016		-
Total expenditures	<u>441,436,145</u>	<u>28,427,140</u>		<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(28,668,322)</u>	<u>(26,799,152)</u>		<u>12,121,111</u>
Other Financing Sources (Uses)				
Transfers in	-	16,900		-
Other sources - proceeds from issuance of special tax refunding revenue bonds	-	-		-
Other sources - premium on issuance of special tax refunding revenue bonds	-	-		-
Other sources - purchase agreements	9,261,063	-		-
Other sources - leases	100,321	-		-
Transfers out	-	-		(10,992,352)
Other uses - payment to refunded bond escrow agent	-	-		-
Net Financing Sources (Uses)	<u>9,361,384</u>	<u>16,900</u>		<u>(10,992,352)</u>
Net Change in Fund Balances	(19,306,938)	(26,782,252)		1,128,759
Fund Balance - Beginning, as previously reported	164,582,580			
Adjustments (Note 19)	-	33,868,960	-	18,982,807
Fund Balances - Beginning, as restated	<u>164,582,580</u>	<u>33,868,960</u>		<u>18,982,807</u>
Fund Balances - Ending	<u>\$ 145,275,642</u>	<u>\$ 7,086,708</u>		<u>\$ 20,111,566</u>

Temecula Valley Unified School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2025

	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Local Control Funding Formula (LCFF)	\$ -	\$ -	\$ 303,930,018
Federal sources	-	6,495,015	18,962,844
Other State sources	1,091,153	11,674,179	97,624,008
Other local sources	4,926,153	33,999,522	64,186,074
Total revenues	<u>6,017,306</u>	<u>52,168,716</u>	<u>484,702,944</u>
Expenditures			
Current			
Instruction	-	244,852	286,819,825
Instruction-related activities			
Supervision of instruction	-	-	13,110,836
Instructional library, media, and technology	-	11,734	3,834,868
School site administration	-	51,251	21,797,722
Pupil services			
Home-to-school transportation	-	-	9,958,025
Food services	-	12,632,328	13,170,107
All other pupil services	-	-	31,720,199
Administration			
Data processing	-	-	3,812,991
All other administration	-	1,296,260	18,979,908
Plant services	1,654,350	3,774	39,010,316
Ancillary services	-	4,601,177	5,173,498
Community services	-	-	612,328
Other outgo	-	89,944	838,777
Enterprise services	-	-	4,436,706
Facility acquisition and construction	579,387	9,453,977	41,752,963
Debt service			
Principal	-	4,905,000	9,239,640
Interest and other	-	11,203,806	12,322,416
Total expenditures	<u>2,233,737</u>	<u>44,494,103</u>	<u>516,591,125</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,783,569</u>	<u>7,674,613</u>	<u>(31,888,181)</u>
Other Financing Sources (Uses)			
Transfers in	10,992,352	3,339,793	14,349,045
Other sources - proceeds from issuance			
of special tax refunding revenue bonds	-	42,110,000	42,110,000
Other sources - premium on issuance			
of special tax refunding revenue bonds	-	5,317,605	5,317,605
Other sources - purchase agreements	-	-	9,261,063
Other sources - leases	-	-	100,321
Transfers out	(16,900)	(3,339,793)	(14,349,045)
Other uses - payment to refunded bond escrow agent	-	(47,218,475)	(47,218,475)
Net Financing Sources (Uses)	<u>10,975,452</u>	<u>209,130</u>	<u>9,570,514</u>
Net Change in Fund Balances	14,759,021	7,883,743	(22,317,667)
Fund Balance - Beginning, as previously reported		164,845,329	329,427,909
Adjustments (Note 19)	30,694,182	(83,545,949)	-
Fund Balances - Beginning, as restated	<u>30,694,182</u>	<u>81,299,380</u>	<u>329,427,909</u>
Fund Balances - Ending	<u>\$ 45,453,203</u>	<u>\$ 89,183,123</u>	<u>\$ 307,110,242</u>

Temecula Valley Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2025

Total Net Change in Fund Balances - Governmental Funds \$ (22,317,667)

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because

Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expense in the Statement of Activities.

This is the amount by which capital outlay exceeds depreciation and amortization in the period.

Capital outlay	\$ 46,022,215
Depreciation and amortization expense	<u>(23,582,516)</u>

Net expense adjustment	22,439,699
------------------------	------------

A loss on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds. (56,362)

Right-to-use leased assets acquired this year were financed with leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position. (100,321)

In the Statement of Activities, certain operating expenses, such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between compensated absences earned and used. 8,573,622

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/inflows of resources and aggregate net pension liability during the year. 17,275,627

In the governmental funds, OPEB costs are based on benefit payments made for OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows/inflows of resources and OPEB liability during the year. 49,402

The collection of tax assessments are revenues in the governmental funds, but reduce the long-term receivables in the Statement of Net Position and does not affect the Statement of Activities 2,850,000

Temecula Valley Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2025

<p>Proceeds received from the sale of special tax revenue bonds are a revenue in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities.</p>	\$ (42,110,000)
<p>Proceeds received from financed purchase agreements is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.</p>	(9,261,063)
<p>Governmental funds report the effect of premiums, discounts, and the deferred charge on a refunding when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>	
Premium on issuance recognized	(5,317,605)
Deferred charge on refunding recognized	(4,301,695)
Premium amortization	6,591,412
Deferred charge on refunding amortization	313,665
<p>Payments of principal on long-term liabilities is an expenditure in the governmental funds, but reduce long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.</p>	
General obligation bonds	3,050,000
Special tax revenue bonds	42,650,000
Leases	86,486
Subscription-based IT arrangements	81,648
Financed purchases	4,166,506
<p>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.</p>	(134,535)
<p>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.</p>	407,301
Change in net position of governmental activities	\$ 24,936,120

Temecula Valley Unified School District
Statement of Net Position – Proprietary Funds
June 30, 2025

	<u>Governmental Activities - Internal Service Fund</u>
Assets	
Current assets	
Deposits and investments	\$ 11,412,665
Receivables	109,569
Due from other funds	<u>21,188</u>
Total assets	<u>11,543,422</u>
Liabilities	
Current liabilities	
Accounts payable	43,724
Current portion of long-term claims liability	<u>1,249,450</u>
Total current liabilities	<u>1,293,174</u>
Noncurrent liabilities	
Claims liability	<u>3,442,859</u>
Total liabilities	<u>4,736,033</u>
Net Position	
Restricted	<u><u>\$ 6,807,389</u></u>

Temecula Valley Unified School District
Statement of Revenues, Expenses, and Change in Net Position – Proprietary Funds
Year Ended June 30, 2025

	<u>Governmental Activities - Internal Service Fund</u>
Operating Revenues	
Charges to other funds	<u>\$ 3,571,654</u>
Operating Expenses	
Payroll costs	756,358
Professional and contract services	<u>2,984,684</u>
Total operating expenses	<u>3,741,042</u>
Operating loss	<u>(169,388)</u>
Nonoperating Revenues	
State and local grants	800
Fair market value adjustments	138,873
Interest income	<u>437,016</u>
Total nonoperating revenues	<u>576,689</u>
Change in Net Position	407,301
Total Net Position - Beginning	<u>6,400,088</u>
Total Net Position - Ending	<u><u>\$ 6,807,389</u></u>

Temecula Valley Unified School District
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2025

	<u>Governmental Activities - Internal Service Fund</u>
Operating Activities	
Cash receipts from interfund services provided	\$ 3,571,003
Other operating cash payments	2,870
Cash payments to other suppliers of goods or services	(2,344,273)
Cash payments to employees for services	<u>(756,358)</u>
Net Cash From Operating Activities	<u>473,242</u>
Noncapital Financing Activities	
Nonoperating grants received	<u>800</u>
Investing Activities	
Fair market value adjustments	138,873
Interest on investments	<u>437,016</u>
Net Cash From Investing Activities	<u>575,889</u>
Net Change in Cash and Cash Equivalents	1,049,931
Cash and Cash Equivalents, Beginning	<u>10,362,734</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 11,412,665</u></u>
Reconciliation of Operating Loss to Net Cash From Operating Activities	
Operating loss	\$ (169,388)
Changes in assets and liabilities	
Receivables	2,870
Due from other fund	(651)
Accounts payable	(4,051,889)
Due to other fund	(9)
Claims liability	<u>4,692,309</u>
Net Cash From Operating Activities	<u><u>\$ 473,242</u></u>

Temecula Valley Unified School District
Statement of Net Position – Fiduciary Funds
June 30, 2025

	<u>Custodial Funds</u>
Assets	
Investments	<u>\$ 7,207,125</u>
Net Position	
Restricted for individuals, organizations, and other governments	<u>\$ 7,207,125</u>

Temecula Valley Unified School District
Statement of Changes in Net Position – Fiduciary Funds
Year Ended June 30, 2025

	Custodial Funds
Additions	
Contributions	
Taxes	\$ 4,822,666
Other	613,499
Total contributions	5,436,165
Investment earnings	
Interest	45,169
Total additions	5,481,334
Deductions	
Debt service payments	4,024,931
Contributions to other governments	873,672
Other expenses	1,453,812
Total deductions	6,352,415
Net Decrease in Net Position	(871,081)
Net Position - Beginning	8,078,206
Net Position - Ending	\$ 7,207,125

Note 1 - Summary of Significant Accounting Policies**Financial Reporting Entity**

The Temecula Valley Unified School District (the District) was unified on July 1, 1989, under the laws of the State of California. The District operates under a locally-elected five-member Board form of government and provides educational services to grades K-12 as mandated by the State and/or Federal agencies. The District operates eighteen elementary schools, six middle schools, three high schools, one continuation high school, two alternative education centers, and an adult education school.

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

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. For financial reporting purposes, the component units described below have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 80, *Blending Requirements For Certain Component Units* and thus are included in the financial statements of the District. The component units, although legally separate entities, are reported in the financial statements using the blended presentation method as if they were part of the District's operations because the governing board of the component units are essentially the same as the governing board of the District and because their purpose is to finance the construction of facilities to be used for the benefit of the District.

The Temecula Valley Unified School District Financing Authority (the Authority), Community Facilities District 2000-1, Community Facilities District 2002-1, Community Facilities District 2002-2, Community Facilities District 2003-2, Community Facilities District 2004-1 Improvement Area A, Community Facilities District 2005-1, Community Facilities District 2002-1 Improvement Area 1, and Community Facilities District 2005-1 Hemet have a financial and operational relationship which meets the reporting entity definition for inclusion of the Authority and the listed Community Facilities Districts as component units of the District. Accordingly, the financial activities of the Authority and the Community Facilities District have been included in the financial statements of the District. The financial statements present the Authority and the Community Facilities Districts' financial activities within the Capital Projects Fund for Blended Component Units and Debt Service Fund for Blended Component Units. Special tax revenue bonds issued by the Authority are included as long-term liabilities and special tax assessments committed by the Community Facilities Districts to pay the outstanding special tax revenue bonds are recorded as long-term receivables in the government-wide financial statement.

Other Related Entities

Charter Schools The District has approved Charters for Temecula Preparatory School and Temecula Valley Charter School, pursuant to *Education Code* Section 47605. The Charter Schools are operated independently and are not considered component units 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 non-major governmental funds:

Major Governmental Funds

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

Under the flexibility provisions of current statute that allow certain formerly restricted revenues to be used for any educational purpose, Fund 14, Deferred Maintenance Fund, does not currently meet the definition of special revenue funds as this fund is no longer primarily composed of restricted or committed revenue sources. As the District has not taken formal action to commit the flexed revenues formerly restricted to this program to the continued operation of the original programs, the revenue within this fund would be considered to be available for general educational purposes, resulting in Fund 14, Deferred Maintenance Fund being combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of \$1,126,287.

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.

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 IA), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) 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.).

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

Non-Major Governmental Funds

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

- **Student 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 State and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food services 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).

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

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

- **Capital Projects Fund for Blended Component Units** The Capital Projects Fund for Blended Component Units is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

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

- **Bond Interest and Redemption Fund** The Bond Interest and Redemption Fund are used for the repayment of bonds issued by the District (*Education Code* Sections 15125-15262).
- **Debt Service Fund for Blended Component Units** The Debt Service Fund for Blended Component Units is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Proprietary Funds Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has no enterprise funds. The District has the following proprietary fund:

- **Internal Service Fund** Internal Service Funds may be used to account for any activity for which services are provided to other funds of the District on a cost-reimbursement basis. The District operates a self-insured workers' compensation program that is accounted for in an internal service fund.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are not available to support the District's own programs. Fiduciary funds are split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. 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 does not have any trust funds. Custodial funds are used to account for resources, not in a trust, that are held by the District for other parties outside the District's reporting entity. The District's custodial funds account for various Community Facilities Districts.

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, of the District and for each governmental function, and excludes 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 and amortization 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 and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Net position restricted for other activities results from special revenue funds and the internal service fund and the restrictions on their net asset use.

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

- **Governmental Funds** All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.
- **Proprietary Funds** Proprietary Funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of this fund are included in the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in net position. The Statement of Cash Flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.
- **Fiduciary Funds** Fiduciary Funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

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

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

Unearned Revenue Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements 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 government-wide financial 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 investment pools are determined by the program sponsor.

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

Prepaid Expenditures (Expenses)

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

Stores Inventories

Stores 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 type funds when consumed rather than when purchased.

Capital Assets, Depreciation, and Amortization

General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial Statement of Net Position. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years. Land is not depreciated.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2025.

Right-to-use leased assets are recognized at the lease commencement date and represent the District's right-to-use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from two to five years.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent the District's right-to-use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from three to five years.

Lease Receivable

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. 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.

Interfund Balances

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

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned for leave balances that are more likely than not to be used for compensated leave or settled through cash or noncash means. The entire compensated absence liability is reported on the government-wide Statement of Net Position. For governmental funds, a liability for 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.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, only the portion of accumulated sick leave that is more likely than not to be used by the employee for paid leave is recognized as a liability in the District's financial statements. Credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Credit for

unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time. The portion of sick leave that is more likely than not to be settled through conversion to service credit for employee retirement plans is not included in the District's liability for compensated absences.

Accrued Liabilities and Long-Term Liabilities

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

However, 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 fund financial statements only to the extent that they are due for payment during the current year. Bonds, leases, and long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs and Premiums

Debt premiums, discounts, and debt issuance costs related to prepaid insurance are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position. Debt premiums, 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, discounts, and 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 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 deferred charges on refunding of debt, for leases, for pension related items, and for OPEB related items.

Pensions

For purposes of measuring the net pension liability, 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.

Postemployment Benefits Other Than Pensions (OPEB)

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

Lease Liabilities

Lease liabilities represent the District's obligation to make lease payments arising from the lease. The District recognizes a lease liability in the government-wide financial statements. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the District.

Subscription Liabilities

Subscription liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of the subscription payments is discounted based on a borrowing rate determined by the District.

Fund Balances - Governmental Funds

As of June 30, 2025, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a reserve for economic uncertainties consisting of unassigned amounts equal to no less than three percent 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 related to net of investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$191,813,023 of net position which is restricted by enabling legislation.

Operating Revenues and Expenses - Proprietary Funds

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are in-District premiums charged for self-insured workers' compensate on program. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/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 on the financial statements.

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

Adoption of New Accounting Standard

Implementation of GASB Statement No. 101

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 19.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

Governmental funds	\$ 324,035,909
Proprietary funds	11,412,665
Fiduciary funds	<u>7,207,125</u>
Total deposits and investments	<u><u>\$ 342,655,699</u></u>

Deposits and investments as of June 30, 2025, consist of the following:

Cash on hand and in banks	\$ 2,986,349
Cash with fiscal agent	400,000
Cash in revolving	58,775
Investments	<u>339,210,575</u>
Total deposits and investments	<u><u>\$ 342,655,699</u></u>

Policies and Practices

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

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

General Authorizations

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Riverside County Treasury Investment Pool. The Riverside County Treasury Investment Pool purchases a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment Type	Reported Amount	Maturity Date
Riverside County Treasury Investment Pool	\$ 322,352,335	467
US Bank Money Market Mutual Fund	16,858,240	N/A
Total	\$ 339,210,575	

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 investments in the Riverside County Treasury Investment Pool are rated Aaaf/S1 by Fitch Ratings. Rating information for U.S. Bank Money Market Mutual Fund was not available.

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, \$2,908,145 of the District's bank balance was exposed to custodial credit risk because it was uninsured but collateralized and \$41,009 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 3 - Fair Value Measurements

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

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The District’s fair value measurements are as follows at June 30, 2025:

Investment Type	Reported Amount	Fair Value Measurements Using Level 2 Inputs	Uncategorized
Riverside County Treasury Investment Pool	\$ 322,352,335	\$ -	\$ 322,352,335
U.S. Bank Money Market Fund	16,858,240	16,858,240	-
Total	<u>\$ 339,210,575</u>	<u>\$ 16,858,240</u>	<u>\$ 322,352,335</u>

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

Note 4 - Receivables

Receivables at June 30, 2025, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities
Federal Government							
Categorical aid	\$ 6,246,201	\$ -	\$ -	\$ -	\$ 878,593	\$ -	\$ 7,124,794
State Government							
Categorical aid	6,178,498	-	-	-	1,726,391	-	7,904,889
Lottery	1,924,422	-	-	-	-	-	1,924,422
Local Government							
Interest	1,438,557	219,876	313,174	321,806	494,106	109,569	2,897,088
Other local sources	6,213,280	-	-	326,176	700,682	-	7,240,138
Total	<u>\$ 22,000,958</u>	<u>\$ 219,876</u>	<u>\$ 313,174</u>	<u>\$ 647,982</u>	<u>\$ 3,799,772</u>	<u>\$ 109,569</u>	<u>\$ 27,091,331</u>

Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Governmental Activities				
Capital assets not being depreciated or amortized				
Land	\$ 84,794,055	\$ -	\$ -	\$ 84,794,055
Construction in progress	78,019,368	42,396,349	(51,956,526)	68,459,191
Total capital assets not being depreciated or amortized	162,813,423	42,396,349	(51,956,526)	153,253,246
Capital assets being depreciated and amortized				
Land improvements	27,670,495	5,751,012	-	33,421,507
Buildings and improvements	754,682,264	45,995,164	-	800,677,428
Furniture and equipment	56,773,348	2,235,713	(122,902)	58,886,159
Right-to-use leased furniture and equipment	310,730	100,321	(128,288)	282,763
Right-to-use subscription IT assets	969,432	1,500,182	(576,590)	1,893,024
Total capital assets being depreciated and amortized	840,406,269	55,582,392	(827,780)	895,160,881
Total capital assets	1,003,219,692	97,978,741	(52,784,306)	1,048,414,127
Accumulated depreciation and amortization				
Land improvements	(7,552,753)	(1,568,096)	-	(9,120,849)
Buildings and improvements	(300,897,954)	(18,207,645)	-	(319,105,599)
Furniture and equipment	(38,991,832)	(3,046,341)	66,540	(41,971,633)
Right-to-use leased furniture and equipment	(150,238)	(86,975)	128,288	(108,925)
Right-to-use subscription IT assets	(749,285)	(673,459)	576,590	(846,154)
Total accumulated depreciation and amortization	(348,342,062)	(23,582,516)	771,418	(371,153,160)
Net depreciable and amortizable capital assets	492,064,207	31,999,876	(56,362)	524,007,721
Governmental activities capital assets, net	<u>\$ 654,877,630</u>	<u>\$ 74,396,225</u>	<u>\$ (52,012,888)</u>	<u>\$ 677,260,967</u>

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

Governmental Activities	
Instruction	\$ 20,411,822
Supervision of instruction	536,816
School site administration	402,512
Home-to-school transportation	111,809
All other pupil services	469,597
Data processing	447,235
All other administration	102,650
Plant services	1,100,075
Total depreciation and amortization expense governmental activities	<u>\$ 23,582,516</u>

Note 6 - Lease Receivables

Lease receivables are recorded by the District at the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provisions of estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the District charges the lessee. The District has accrued a receivable for leasing cell phone towers to various lessees. These leases are non-cancelable for periods more than one year. During the year ended June 30, 2025, the District recognized \$26,293 in lease revenue and \$75,195 in interest revenue related to these agreements. As of June 30, 2025, the District recorded \$2,447,927 in lease receivable and \$1,995,856 in deferred inflow of resources for these agreements. The interest rate on these leases range from 3.00% to 4.00%.

Note 7 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2025, between major and non-major governmental funds, and the internal service funds are as follows:

Due To	Due From				Total
	General Fund	Building Fund	County School Facilities Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ 312,311	\$ 312,311
Special Reserve Fund for Capital Outlay Projects	-	-	10,978,317	-	10,978,317
Non-Major Governmental Funds	6,766	7,924,091	-	-	7,930,857
Internal Service Fund	21,000	-	-	188	21,188
Total	\$ 27,766	\$ 7,924,091	\$ 10,978,317	\$ 312,499	\$ 19,242,673

A balance of \$284,556 due to the General Fund from the Cafeteria Non-Major Governmental Fund resulted from indirect costs due.

A balance of \$7,847,801 due to the Capital Facilities Non-Major Governmental Fund from the Building Fund resulted from transfer of capital expenditures.

A balance of \$10,978,317 due to the Special Reserve Fund for Capital Outlay Projects from the County School Facilities Fund resulted from the transfer of Prop 51 project funding.

All other 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, 2025, consisted of the following:

Transfer To	Transfer From			Total
	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	
County School Facilities Fund	\$ -	\$ 16,900	\$ -	\$ 16,900
Special Reserve Fund for Capital Outlay Projects	10,992,352	-	-	10,992,352
Non-Major Governmental Funds	-	-	3,339,793	3,339,793
Total	\$ 10,992,352	\$ 16,900	\$ 3,339,793	\$ 14,349,045

The Special Reserve Fund for Capital Outlay Projects transferred to the Building Fund for qualifying capital outlay expenditures. \$ 16,900

The County School Facilities Fund transferred to the Special Reserve Fund for Capital Outlay Projects for qualifying capital outlay expenditures. 10,992,352

The Capital Project Non-Major Governmental Fund for Blended Component Units transferred to the Capital Facilities Non-Major Governmental Fund for qualifying capital outlay expenditures. 2,260,085

The Capital Projects Non-Major Governmental Fund for Blended Component Units transferred to the Debt Service Non-Major Governmental Fund for Blended Component Units for residual funds to be used for future debt service payments. 282,392

The Debt Service Non-Major Governmental Fund for Blended Component Units transferred to the Capital Facilities Non-Major Governmental Fund for excess tax collections. 797,316

Total **\$ 14,349,045**

Note 8 - Long-Term Receivable

Proceeds from the 2015 Special Tax Revenue Bonds and a portion of proceeds from the 2024 Special Tax Refunding Revenue Bonds issued by the Temecula Valley Unified School District Financing Authority (TVUSD FA) were used to refund existing debt obligations of various Community Facilities Districts (CFDs). In accordance with the agreement between the TVUSD FA and CFDs, special tax assessments collected from taxpayers residing in the areas of CFDs that benefited will be used to repay the outstanding special tax bonds issued by TVUSD FA through 2041. Current year payments totaling \$1,855,000 were made leaving a total of \$45,500,000, due from the CFDs as of June 30, 2025.

Note 9 - Accounts Payable

Accounts payable at June 30, 2025, consists of the following:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities
Salaries and benefits	\$ 2,384,090	\$ -	\$ -	\$ 49,346	\$ 6,874	\$ 2,440,310
LCFF apportionment	32,275,154	-	-	-	-	32,275,154
Other vendor payables	3,490,568	4,222,340	7,500	173,235	36,850	7,930,493
Total	<u>\$ 38,149,812</u>	<u>\$ 4,222,340</u>	<u>\$ 7,500</u>	<u>\$ 222,581</u>	<u>\$ 43,724</u>	<u>\$ 42,645,957</u>

Note 10 - Unearned Revenue

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

	General Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal financial assistance	\$ 227,386	\$ 88,512	\$ 315,898
State categorical aid	1,628,016	-	1,628,016
Total	<u>\$ 1,855,402</u>	<u>\$ 88,512</u>	<u>\$ 1,943,914</u>

Note 11 - 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, 2024 as restated	Additions	Deductions	Balance June 30, 2025	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 161,620,039	\$ 350,898	\$ (3,050,000)	\$ 158,920,937	\$ 2,055,000
Premium on issuance	7,883,002	-	(364,446)	7,518,556	-
Special tax revenue bonds	42,650,000	-	(42,650,000)	-	-
Premium on issuance	6,020,170	-	(6,020,170)	-	-
Special tax refunding					
revenue bonds	-	42,110,000	-	42,110,000	2,675,000
Premium on issuance	-	5,317,605	(206,796)	5,110,809	-
Leases	169,008	100,321	(86,486)	182,843	56,899
Subscription-based IT					
arrangements	81,648	-	(81,648)	-	-
Financed purchases	680,385	9,261,063	(4,166,506)	5,774,942	4,178,224
Compensated absences	31,385,934	-	(8,573,622)	22,812,312	6,913,349
Claims liability	4,089,784	1,184,173	(581,648)	4,692,309	1,249,450
	<u>\$ 254,579,970</u>	<u>\$ 58,324,060</u>	<u>\$ (65,781,322)</u>	<u>\$ 247,122,708</u>	<u>\$ 17,127,922</u>

The change in compensated absences is presented as a net change.

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. Payments on the special tax revenue bonds are made by the Debt Service Fund for Blended Component Units. The payments for the leases, subscription-based IT arrangements, and financed purchases are made from the General Fund. Claims liability is paid from the Internal Service Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding June 30, 2024	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2025
2/2/2005	8/1/2025	3.10-4.40%	\$ 6,740,000	\$ 1,555,000	\$ -	\$ -	\$ (755,000)	\$ 800,000
5/18/2016	8/1/2045	4.00-5.00%	37,416,966	32,290,039	-	350,898	(375,000)	32,265,937
11/7/2018	8/1/2047	3.625-5.25%	35,335,000	32,945,000	-	-	-	32,945,000
5/26/2021	8/1/2047	3.00-4.00%	57,250,000	54,315,000	-	-	(1,125,000)	53,190,000
5/26/2021	8/1/2042	0.179-2.83%	42,330,000	40,515,000	-	-	(795,000)	39,720,000
				<u>\$ 161,620,039</u>	<u>\$ -</u>	<u>\$ 350,898</u>	<u>\$ (3,050,000)</u>	<u>\$ 158,920,937</u>

Debt Service Requirements to Maturity

The bonds mature through August 1, 2047, as follows:

Bonds Maturing Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Current Interest to Maturity	Total
2026	\$ 2,205,000	\$ -	\$ 5,025,455	\$ 7,230,455
2027	1,874,551	10,449	4,989,126	6,874,126
2028	2,159,686	25,314	4,958,055	7,143,055
2029	2,461,553	43,447	4,915,874	7,420,874
2030	2,788,206	66,794	4,861,714	7,716,714
2031-2035	19,522,921	837,080	23,023,292	43,383,293
2036-2040	30,993,231	2,051,769	19,619,690	52,664,690
2041-2045	53,245,789	599,211	13,193,689	67,038,689
2046-2048	43,670,000	-	2,239,200	45,909,200
Total	\$ 158,920,937	\$ 3,634,064	\$ 82,826,095	\$ 245,381,096

Special Tax Revenue Bonds

The Temecula Valley Unified School District Financing Authority (TVUSD FA) was created to purchase the Community Facility Districts' (CFD) debt. On February 26, 2015, the TVUSD FA issued \$55,350,000 of 2015 Special Tax Revenue Bonds. The bonds purchased the debt for CFDs 2000-1, 2002-1 Improvement Area 2, 2002-2, 2003-2, 2004-1 Improvement Area A, and 2005-1. On December 3, 2024, the TVUSD FA issued \$42,110,000 of 2024 Special Tax Refunding Revenue Bonds to refinance the existing obligations of 2015 Special Tax Revenue bonds and to purchase the debt for CFD 2001-1 Improvement Area 1 and CFD 2002-1 Hemet. The refunding resulted in a cumulative cash flow saving of \$5,531,953 over the life of the new debt and an economic gain of \$4,393,231 based on the difference between the present value of the existing debt service requirements and the new debt service requirement discounted at 3.00%. On June 30, 2025, the principal balance outstanding on the 2024 Special Tax Refunding Revenue Bonds was \$42,110,000.

The Special Tax Revenue Bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2026	\$ 2,675,000	\$ 2,038,625	\$ 4,713,625
2027	2,300,000	1,914,250	4,214,250
2028	2,435,000	1,792,875	4,227,875
2029	2,590,000	1,670,250	4,260,250
2030	2,735,000	1,537,125	4,272,125
2031-2035	15,870,000	5,410,250	21,280,250
2036-2040	12,545,000	1,535,125	14,080,125
2041	960,000	24,000	984,000
Total	\$ 42,110,000	\$ 15,922,500	\$ 58,032,500

Leases

The District has entered into various agreements to lease vehicles. As of June 30, 2025, the District recognized right-to-use assets totaling \$173,838 and lease liabilities totaling \$182,843 related to these agreements. The District is required to make principal and interest payments through December 2027 and the lease agreements have discount rates ranging from 4.4% to 7.7%.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 56,899	\$ 9,177	\$ 66,076
2027	60,771	5,305	66,076
2028	28,915	2,339	31,254
2029	21,391	1,233	22,624
2030	14,867	217	15,084
Total	<u>\$ 182,843</u>	<u>\$ 18,271</u>	<u>\$ 201,114</u>

Financed Purchase Agreements

The District has entered into various financed purchase agreements for the financing of building improvements and equipment. The agreements bear interest rates ranging from 0.00 to 3.87% with payment terms ranging from 4 to 6 years, and the agreements have a final maturity date occurring in June 2030. As of June 30, 2025, the principal balance outstanding on the agreements was \$5,774,942. The remaining principal and interest payment requirements for the financed purchase agreements as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 4,178,224	\$ 22,374	\$ 4,200,598
2027	633,200	14,986	648,186
2028	640,901	7,286	648,187
2029	296,639	1,910	298,549
2030	25,978	598	26,576
Total	<u>\$ 5,774,942</u>	<u>\$ 47,154</u>	<u>\$ 5,822,096</u>

Claims Liability

Liabilities associated with workers' compensation claims are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are based upon estimated ultimate cost of settling the claims, considering recent claim settlement trends including the frequency and amount of payouts and other economic and social factors. The liability for workers' compensation claims is reported in the Internal Service Fund. The outstanding claims liability at June 30, 2025, amounted to \$4,692,309, using a discount rate of 1.5%.

Note 12 - Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2025, the District reported OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plan:

OPEB Plan	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 28,056,117	\$ 5,231,323	\$ 11,209,061	\$ 1,945,209
Medicare Premium Payment (MPP) Program	1,044,636	-	-	(172,870)
Total	\$ 29,100,753	\$ 5,231,323	\$ 11,209,061	\$ 1,772,339

The details of the plan are as follows:

District Plan

Plan Administration

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

Plan Membership

At June 30, 2024, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	213
Active employees	2,571
Total	2,784

Benefits Provided

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

Benefit Payments

The benefit payment 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. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, TEA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2024, the District paid \$2,137,282 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of \$28,056,117 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00%, average, including inflation
Discount rate	3.93%
Healthcare cost trend rates	6% gradually decreasing to 3.9%

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

Mortality rates were based on the MacLeod Watts Scale 2024 applied generationally from 2022 for CalPERS and from 2024 for CalSTRS. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actual experience study through June 30, 2024.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance, June 30, 2023 (measurement date)	\$ 30,911,778
Service cost	1,806,042
Interest	1,155,195
Differences between expected and actual experience	(2,098,180)
Changes of assumptions	(1,581,436)
Benefit payments	<u>(2,137,282)</u>
Net change in total OPEB liability	<u>(2,855,661)</u>
Balance, June 30, 2024 (measurement date)	<u>\$ 28,056,117</u>

Changes of assumptions reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024 and a change in the health care cost trend rate from 5.60% in 2023 to 6.00% in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

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

<u>Discount Rate</u>	<u>Total OPEB Liability</u>
1% decrease (2.3%)	\$ 29,464,352
Current discount rate (3.93%)	28,056,117
1% increase (4.93%)	26,672,000

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

<u>Healthcare Cost Trend Rate</u>	<u>Total OPEB Liability</u>
1% decrease (5.00%)	\$ 25,942,433
Current healthcare cost trend rate (6.00%)	28,056,117
1% increase (7.00%)	30,449,770

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$1,945,209. At June 30, 2025, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 1,821,741	\$ -
Differences between expected and actual experience	2,952,646	4,948,662
Changes of assumptions	456,936	6,260,399
Total	\$ 5,231,323	\$ 11,209,061

The deferred outflows of resources for OPEB contributions subsequent to measurement date will be recognized as reduction of the net/total OPEB liability in the subsequent fiscal year. The remaining deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (1,016,028)
2027	(1,016,028)
2028	(1,016,028)
2029	(973,735)
2030	(932,347)
Thereafter	(2,845,313)
Total	<u>\$ (7,799,479)</u>

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <https://www.calstrs.com/forms-publications>.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2025, the District reported a liability of \$1,044,636 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District’s proportion of the net OPEB liability was based on a projection of the District’s long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District’s proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively, was 0.3919 %, and 0.4012%, resulting in a net decrease in the proportionate share of 0.0093%.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(172,870).

Actuarial Methods and Assumptions

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

Measurement Date	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2023	June 30, 2022
Experience Study	July 1, 2007 through June 30, 2022	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.93%	3.65%
Medicare Part A Premium Cost Trend Rate	5.00%	4.50%
Medicare Part B Premium Cost Trend Rate	6.50%	5.40%

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

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

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2024, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2024, was 3.93%, which is an increase of 0.28% from 3.65% as of June 30, 2023.

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

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

<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease (2.93%)	\$ 1,127,135
Current discount rate (3.93%)	1,044,636
1% increase (4.93%)	972,090

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

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (4.00% Part A and 5.50% Part B)	\$ 967,743
Current Medicare costs trend rates (5.00% Part A and 6.50% Part B)	1,044,636
1% increase (6.00% Part A and 7.50% Part B)	1,130,482

Note 13 - Non-Obligatory Debt

Non-obligatory debt relates to debt issuances by the Community Facilities Districts, as authorized by the Mello-Roos Community Facilities Act of 1982 as amended, and the Mark-Roos Local Bond Pooling Act of 1985, and are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the District. Neither the faith and credit nor taxing power of the District is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the District has no duty to pay the delinquency out of any available funds of the District. The District acts solely as an agent for those paying taxes levied and the bondholders and may initiate foreclosure proceedings. Total special assessment debt of \$36,565,000 as of June 30, 2025, does not represent debt of the District and, as such, does not appear in the accompanying basic financial statements.

Note 14 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Nonspendable						
Revolving cash	\$ 50,000	\$ -	\$ -	\$ -	\$ 8,775	\$ 58,775
Stores inventories	66,928	-	-	-	139,277	206,205
Prepaid expenditures	1,630	-	-	-	-	1,630
Total nonspendable	<u>118,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,052</u>	<u>266,610</u>
Restricted						
Legally restricted programs	37,105,236	-	-	-	27,042,765	64,148,001
Capital projects	-	7,086,708	20,111,566	-	38,113,444	65,311,718
Debt service	-	-	-	-	23,878,862	23,878,862
Total restricted	<u>37,105,236</u>	<u>7,086,708</u>	<u>20,111,566</u>	<u>-</u>	<u>89,035,071</u>	<u>153,338,581</u>
Committed						
Staffing needs, pension costs, and negotiated compensation	48,316,204	-	-	-	-	48,316,204
Site fee accounts	332,317	-	-	-	-	332,317
Health & welfare reserves	2,107,115	-	-	-	-	2,107,115
Child care	2,895,088	-	-	-	-	2,895,088
LCAP	231,693	-	-	-	-	231,693
Technology refresh	3,793,432	-	-	-	-	3,793,432
Grants	2,900	-	-	-	-	2,900
Medi-Cal Administrative Activities	1,429,399	-	-	-	-	1,429,399
Site donation accounts	692,728	-	-	-	-	692,728
Textbook adoptions and instructional materials	3,088,696	-	-	-	-	3,088,696
Total committed	<u>62,889,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,889,572</u>
Assigned						
State budget uncertainties	17,614,395	-	-	-	-	17,614,395
Deferred maintenance	1,051,093	-	-	-	-	1,051,093
Capital projects	-	-	-	45,453,203	-	45,453,203
Total assigned	<u>18,665,488</u>	<u>-</u>	<u>-</u>	<u>45,453,203</u>	<u>-</u>	<u>64,118,691</u>
Unassigned						
Reserve for economic uncertainties	26,421,593	-	-	-	-	26,421,593
Remaining unassigned	75,195	-	-	-	-	75,195
Total unassigned	<u>26,496,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,496,788</u>
Total	<u>\$ 145,275,642</u>	<u>\$ 7,086,708</u>	<u>\$ 20,111,566</u>	<u>\$ 45,453,203</u>	<u>\$ 89,183,123</u>	<u>\$ 307,110,242</u>

Note 15 - Risk Management

The District accounts for risk management activities in the General Fund and in the Internal Service Fund. The District participates in various public entity risk pools (JPA's) for its employee medical benefits, and property and liability insurance. Refer to Note 18 for additional information regarding the JPA's.

Property and Liability

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2025, the District participated in Riverside School's Insurance Authority (RSIA) public entity risk pool for property and liability insurance coverage. Excess coverage for property and liability coverage was purchased through RSIA from Southern California Regional Liability Excess Fund (SoCal ReLiEF). Settled claims have not exceeded the insured coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

During the fiscal year 2012-2013, the District began self-funding its workers' compensation coverage. The workers' compensation experience of the District was calculated and applied to a premium rate, which was utilized to charge funds for the administration of the program. The District's self-insured retention limit for the 2024-2025 fiscal year was \$250,000. Excess liability coverage for workers' compensation claims was provided through a commercial insurance carrier, depending on the level of exposure. Settled claims have not exceeded the insured coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Employee Medical Benefits

As of March 2010, the District has contracted with the Self-Insured Schools of California III (SISC III) to provide employee medical benefits. SISC III is a shared risk pool comprised of local educational agencies. Rates are set through an annual process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating members. Settled claims have not exceeded the insured coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Unpaid Claims Liability

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. Claims liability of \$4,692,309 has been discounted at 1.5% as of June 30, 2025. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2023 to June 30, 2025:

	<u>Workers' Compensation</u>
Liability Balance, July 1, 2023	\$ 3,394,904
Claims and changes in estimates	1,282,051
Claims payments	<u>(587,171)</u>
Liability Balance, July 1, 2024	4,089,784
Claims and changes in estimates	1,184,173
Claims payments	<u>(581,648)</u>
Liability Balance, June 30, 2025	<u>\$ 4,692,309</u>
Assets available to pay claims at June 30, 2025	<u>\$ 11,543,422</u>

Note 16 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2025, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

<u>Pension Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
CalSTRS	\$ 180,435,557	\$ 70,560,184	\$ 29,935,695	\$ 17,612,129
CalPERS	<u>104,997,601</u>	<u>34,398,320</u>	<u>817,156</u>	<u>18,363,875</u>
Total	<u>\$ 285,433,158</u>	<u>\$ 104,958,504</u>	<u>\$ 30,752,851</u>	<u>\$ 35,976,004</u>

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, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <https://www.calstrs.com/forms-publications>.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service. The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

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

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

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
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, 2025, are presented above and the District's total contributions were \$36,079,579.

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

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
Proportionate share of net pension liability	\$ 180,435,557
State's proportionate share of the net pension liability	<u>82,784,454</u>
Total	<u><u>\$ 263,220,011</u></u>

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating member districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.2687 % and 0.2713%, resulting in a net decrease in the proportionate share of 0.0026 %.

For the year ended June 30, 2025, the District recognized pension expense of \$17,612,129. In addition, the District recognized pension expense and revenue of \$7,536,556 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 36,079,579	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	13,281,180	8,994,177
Differences between projected and actual earnings on pension plan investments	-	728,050
Differences between expected and actual experience in the measurement of the total pension liability	20,409,585	7,890,345
Changes of assumptions	<u>789,840</u>	<u>12,323,123</u>
Total	<u><u>\$ 70,560,184</u></u>	<u><u>\$ 29,935,695</u></u>

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 5-year period and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ (12,095,887)
2027	14,567,944
2028	(1,188,566)
2029	<u>(2,011,541)</u>
Total	<u>\$ (728,050)</u>

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 7 years and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 914,638
2027	795,228
2028	(407,281)
2029	1,287,915
2030	3,691,667
Thereafter	<u>(1,009,207)</u>
Total	<u>\$ 5,272,960</u>

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007 through June 30, 2022
Actuarial cost method	Entry age normal
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 is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale.

The long-term 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 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class for the year ended June 30, 2024, are summarized in the following table:

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

Discount Rate

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

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

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.10%)	\$ 320,935,814
Current discount rate (7.10%)	180,435,557
1% increase (8.10%)	63,112,013

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 plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 annual actuarial valuation reports, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provide 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, 2025, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
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	27.05%	27.05%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were \$17,172,052.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$104,997,601. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2024, and June 30, 2023, respectively was 0.2938% and 0.2879%, resulting in a net increase in the proportionate share of 0.0059%.

Temecula Valley Unified School District

Notes to Financial Statements

June 30, 2025

For the year ended June 30, 2025, the District recognized pension expense of \$18,363,875. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 17,172,052	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,024,401	65,692
Differences between projected and actual earnings on pension plan investments	4,078,551	-
Differences between expected and actual experience in the measurement of the total pension liability	8,802,514	751,464
Changes of assumptions	2,320,802	-
Total	\$ 34,398,320	\$ 817,156

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 5-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (35,159)
2027	6,341,218
2028	(936,994)
2029	(1,290,514)
Total	\$ 4,078,551

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>
2026	\$ 5,927,188
2027	3,985,369
2028	<u>2,418,004</u>
Total	<u><u>\$ 12,330,561</u></u>

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

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

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity - cap-weighted	30%	4.54%
Global equity non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

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

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

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (5.90%)	\$ 155,974,813
Current discount rate (6.90%)	104,997,601
1% increase (7.90%)	62,886,367

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the Social Security and a 3121 FICA Alternative Plan, as its alternative plan.

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 \$16,715,913 (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.

Note 17 - Commitments and Contingencies**Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

Construction Commitments

As of June 30, 2025, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Asphalt Projects	\$ 789,454	June 2026
BASES Project	829,138	June 2026
CHS Shade Structure	373,018	August 2025
Elementary Stages	455,214	September 2025
HS Pool Heater/Pump Replacements	752,749	December 2025
GOHS Stadium Turf/Track Resurfacing	1,331,508	August 2025
HS LED Light Project	234,480	August 2025
MMS Mod	2,598,611	May 2027
NVES Kitchen Mod	332,330	August 2027
NVES Mod	626,875	November 2026
Summit Phase 3	1,793,019	October 2025
TES MOD - Incr 1	3,035,456	August 2025
TVHS Shade Structure	144,749	August 2025
CHS Modernization PH2	4,094,920	September 2025
TVHS Mod - 1200 & 1400 Bldg	2,001,506	August 2025
	<u>\$ 19,393,027</u>	
Total		

Note 18 - Participation in Public Entity Risk Pools and Joint Power Authorities

The District is a member of the Riverside Schools' Insurance Authority (RSIA); the Self-Insured Schools of California III (SISC III); and the Joint Educational Transit of Riverside County (JET) joint powers authorities (JPA's). The District pays an annual amount to each entity for its employee medical benefits and property and liability coverage and other services. The relationships between the District and the JPA's are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2025, the District made payments of \$3,586,842 and \$13,101,092 to RSIA and SISC III, respectively, for the services noted.

Note 19 - Restatement

Change in Accounting Principle

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences current portion and compensated absences noncurrent portion were increased by \$12,564,725 and \$17,483,053, respectively, as of July 1, 2024. The effect of this change in accounting principle is described in the table below:

	Governmental Activities
Beginning, as previously reported on June 30, 2024	\$ 546,260,202
Change in accounting principle	(30,047,778)
Beginning, as restated on July 1, 2024	\$ 516,212,424

Correction of Errors in Previously Issued Financial Statements

During the fiscal year 2024-2025, the Temecula Valley Unified School District determined that there were certain errors in amounts previously reported in the 2023-2024 financial statements, resulting in a restatement of beginning fund balances. The corrections consist of the following:

- (1) Capital Facilities Fund was misclassified as a nonmajor fund. Had the Capital Facilities Fund been reported as a major fund in the prior year, the change in fund balance for the Capital Facilities Fund and Nonmajor Governmental Funds would have increased by \$7,671,266, and decreased by \$7,671,266, respectively. In addition, the beginning balance as restated is adjusted based on the change within the reporting entity described below.

Change within the Reporting Entity

During year ended June 30, 2025, there was a change within the financial reporting entity which resulted in the Building Fund, County School Facilities Fund, and Special Reserve Fund for Capital Outlay Projects being reported as major funds instead of nonmajor funds and the Capital Facilities Fund being reported as a nonmajor fund instead of a major fund, which resulted in adjustments to and restatements of beginning fund balance in the table below:

	Governmental Funds				
	Building Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
Beginning, as previously reported on June 30, 2024	\$ -				\$ 164,845,329
Error Correction (1)		35,191,796			(35,191,796)
Change within the financial reporting entity	33,868,960	(35,191,796)	18,982,807	30,694,182	(48,354,153)
Beginning, as restated on July 1, 2024	\$ 33,868,960	\$ -	\$ 18,982,807	\$ 30,694,182	\$ 81,299,380

Required Supplementary Information
June 30, 2025

Temecula Valley Unified School District

Temecula Valley Unified School District
 Budgetary Comparison Schedule – General Fund
 Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
Revenues				
Local Control Funding Formula	\$ 303,183,822	\$ 303,502,265	\$ 303,930,018	\$ 427,753
Federal sources	11,972,548	12,409,664	12,467,829	58,165
Other State sources	67,622,082	71,964,152	74,133,921	2,169,769
Other local sources	12,112,701	19,240,010	22,236,055	2,996,045
Total revenues ¹	<u>394,891,153</u>	<u>407,116,091</u>	<u>412,767,823</u>	<u>5,651,732</u>
Expenditures				
Current				
Certificated salaries	186,747,535	193,012,581	194,025,993	(1,013,412)
Classified salaries	69,591,315	71,069,040	72,823,856	(1,754,816)
Employee benefits	103,022,796	102,986,638	103,711,180	(724,542)
Books and supplies	16,736,470	20,586,860	20,910,668	(323,808)
Services and operating expenditures	33,489,127	38,060,641	38,294,426	(233,785)
Other outgo	324,462	399,685	451,824	(52,139)
Capital outlay	4,920,751	6,212,754	6,831,964	(619,210)
Debt service				
Debt service - principal	268,425	174,231	4,334,640	(4,160,409)
Debt service - interest and other	140,894	144,058	51,594	92,464
Total expenditures ¹	<u>415,241,775</u>	<u>432,646,488</u>	<u>441,436,145</u>	<u>(8,789,657)</u>
Deficiency of Revenues Over Expenditures	<u>(20,350,622)</u>	<u>(25,530,397)</u>	<u>(28,668,322)</u>	<u>(3,137,925)</u>
Other Financing Sources (Uses)				
Other sources - purchase agreements	-	-	9,261,063	9,261,063
Other sources - leases	-	-	100,321	100,321
Transfers out	(3,963,060)	(4,456,570)	-	4,456,570
Net Financing Sources (Uses)	<u>(3,963,060)</u>	<u>(4,456,570)</u>	<u>9,361,384</u>	<u>13,817,954</u>
Net Change in Fund Balances	(24,313,682)	(29,986,967)	(19,306,938)	10,680,029
Fund Balance - Beginning	164,582,580	164,582,580	164,582,580	-
Fund Balance - Ending	<u>\$ 140,268,898</u>	<u>\$ 134,595,613</u>	<u>\$ 145,275,642</u>	<u>\$ 10,680,029</u>

¹ Due to the consolidation of Fund 14, Deferred Maintenance Fund, for reporting purposes into the General Fund, additional revenues and expenditures pertaining to this other fund are included in the Actual (GAAP Basis) revenues and expenditures, however, are not included in the original and final General Fund budgets.

Temecula Valley Unified School District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Year Ended June 30, 2025

	2025	2024	2023	2022
Total OPEB Liability				
Service cost	\$ 1,806,042	\$ 1,783,740	\$ 2,147,834	\$ 2,069,575
Interest	1,155,195	1,100,051	712,147	701,941
Changes of benefit terms	-	-	(314,249)	-
Difference between expected and actual experience	(2,098,180)	-	255,744	-
Changes of assumptions	(1,581,436)	(195,500)	(2,317,755)	88,223
Benefit payments	(2,137,282)	(2,135,303)	(1,893,768)	(1,566,709)
Net change in total OPEB liability	(2,855,661)	552,988	(1,410,047)	1,293,030
Total OPEB Liability - Beginning	\$ 30,911,778	\$ 30,358,790	\$ 31,768,837	\$ 30,475,807
Total OPEB Liability - Ending	\$ 28,056,117	\$ 30,911,778	\$ 30,358,790	\$ 31,768,837
Covered-Employee Payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Total OPEB Liability as a Percentage of Covered-Employee Payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 2,262,707	\$ 2,078,346	\$ 1,535,734	\$ 1,660,145
Interest	1,268,252	1,280,648	883,068	699,237
Changes of benefit terms	-	-	4,275,714	-
Difference between expected and actual experience	(5,270,292)	-	6,767,167	-
Changes of assumptions	(902,333)	807,353	(5,043,575)	(1,258,999)
Benefit payments	(1,504,684)	(1,115,060)	(655,171)	(333,843)
Net change in total OPEB liability	(4,146,350)	3,051,287	7,762,937	766,540
Total OPEB Liability - Beginning	\$ 34,622,157	31,570,870	23,807,933	23,041,393
Total OPEB Liability - Ending	\$ 30,475,807	\$ 34,622,157	\$ 31,570,870	\$ 23,807,933
Covered Employee Payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Total OPEB Liability as a Percentage of Covered Employee Payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

¹ The District's OPEB Plan is not administered through a trust and contributions are not made based on a of pay. Therefore, no measure of payroll is presented.

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

Temecula Valley Unified School District
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
Year Ended June 30, 2025

Year ended June 30,	2025	2024	2023	2022
Proportion of the net OPEB liability	0.3919%	0.4012%	0.3778%	0.3965%
Proportionate share of the net OPEB liability	\$ 1,044,636	\$ 1,217,506	\$ 1,244,397	\$ 1,581,326
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.96%)	(0.94%)	(0.80%)
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.3981%	0.4450%	0.4395%	0.4527%
Proportionate share of the net OPEB liability	\$ 1,939,608	\$ 1,657,047	\$ 1,682,149	\$ 1,904,645
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

Temecula Valley Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS
Year Ended June 30, 2025

CalSTRS	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.2687%	0.2713%	0.2517%	0.2637%	0.2627%
Proportionate share of the net pension liability	\$ 180,435,557	\$ 206,599,628	\$ 174,902,560	\$ 120,026,882	\$ 254,548,468
State's proportionate share of the net pension liability	\$ 82,784,454	\$ 98,989,480	\$ 87,590,518	60,392,872	131,219,765
Total	<u>\$ 263,220,011</u>	<u>\$ 305,589,108</u>	<u>\$ 262,493,078</u>	<u>\$ 180,419,754</u>	<u>\$ 385,768,233</u>
Covered payroll	<u>\$ 182,020,325</u>	<u>\$ 164,737,639</u>	<u>\$ 148,199,125</u>	<u>\$ 144,271,858</u>	<u>\$ 143,304,058</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	99.13%	125.41%	118.02%	83.19%	177.63%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.2515%	0.2448%	0.2501%	0.2578%	0.2555%
Proportionate share of the net pension liability	\$ 227,176,020	\$ 225,027,317	\$ 231,259,820	\$ 208,515,699	\$ 172,003,686
State's proportionate share of the net pension liability	123,939,685	128,839,236	136,811,356	118,704,268	90,970,988
Total	<u>\$ 351,115,705</u>	<u>\$ 353,866,553</u>	<u>\$ 368,071,176</u>	<u>\$ 327,219,967</u>	<u>\$ 262,974,674</u>
Covered payroll	<u>\$ 136,924,349</u>	<u>\$ 132,056,999</u>	<u>\$ 133,252,520</u>	<u>\$ 129,420,401</u>	<u>\$ 118,583,209</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	165.91%	170.40%	173.55%	161.12%	145.05%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Temecula Valley Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS
Year Ended June 30, 2025

CalPERS	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.2938%	0.2879%	0.2853%	0.2842%	0.2895%
Proportionate share of the net pension liability	\$ 104,997,601	\$ 104,220,597	\$ 98,169,933	\$ 57,787,332	\$ 88,831,982
Covered payroll	\$ 58,730,465	\$ 50,173,177	\$ 44,493,064	\$ 41,139,014	\$ 41,700,172
Proportionate share of the net pension liability as a percentage of its covered payroll	178.78%	207.72%	220.64%	140.47%	213.03%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.2831%	0.2819%	0.2907%	0.2956%	0.2876%
Proportionate share of the net pension liability	\$ 82,514,513	\$ 75,158,200	\$ 69,409,621	\$ 58,388,130	\$ 42,390,846
Covered payroll	\$ 39,638,241	\$ 37,043,255	\$ 37,140,330	\$ 35,841,766	\$ 32,229,896
Proportionate share of the net pension liability as a percentage of its covered payroll	208.17%	202.89%	186.88%	162.91%	131.53%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Temecula Valley Unified School District
Schedule of the District's Contributions - CalSTRS
Year Ended June 30, 2025

CalSTRS	2025	2024	2023	2022	2021
Contractually required contribution	\$ 36,079,579	\$ 34,765,882	\$ 31,464,889	\$ 25,075,292	\$ 23,299,905
Less contributions in relation to the contractually required contribution	<u>36,079,579</u>	<u>34,765,882</u>	<u>31,464,889</u>	<u>25,075,292</u>	<u>23,299,905</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 188,898,319</u>	<u>\$ 182,020,325</u>	<u>\$ 164,737,639</u>	<u>\$ 148,199,125</u>	<u>\$ 144,271,858</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 24,504,994	\$ 22,291,284	\$ 19,055,825	\$ 16,760,050	\$ 13,886,809
Less contributions in relation to the contractually required contribution	<u>24,504,994</u>	<u>22,291,284</u>	<u>19,055,825</u>	<u>16,760,050</u>	<u>13,886,809</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 143,304,058</u>	<u>\$ 136,924,349</u>	<u>\$ 132,056,999</u>	<u>\$ 133,252,520</u>	<u>\$ 129,420,401</u>
Contributions as a percentage of covered payroll	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>

Temecula Valley Unified School District
Schedule of the District's Contributions - CalPERS
Year Ended June 30, 2025

CalPERS	2025	2024	2023	2022	2021
Contractually required contribution	\$ 17,172,052	\$ 15,669,288	\$ 12,728,935	\$ 10,193,361	\$ 8,515,776
Less contributions in relation to the contractually required contribution	<u>17,172,052</u>	<u>15,669,288</u>	<u>12,728,935</u>	<u>10,193,361</u>	<u>8,515,776</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 63,482,632</u>	<u>\$ 58,730,465</u>	<u>\$ 50,173,177</u>	<u>\$ 44,493,064</u>	<u>\$ 41,139,014</u>
Contributions as a percentage of covered payroll	<u>27.050%</u>	<u>26.680%</u>	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 8,223,691	\$ 7,159,459	\$ 5,753,188	\$ 5,158,049	\$ 4,246,174
Less contributions in relation to the contractually required contribution	<u>8,223,691</u>	<u>7,159,459</u>	<u>5,753,188</u>	<u>5,158,049</u>	<u>4,246,174</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 41,700,172</u>	<u>\$ 39,638,241</u>	<u>\$ 37,043,255</u>	<u>\$ 37,140,330</u>	<u>\$ 35,841,766</u>
Contributions as a percentage of covered payroll	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

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

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

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

At June 30, 2025, the District exceeded the budget amount in total as follows:

Funds	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund	\$ 437,103,058	\$ 441,436,145	\$ 4,333,087

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

This schedule presents information on the District's changes in the total OPEB liability and ending balances, and the total 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 the benefit terms since the previous valuation.
- *Changes of Assumptions* – Changes of assumptions reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024, and a change in the health care cost trend rate from 5.60% in 2023 to 6.00% in 2024.

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.65% to 3.93% since the previous valuation. The Medicare Part A premium cost trend rate assumption was changed from 4.50% to 5.00%, while the Medicare Part B premium cost trend rate assumption was changed from 5.40% to 6.50% since the previous valuation.

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

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

Supplementary Information
June 30, 2025

Temecula Valley Unified School District

Temecula Valley Unified School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education (CDE)			
Special Education Cluster (IDEA)			
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	\$ 5,573,097
Alternative Dispute Resolution	84.027A	13007	15,156
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	<u>312,766</u>
Subtotal			<u>5,901,019</u>
Preschool Grants, Part B, Sec 619	84.173	13430	85,065
Preschool Staff Development, Part B, Sec 619	84.173A	13431	<u>1,780</u>
Subtotal			<u>86,845</u>
Total Special Education Cluster (IDEA)			<u>5,987,864</u>
Title I, Part A, Basic Grants Low Income and Neglected Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Section 131 Early Intervention Grants	84.010	14329	3,699,220
	84.048	14894	209,702
	84.181	23761	34,535
Title III, English Learner Student Program	84.365	14346	261,486
Title III, Immigrant Education Program	84.365	15146	<u>66,296</u>
Subtotal			<u>327,782</u>
Supporting Effective Instruction State Grants	84.367	14341	542,494
Title IV, Part A - Student Support and Academic Enrichment	84.424	15396	312,793
Education Stabilization Fund			
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	780,958
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	139,959
COVID-19 Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	29,292
COVID-19 After School Education and Safety (ASES) Rate Increase: ESSER III State Reserve Summer Learning Programs	84.425U	15652	10,890
COVID-19 American Rescue Plan - Homeless Children and Youth II (ARP HCY II)	84.425W	15566	<u>15,120</u>
Subtotal			<u>976,219</u>
Total U.S. Department of Education			<u>12,090,609</u>

Temecula Valley Unified School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Defense Junior Reserve Officer Training Corps	12.000	[1]	\$ 377,222
Total U.S. Department of Defense			<u>377,222</u>
U.S. Department of Agriculture Passed through CDE Child Nutrition Cluster			
School Breakfast Basic	10.553	13525	1,529,542
School Breakfast Needy	10.553	13526	<u>197,669</u>
Subtotal			<u>1,727,211</u>
School Lunch - Section 4 Commodities	10.555	13523	1,103,656
School Lunch - Section 11 Meal Supplements	10.555	13524	598,754
	10.555	13524	3,047,630
	10.555	13755	<u>17,764</u>
Subtotal			<u>4,767,804</u>
Total Child Nutrition Cluster			<u>6,495,015</u>
Total U.S. Department of Agriculture			<u>6,495,015</u>
Total Federal Financial Assistance			<u>\$ 18,962,846</u>

[1] Direct award

Temecula Valley Unified School District
Schedule of Average Daily Attendance
Year Ended June 30, 2025

	Final Report	
	Revised Second Period Report 5CF9CA40	Annual Report C26BC706
Regular ADA		
Transitional kindergarten through third	6,739.12	6,770.74
Fourth through sixth	5,471.89	5,476.31
Seventh and eighth	3,840.48	3,843.61
Ninth through twelfth	8,703.83	8,651.10
Total Regular ADA	24,755.32	24,741.76
Extended Year Special Education		
Transitional kindergarten through third	11.83	11.83
Fourth through sixth	6.10	6.10
Seventh and eighth	3.71	3.71
Ninth through twelfth	8.76	8.76
Total Extended Year Special Education	30.40	30.40
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	0.57	0.76
Fourth through sixth	2.23	2.53
Seventh and eighth	1.88	1.80
Ninth through twelfth	17.20	17.40
Total Special Education, Nonpublic, Nonsectarian Schools	21.88	22.49
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	0.30	0.30
Seventh and eighth	0.55	0.55
Ninth through twelfth	2.92	2.92
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	3.77	3.77
Total ADA	24,811.37	24,798.42

Temecula Valley Unified School District
 Schedule of Instructional Time
 Year Ended June 30, 2025

All sites, except for Susan La Vorgna Elementary and Tony Tobin Elementary

Grade Level	1986-1987 Minutes Requirement	2024-2025 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Traditional Calendar			Multitrack Calendar			Status
					Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	
Kindergarten	36,000	36,900	-	36,900	180	-	180	N/A	N/A	N/A	Complied
Grades 1 - 3	50,400										
Grade 1		53,615	-	53,615	180	-	180	N/A	N/A	N/A	Complied
Grade 2		53,615	-	53,615	180	-	180	N/A	N/A	N/A	Complied
Grade 3		53,615	-	53,615	180	-	180	N/A	N/A	N/A	Complied
Grades 4 - 8	54,000										
Grade 4		54,275	-	54,275	180	-	180	N/A	N/A	N/A	Complied
Grade 5		54,275	-	54,275	180	-	180	N/A	N/A	N/A	Complied
Grade 6		59,980	-	59,980	180	-	180	N/A	N/A	N/A	Complied
Grade 7		59,980	-	59,980	180	-	180	N/A	N/A	N/A	Complied
Grade 8		59,980	-	59,980	180	-	180	N/A	N/A	N/A	Complied
Grades 9 - 12	64,800										
Grade 9		65,215	-	65,215	180	-	180	N/A	N/A	N/A	Complied
Grade 10		65,215	-	65,215	180	-	180	N/A	N/A	N/A	Complied
Grade 11		65,215	-	65,215	180	-	180	N/A	N/A	N/A	Complied
Grade 12		65,215	-	65,215	180	-	180	N/A	N/A	N/A	Complied

Temecula Valley Unified School District
 Schedule of Instructional Time
 Year Ended June 30, 2025

Susan La Vorgna Elementary and Tony Tobin Elementary

Grade Level	1986-1987 Minutes Requirement	2024-2025 Actual Minutes	Number of Minutes Credited Form J-13A*	Total Minutes Offered	Traditional Calendar			Multitrack Calendar			Status
					Number of Actual Days	Number of Days Credited Form J-13A*	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	
Kindergarten	36,000	37,105	205	37,310	179	1	180	N/A	N/A	N/A	Complied
Grades 1 - 3	50,400										
Grade 1		53,945	330	54,275	179	1	180	N/A	N/A	N/A	Complied
Grade 2		53,945	330	54,275	179	1	180	N/A	N/A	N/A	Complied
Grade 3		53,945	330	54,275	179	1	180	N/A	N/A	N/A	Complied
Grades 4 - 8	54,000										
Grade 4		53,945	330	54,275	179	1	180	N/A	N/A	N/A	Complied
Grade 5		53,945	330	54,275	179	1	180	N/A	N/A	N/A	Complied

* Susan La Vorgna and Tony Tobin Elementary received an approved J-13A for 205 minutes for kindergarten and 330 minutes for grades 1 to 5, identified above by each grade span and 1 day.

Temecula Valley Unified School District
 Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
 Year Ended June 30, 2025

Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

	General Fund
Fund Balance	
Balance, June 30, 2025, Unaudited Actuals with GASB 54 consolidation	\$ 145,200,447
Decrease in	
Lease receivable	(26,293)
Deferred inflows related to lease receivables	101,488
Balance, June 30, 2025, Audited Financial Statements	\$ 145,275,642

Temecula Valley Unified School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2025

	(Budget) 2026 ¹	2025	2024 ¹	2023 ¹
General Fund ³				
Revenues	\$ 405,022,247	\$ 412,677,872	\$ 427,999,659	\$ 420,614,467
Other sources	-	9,361,384	-	421,784
Total revenues and other sources	<u>405,022,247</u>	<u>422,039,256</u>	<u>427,999,659</u>	<u>421,036,251</u>
Expenditures	430,350,760	435,903,308	414,931,698	365,483,031
Other uses	4,176,983	4,456,570	7,798,973	3,456,572
Total expenditures and other uses	<u>434,527,743</u>	<u>440,359,878</u>	<u>422,730,671</u>	<u>368,939,603</u>
Increase/(Decrease) in Fund Balance	<u>(29,505,496)</u>	<u>(18,320,622)</u>	<u>5,268,988</u>	<u>52,096,648</u>
Ending Fund Balance	<u>\$ 114,643,859</u>	<u>\$ 144,149,355</u>	<u>\$ 162,469,977</u>	<u>\$ 157,200,989</u>
Available Reserves ²	<u>\$ 23,948,731</u>	<u>\$ 26,496,788</u>	<u>\$ 25,711,463</u>	<u>\$ 22,111,069</u>
Available Reserves as a Percentage of Total Outgo	<u>5.5%</u>	<u>6.0%</u>	<u>6.1%</u>	<u>6.0%</u>
Long-Term Liabilities ⁴	<u>N/A</u>	<u>\$ 561,656,619</u>	<u>\$ 567,481,701</u>	<u>\$ 533,386,159</u>
K-12 Average Daily Attendance at P-2	<u>24,231</u>	<u>24,811</u>	<u>24,758</u>	<u>24,620</u>

The General Fund balance has decreased by \$13,051,634 over the past two years. The fiscal year 2025-2026 budget projects a decrease of \$29,505,496 (20.5%). For a district this size, the State recommends available reserves of at least 3% of total General Fund expenditures and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years, but anticipates incurring an operating deficit during the 2025-2026 fiscal year. Total long-term liabilities have increased by \$28,270,460 over the past two years.

Average daily attendance has increased by 191 over the past two years. A decline of 580 ADA is anticipated during fiscal year 2025-2026.

¹ Financial information for 2026, 2024, and 2023 are included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund.

³ General Fund amounts do not include activity related to the consolidation of the Deferred Maintenance Fund, as required by GASB Statement No. 54.

⁴ Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 19 for further information.

Temecula Valley Unified School District

Schedule of Charter Schools

Year Ended June 30, 2025

<u>Name of Charter School</u>	<u>Charter Number</u>	<u>Included in Audit Report</u>
Temecula Preparatory School	0284	No
Temecula Valley Charter School	0065	No

Temecula Valley Unified School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2025

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	Capital Project Fund for Blended Component Units	Bond Interest and Redemption Fund	Debt Service Fund for Blended Component Units	Total Non-Major Governmental Funds
Assets								
Deposits and investments	\$ 2,246,550	\$ 22,090	\$ 22,393,323	\$ 25,455,374	\$ 3,940,610	\$ 18,168,357	\$ 5,710,505	\$ 77,936,809
Receivables	-	48,145	2,785,406	966,221	-	-	-	3,799,772
Due from other funds	-	-	83,056	7,847,801	-	-	-	7,930,857
Stores inventories	-	-	139,277	-	-	-	-	139,277
Total assets	\$ 2,246,550	\$ 70,235	\$ 25,401,062	\$ 34,269,396	\$ 3,940,610	\$ 18,168,357	\$ 5,710,505	\$ 89,806,715
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ 699	\$ 125,324	\$ 96,558	\$ -	\$ -	\$ -	\$ 222,581
Due to other funds	-	27,761	284,734	4	-	-	-	312,499
Unearned revenue	-	-	88,512	-	-	-	-	88,512
Total liabilities	-	28,460	498,570	96,562	-	-	-	623,592
Fund Balances								
Nonspendable	-	-	148,052	-	-	-	-	148,052
Restricted	2,246,550	41,775	24,754,440	34,172,834	3,940,610	18,168,357	5,710,505	89,035,071
Total fund balances	2,246,550	41,775	24,902,492	34,172,834	3,940,610	18,168,357	5,710,505	89,183,123
Total liabilities and fund balances	\$ 2,246,550	\$ 70,235	\$ 25,401,062	\$ 34,269,396	\$ 3,940,610	\$ 18,168,357	\$ 5,710,505	\$ 89,806,715

Temecula Valley Unified School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
Year Ended June 30, 2025

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Building Fund
Revenues				
Federal sources	\$ -	\$ -	\$ 6,495,015	
Other State sources	-	253,880	11,392,042	
Other local sources	5,022,253	1,387	1,310,320	
Total revenues	<u>5,022,253</u>	<u>255,267</u>	<u>19,197,377</u>	
Expenditures				
Current				
Instruction	-	244,852	-	
Instruction-related activities				
Instructional library, media, and technology	-	11,734	-	
School site administration	-	51,251	-	
Pupil services				
Food services	-	-	12,632,328	
Administration				
All other administration	-	14,425	282,584	
Plant services	-	1,199	-	
Ancillary services	4,601,177	-	-	
Other outgo	-	-	-	
Facility acquisition and construction	-	-	377,570	
Debt service				
Principal	-	-	-	
Interest and other	-	-	-	
Total expenditures	<u>4,601,177</u>	<u>323,461</u>	<u>13,292,482</u>	
Excess (Deficiency) of Revenues Over Expenditures	<u>421,076</u>	<u>(68,194)</u>	<u>5,904,895</u>	
Other Financing Sources (Uses)				
Transfers in	-	-	-	
Other sources - proceeds from issuance of special tax refunding revenue bonds	-	-	-	
Other sources - premium on issuance of special tax refunding revenue bonds	-	-	-	
Transfers out	-	-	-	
Other uses - payment to refunded bond escrow agent	-	-	-	
Net Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	
Net Change in Fund Balances	421,076	(68,194)	5,904,895	
Fund Balance - Beginning, as previously reported	1,825,474	109,969	18,997,597	33,868,960
Adjustments (Note 19)	-	-	-	(33,868,960)
Fund Balance - Beginning, as restated	<u>1,825,474</u>	<u>109,969</u>	<u>18,997,597</u>	
Fund Balance - Ending	<u>\$ 2,246,550</u>	<u>\$ 41,775</u>	<u>\$ 24,902,492</u>	

Temecula Valley Unified School District

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

June 30, 2025

	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Project Fund for Blended Component Units
Revenues				
Federal sources	\$ -			\$ -
Other State sources	-			-
Other local sources	8,803,154			3,341,832
Total revenues	<u>8,803,154</u>			<u>3,341,832</u>
Expenditures				
Current				
Instruction	-			-
Instruction-related activities				
Instructional library, media, and technology	-			-
School site administration	-			-
Pupil services				
Food services	-			-
Administration				
All other administration	999,251			-
Plant services	2,575			-
Ancillary services	-			-
Other outgo	-			-
Facility acquisition and construction	9,076,407			-
Debt service				
Principal	-			-
Interest and other	2,801,284			-
Total expenditures	<u>12,879,517</u>			<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,076,363)</u>			<u>3,341,832</u>
Other Financing Sources (Uses)				
Transfers in	3,057,401			-
Other sources - proceeds from issuance of special tax refunding revenue bonds	-			-
Other sources - premium on issuance of special tax refunding revenue bonds	-			-
Transfers out	-			(2,542,477)
Other uses - payment to refunded bond escrow agent	-			-
Net Financing Sources (Uses)	<u>3,057,401</u>			<u>(2,542,477)</u>
Net Change in Fund Balances	(1,018,962)			799,355
Fund Balance - Beginning, as previously reported	35,191,796	18,982,807	30,694,182	3,141,255
Adjustments (Note 19)	-	(18,982,807)	(30,694,182)	-
Fund Balance - Beginning, as restated	<u>35,191,796</u>			<u>3,141,255</u>
Fund Balance - Ending	<u>\$ 34,172,834</u>			<u>\$ 3,940,610</u>

Temecula Valley Unified School District

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

June 30, 2025

	Bond Interest and Redemption Fund	Debt Service Fund for Blended Component Units	Total Non-Major Governmental Funds
Revenues			
Federal sources	\$ -	\$ -	\$ 6,495,015
Other State sources	28,257	-	11,674,179
Other local sources	8,045,470	7,475,106	33,999,522
Total revenues	<u>8,073,727</u>	<u>7,475,106</u>	<u>52,168,716</u>
Expenditures			
Current			
Instruction	-	-	244,852
Instruction-related activities			
Instructional library, media, and technology	-	-	11,734
School site administration	-	-	51,251
Pupil services			
Food services	-	-	12,632,328
Administration			
All other administration	-	-	1,296,260
Plant services	-	-	3,774
Ancillary services	-	-	4,601,177
Other outgo	-	89,944	89,944
Facility acquisition and construction	-	-	9,453,977
Debt service			
Principal	3,050,000	1,855,000	4,905,000
Interest and other	5,096,931	3,305,591	11,203,806
Total expenditures	<u>8,146,931</u>	<u>5,250,535</u>	<u>44,494,103</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(73,204)</u>	<u>2,224,571</u>	<u>7,674,613</u>
Other Financing Sources (Uses)			
Transfers in	-	282,392	3,339,793
Other sources - proceeds from issuance of special tax refunding revenue bonds	-	42,110,000	42,110,000
Other sources - premium on issuance of special tax refunding revenue bonds	-	5,317,605	5,317,605
Transfers out	-	(797,316)	(3,339,793)
Other uses - payment to refunded bond escrow agent	-	(47,218,475)	(47,218,475)
Net Financing Sources (Uses)	<u>-</u>	<u>(305,794)</u>	<u>209,130</u>
Net Change in Fund Balances	(73,204)	1,918,777	7,883,743
Fund Balance - Beginning, as previously reported	18,241,561	3,791,728	164,845,329
Adjustments (Note 19)	-	-	(83,545,949)
Fund Balance - Beginning, as restated	<u>18,241,561</u>	<u>3,791,728</u>	<u>81,299,380</u>
Fund Balance - Ending	<u>\$ 18,168,357</u>	<u>\$ 5,710,505</u>	<u>\$ 89,183,123</u>

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 Temecula Valley Unified School District (the District) under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the net position or changes in net position and fund balance, or cash flows of the District.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

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

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, the District did not report any commodities in inventory.

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. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

Schedule of Charter Schools

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

Non-Major Governmental Funds - 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 Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Other Information
June 30, 2025

Temecula Valley Unified School District

ORGANIZATION

The Temecula Valley Unified School District was unified on July 1, 1989, under the laws of the State of California. The District operates seventeen elementary schools, six middle schools, one TK-8 school, three high schools, one continuation high school, two alternative education centers, and an adult education school. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Dr. Melinda Anderson	President	2028
Mr. Emil Barham	Clerk	2026
Ms. Jennifer Wiersma	Member	2026
Dr. Joseph Komrosky	Member	2026
Mr. Steven Schwartz	Member	2028

ADMINISTRATION

NAME	TITLE
Dr. Gary Woods	Superintendent
Ms. Nicole Lash	Assistant Superintendent, Business Support Services
Dr. Kimberly Velez	Assistant Superintendent, Educational Support Services
Mr. Francisco Arce	Assistant Superintendent, Human Resources Development
Ms. Nicole Dayus	Assistant Superintendent, Student Support Services

Independent Auditor's Reports
June 30, 2025

Temecula Valley Unified School District



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

To the Governing Board
Temecula Valley Unified School District
Temecula, 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 Temecula Valley Unified School District (the District), as of and for the year ended June 30, 2025, 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 15, 2025.

Correction of an Error

As discussed in Note 19 to the financial statements, certain error resulting in a misclassification of nonmajor fund as of June 30, 2024, was discovered during the current year. Accordingly, a restatement has been made to the fund balances of the Capital Facilities Fund and Aggregate Remaining Funds as of July 1, 2024, to correct the errors. Our opinions are not modified with respect to this matter.

Adoption of New Accounting Standard

As discussed in Note 19 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 that we consider to be a material weakness.

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*.

We noted certain matters that we reported to management of the District in a separate letter dated December 15, 2025.

Temecula Valley Unified School District's Response to Findings

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

Purpose of this Report

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



Rancho Cucamonga, California
December 15, 2025



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

To the Governing Board
Temecula Valley Unified School District
Temecula, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Temecula Valley Unified School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 15, 2025



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

To the Governing Board
Temecula Valley Unified School District
Temecula, California

Report on Compliance

Opinion on State Compliance

We have audited Temecula Valley Unified School District's (the District) compliance with the requirements specified in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2025.

In our opinion, the District complied, in all material respects, with the compliance requirements 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, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2024-2025 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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following items:

2024-2025 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	Yes
Continuation Education	Yes
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

2024-2025 K-12 Audit Guide Procedures	Procedures Performed
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Yes
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
Kindergarten Continuance	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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 15, 2025

Schedule of Findings and Questioned Costs
June 30, 2025

Temecula Valley Unified School District

Financial Statements

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

Federal Awards

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

Identification of major programs

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Title I, Part A, Basic Grants Low Income and Neglected Special Education Cluster (IDEA)	84.010 84.027, 84.027A, 84.173, 84.173A
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

State Compliance

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

The following finding represents a material weakness related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
30000	Internal Control

2025-001 30000 – Prior Period Restatement (Material Weakness)

Criteria

Management is responsible for the design, implementation, and maintenance of internal controls to ensure that the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of all adjusting journal entries reclassifying journal entries, and conversion entries used in the preparation of the District’s financial statements. Additionally, the District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition

During the course of our engagement, we noted that prior year’s Capital Facilities Fund was misclassified as part of aggregate remaining funds instead of as a major fund.

Context

The condition was identified through review of prior year’s audited financial statements.

Cause

The cause of the condition appears to have materialized due to inadequate review of financial statements prepared for the District, which includes the determination of the District’s major funds and conversion entries that are required to prepare the District’s government-wide financial statements.

Effect

The effect of this error resulted in a misstatement that was not detected or prevented by the District’s internal control. The effect of the condition identified resulted in the misclassification of a major fund as nonmajor fund during the previous fiscal year.

Repeat Finding

No.

Recommendation

The District should implement adequate internal controls over financial statement preparation. A thorough review of the District's financial statements, including all adjusting entries, reclassifying entries, and conversion entries should take place before the financial statements are finalized by the District's business department.

Corrective Action Plan and View of Responsible Officials

The District agrees that management is responsible for the design, implementation, and maintenance of internal controls to ensure that the financial statements are free from material misstatement. As part of those internal controls, the District relied on their prior independent auditor to utilize the forms contained within the Unaudited Actuals report that are extracted from the State Reporting Software, approved by the governing board, to generate the financial statements and the presentation of major funds and nonmajor funds with consideration for the audit adjustments posted by the auditor.

Going forward the District will review the audited financial statements prepared by the auditor prior to report issuance to ensure that they have properly presented the financial statements in all material respects, including adjusting, reclassifying and conversion entries. The District disagrees with the categorization of the finding as being a material weakness in our internal control processes.

None reported.

None reported.

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



Management
Temecula Valley Unified School District
Temecula, California

In planning and performing our audit of the financial statements of Temecula Valley Unified School District (the District) for the year ended June 30, 2025, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 15, 2025 on the government-wide financial statements of the District.

The District

Observation

- Based on review of the general ledger and inquiry with personnel at the District, it was noted that the District missed an accrual in 2023-2024 for the 2023-2024 fourth quarter interest payment in the amount of \$1,793,983. The amount was not large enough to result in a restatement in the beginning fund balance for the General Fund or the beginning net position in the Government-wide statements; however, due to the amount and nature of the accrual, the missed accrual is considered to be a deficiency in internal controls of the District.

Recommendation

- The District should implement a written checklist to identify common accruals that are done annually to help prevent material misstatements in the future.

Associated Student Body (ASB)

Temecula Middle School

Observations

1. Based on the review of the cash receipting procedures, it was noted that two of 11 receipts tested were not deposited in a timely manner. The delay in deposits ranged from nine to 11 days from the date of receipt. This could result in large cash balances being maintained at the sites, which can hinder the safeguarding of ASB assets.
2. Based on the review of the cash disbursement procedures, it was noted that four of eight disbursements tested were not approved prior to the transactions taking place. This could potentially lead to spending in excess of available funds. Additionally, expenditures of a questionable nature could arise if disbursements are not pre-approved.

Recommendations

1. The ASB should, at minimum, make their deposits once a week to minimize the amount of cash held at the sites. During weeks of high cash activity, there may be a need to make more than one deposit. The District should communicate specific guidelines for this procedure including the maximum cash on hand that should be maintained at the site.
2. The site should ensure that all disbursement transactions are pre-approved by authorized administrative personnel and the student council. This would allow the reviewing administrator and/or the student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases. All preapprovals should be indicated on documentation with appropriate signatures and approval dates.

Margarita Middle School

Observations

1. Based on the review of the cash disbursement procedures, it was noted that three of seven disbursements tested were not approved prior to the transactions taking place. This could potentially lead to spending in excess of available funds. Additionally, expenditures of a questionable nature could arise if disbursements are not pre-approved.
2. Additionally, it was noted that one of seven disbursements tested was for an unallowable expenditure – specifically, the expenditure was made for teacher professional development.

Recommendations

1. The site should ensure that all disbursement transactions are pre-approved by authorized administrative personnel and the student council. This would allow the reviewing administrator and/or the student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases. All preapprovals should be indicated on documentation with appropriate signatures and approval dates.
2. Teacher professional development and other staff expenditures should be funded through the District, not ASB accounts. The latest FCMAT manual should be reviewed by everyone involved in the disbursement process to ensure unallowable expenses are not incurred by the ASB.

Temecula Valley High School

Observations

1. Based on the review of the cash disbursement procedures, it was noted that three of 25 disbursements tested were not approved prior to the transactions taking place. This could potentially lead to spending in excess of available funds. Additionally, expenditures of a questionable nature could arise if disbursements are not pre-approved.
2. Additionally, four of 25 disbursements tested did not contain explicit receiving documentation to indicate that goods had been received.

Recommendations

1. The site should ensure that all disbursement transactions are pre-approved by authorized administrative personnel and the student council. This would allow the reviewing administrator and/or the student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases. All preapprovals should be indicated on documentation with appropriate signatures and approval dates.
2. Explicit receiving documentation (e.g., packing slips or confirmation of goods received) should be attached to all disbursement records before payment is processed.

We will review the status of the current year comments during our next audit engagement.

Eide Sallee LLP

Rancho Cucamonga, California
December 15, 2025

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF TEMECULA AND RIVERSIDE COUNTY

The Bonds are not a debt of the City of Temecula (the “City”) or Riverside County (the “County”). The County, including its Board of Supervisors, officers, officials, agents and other employees, are required, only to the extent required by law, to: (i) levy and collect ad valorem taxes for payment of the Bonds in accordance with the law; and (ii) transmit the proceeds of such taxes to the paying agent for the payment of the principal of and interest on the Bonds at the time such payment is due.

General Information

The City. The City was incorporated on December 1, 1989, and is located in the southwestern portion of the County. The City borders San Diego County and the Pechanga Indian Reservation to the south, the City of Murrieta to the north, the City of Murrieta and the County to the west. Interstate 15 bisects the City. The City spans approximately 37 square miles and has a population estimated at approximately 112,220.

The County. The County, which encompasses 7,177 square miles, was organized in 1893 from territory in San Bernardino and San Diego Counties. Located in the southeastern portion of California, the County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the south by San Diego and Imperial Counties and on the west by Orange and Los Angeles Counties. There are 28 incorporated cities in the County.

The County’s varying topology includes desert, valley and mountain areas as well as gently rolling terrain. Three distinct geographical areas characterize the County: the western valley area, the higher elevations of the mountains and the deserts. The western valley, the San Jacinto mountains and the Cleveland National Forest experience the mild climate typical of Southern California. The eastern desert areas experience warmer and dryer weather conditions. The County is the site for famous resorts, such as Palm Springs, as well as a leading area for inland water recreation. Nearly 20 lakes in the County are open to the public. The dry summers and moderate to cool winters make it possible to enjoy these and other recreational and cultural facilities on a year-round basis.

Population

The following table shows population estimates for the County and cities within the County, including the City, for the past five years.

COUNTY OF RIVERSIDE Population Estimates

	2021	2022	2023	2024	2025
Banning	30,569	31,102	31,789	32,068	31,949
Beaumont	53,969	54,495	57,293	58,665	59,708
Blythe	17,403	17,285	17,250	17,447	15,400
Calimesa	10,578	10,973	11,085	11,082	10,994
Canyon Lake	11,072	10,983	11,045	11,086	11,004
Cathedral City	51,574	51,633	51,949	51,995	51,651
Coachella	41,909	41,933	42,879	44,050	44,384
Corona	157,399	157,329	158,739	159,667	159,157
Desert Hot Springs	32,339	32,319	32,858	33,255	33,262
Eastvale	70,490	70,041	70,263	70,274	69,799
Hemet	89,256	89,320	90,996	91,751	91,934
Indian Wells	4,789	4,742	4,778	4,859	4,862
Indio	89,309	89,576	91,552	92,693	92,539
Jurupa Valley	105,422	105,407	106,305	106,888	105,928
Lake Elsinore	71,038	72,025	72,714	73,079	73,783
La Quinta	37,707	37,659	38,452	39,148	38,796
Menifee	104,361	107,512	111,221	113,837	115,316
Moreno Valley	208,272	208,344	210,381	211,389	210,823
Murrieta	111,056	110,602	111,088	111,299	111,789
Norco	24,655	25,109	25,326	25,581	25,221
Palm Desert	50,653	50,665	51,150	51,961	51,980
Palm Springs	44,289	44,255	44,612	44,760	44,476
Perris	78,821	78,496	79,746	80,947	81,240
Rancho Mirage	16,680	16,718	17,039	17,227	17,120
Riverside	313,505	317,669	319,474	321,538	320,337
San Jacinto	54,159	54,391	54,800	54,936	54,990
Temecula	109,815	109,458	109,962	110,898	112,220
Wildomar	36,693	36,432	36,688	37,060	37,077
Balance of County	395,287	399,037	406,256	411,597	417,901
County Total	2,423,069	2,435,510	2,467,690	2,491,037	2,495,640

Source: State Department of Finance estimates (as of January 1).

Employment and Industry

The District is included in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (“MSA”). The unemployment rate in the Riverside-San Bernardino-Ontario MSA was 5.3% in February 2026, down from a revised 5.4% in January 2026, and above the year-ago estimate of 5.1%. This compares with an unadjusted unemployment rate of 5.5% for California and 4.7% for the nation during the same period. The unemployment rate was 5.4% in the County, and 5.3% in San Bernardino County.

The following table summarizes the civilian labor force, employment and unemployment in the MSA for the calendar years 2021 through 2025.

RIVERSIDE-SAN BERNARDINO-ONTARIO MSA (Riverside and San Bernardino Counties) Civilian Labor Force, Employment and Unemployment (Annual Averages)

	2021	2022	2023	2024	2025
Civilian Labor Force ⁽¹⁾	2,108,400	2,140,500	2,180,300	2,209,100	n/a
Employment	1,951,600	2,049,900	2,078,100	2,093,800	n/a
Unemployment	156,700	90,700	102,300	115,300	n/a
Unemployment Rate	7.4%	4.2%	4.7%	5.2%	n/a
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	13,700	13,800	13,200	13,400	13,100
Mining and Logging	1,400	1,500	1,500	1,600	1,600
Construction	110,100	114,700	115,400	115,900	110,000
Manufacturing	96,100	100,000	98,500	96,100	95,200
Wholesale Trade	67,400	69,500	68,900	68,400	67,300
Retail Trade	177,000	181,000	183,000	182,300	181,400
Transportation, Warehousing and Utilities	198,800	214,400	206,000	205,000	205,200
Information	12,500	13,000	13,300	12,800	12,100
Finance and Insurance	24,400	23,800	22,300	21,500	20,900
Real Estate and Rental and Leasing	20,700	22,200	22,700	22,600	22,500
Professional and Business Services	166,600	173,900	164,400	161,300	157,400
Educational and Health Services	254,300	267,900	287,800	312,500	341,000
Leisure and Hospitality	160,200	180,900	187,600	186,400	186,700
Other Services	43,600	47,400	49,400	51,000	51,000
Federal Government	21,100	20,900	21,300	21,700	19,900
State Government	30,400	28,400	28,800	29,400	28,800
Local Government	190,500	200,700	209,200	211,100	216,400
Total All Industries ⁽³⁾	1,588,800	1,674,000	1,693,200	1,713,000	1,730,400

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Major Employers

The following table lists major employers within the County as of April 2026, being the most current date for which such information is available. The employers are listed in alphabetical order without regard to the number of employees.

RIVERSIDE COUNTY Major Employers As of April 2026

Employer Name	Location	Industry
1882 Cantina	Temecula	Foods-Carry Out
Abbott Vascular Inc	Temecula	Hospital Equipment & Supplies-Mfrs
Agua Caliente Casino Palm Spgs	Palm Springs	Gift Shops
Agua Caliente Resrt Casino Spa	Rancho Mirage	Casinos
Amazon Fulfillment Ctr	Moreno Valley	Mail Order Fulfillment Service
Citrus Club	La Quinta	Clubs
Coachella Valley Unified SCH	Thermal	School Districts
Collins Aerospace	Riverside	Aircraft Components-Manufacturers
Corona City Hall	Corona	City Hall
Corona Regional Medical Ctr	Corona	Hospitals
Department-Corrections-Rehab	Norco	State Govt-Correctional Institutions
Desert Regional Medical Ctr	Palm Springs	Hospitals
Diabetes Center	Riverside	Clinics
Eisenhower Medical Ctr	Rancho Mirage	Hospitals
Fantasy Springs Resort Casino	Indio	Casinos
J Ginger Masonry	Riverside	Masonry Contractors
Jurupa School District Supt	Riverside	School Districts
March Air Reserve Base	March Arb	Military Bases
Riverside City College	Riverside	Junior-Community College-Tech Institutes
Riverside County Admin Ctr	Riverside	Government Offices-County
Riverside County Office of Edu	Riverside	County Government-Education Programs
Riverside University Health	Moreno Valley	Hospitals
Southwest Healthcare Rancho	Murrieta	Hospitals
Starcrest of California	Perris	Online Retailers & Marketplaces
Sun World Intl LLC	Coachella	Fruits & Vegetables-Wholesale

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2026 1st Edition.

Commercial Activity

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

Total taxable sales during calendar year 2025 in the City were reported to be \$4,085,011,229, a 0.72% increase over the total taxable sales of \$4,055,947,827 reported during calendar year 2024.

CITY OF TEMECULA
Taxable Retail Sales
(Valuation in Thousands of Dollars)
Number of Permits and Valuation of Taxable Transactions

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2020	2,774	\$2,377,021	4,794	\$3,060,588
2021	2,399	3,063,251	4,193	3,943,889
2022	2,376	3,289,767	4,230	4,264,227
2023	2,422	3,116,413	4,402	4,065,264
2024	2,484	3,070,785	4,510	4,055,948

Source: State Department of Tax and Fee Administration.

Total taxable sales during calendar year 2025 in the County were reported to be \$60,788,218,255, a 0.06% decrease from the total taxable sales of \$60,826,952,633 reported during calendar year 2024.

COUNTY OF RIVERSIDE
Taxable Retail Sales
(Valuation in Thousands of Dollars)
Number of Permits and Valuation of Taxable Transactions

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2020	43,106	\$30,321,662	69,284	\$42,313,474
2021	39,455	41,330,546	64,335	55,535,196
2022	40,719	45,469,037	66,738	62,117,153
2023	41,857	44,142,609	68,670	61,331,274
2024	42,879	44,014,690	70,577	60,826,953

Source: State Department of Tax and Fee Administration.

Effective Buying Income

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

The following table summarizes the median household effective buying income for the City, the County, the State and the United States for the period 2022 through 2026.

**CITY OF TEMECULA, COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA, AND UNITED STATES
Median Household Effective Buying Income
For Calendar Years 2022 through 2026**

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
City of Temecula	\$93,861	\$92,488	\$94,732	\$96,841	\$108,555
County of Riverside	70,961	71,623	75,269	78,652	85,976
State of California	77,058	77,175	80,973	82,725	90,403
United States	64,448	65,326	67,876	69,687	75,433

Source: Claritas, LLC.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF JONES HALL LLP]

_____, 2026

Governing Board
Temecula Valley Unified School District
31350 Rancho Vista Road
Temecula, CA 92592

OPINION: \$ _____ Temecula Valley Unified School District
 2026 General Obligation Refunding Bonds

Members of the Governing Board:

We have acted as bond counsel to the Temecula Valley Unified School District (the “District”) in connection with the issuance by the District of the above-captioned bonds, dated the date hereof (the “Bonds”), under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53550 and 58580 of such Code (the “Act”), and a resolution of the Governing Board of the District (the “Board”) adopted on April 16, 2026 (the “Bond Resolution”). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

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

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

1. The District is a duly created and validly existing unified school district with the power to issue the Bonds pursuant to the Act, and to perform its obligations under the Bond Resolution and the Bonds.
2. The Bond Resolution has been duly adopted by the Board, and constitutes a valid and binding obligation of the District enforceable upon the District in accordance with its terms.
3. The Bonds have been duly authorized, executed and delivered by the District, and are valid and binding general obligations of the District.

4. The Board of Supervisors of Riverside County is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
(Riverside County, California)
2026 General Obligation Refunding Bonds

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the Temecula Valley Unified School District (the “**District**”) in connection with the execution and delivery of the above-captioned bonds (the “**Bonds**”). The Bonds are being executed and delivered pursuant to a resolution adopted by the Governing Board of the District on April 16, 2026 (the “**Resolution**”). U.S. Bank Trust Company, National Association, is initially the designated paying agent, registrar and transfer agent (the “**Paying Agent**”).

The District hereby covenants and agrees as follows:

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

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

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date not later than nine months (currently March 31) after the end of each fiscal year of the District (currently June 30th).

“*Dissemination Agent*” means, initially, Special District Financing & Administration, or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

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

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

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

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2027, with the report for the 2025-26 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 business days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

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

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

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

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

(a) Audited Financial Statements of the District for the 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 audited financial statements are not available at the time required for filing, unaudited financial statements shall be submitted with the Annual Report and audited financial statements shall be submitted once available.

(b) The following information regarding the Bonds, any other bonds, including any refunding bonds, issued by the District to the extent not included in the audited financial statement described in paragraph (a) above:

(i) The District's approved annual budget for the then-current fiscal year;

(ii) Principal amount of the Bonds, any general obligation bonds issued by the District and any general obligation refunding bonds relating to the District outstanding as of a date within 60 days preceding the date of the Annual Report and a statement as to the amount of general obligation bonds authorized and unissued by the District;

(iii) Assessed value of taxable property in the District as shown on the most recent equalized assessment roll;

(iv) A statement as to whether or not the County includes the tax levy for payment of the Bonds in its Teeter Plan and if not, information regarding the amount of the annual ad valorem property taxes levied in the District, amount collected, delinquent amounts and percent delinquent for the most recent fiscal year; and

(v) Top twenty property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value and their percentage of total secured assessed value.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be required pursuant to federal securities laws applicable to such information as is necessary to make the statements required under Section 4 not materially misleading, in the light of the circumstances under which they are made.

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 MSRB through the EMMA System or the S.E.C. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Special District Financing & Administration. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances

that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolution for amendments to the Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. 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.

Date: _____, 2026

**TEMECULA VALLEY UNIFIED SCHOOL
DISTRICT**

By: _____
Name: _____
Title: _____

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (in this Appendix, the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX G

RIVERSIDE COUNTY INVESTMENT POLICY AND REPORT

[THIS PAGE INTENTIONALLY LEFT BLANK]

COUNTY OF RIVERSIDE

TREASURER-TAX COLLECTOR



INVESTMENT POLICY STATEMENT

DECEMBER 9, 2025

1. Table of Contents

1.	INTRODUCTION.....	2
2.	SCOPE.....	2
3.	FIDUCIARY RESPONSIBILITY.....	2
4.	PORTFOLIO OBJECTIVES.....	2
5.	AUTHORITY.....	2
6.	AUTHORIZED INVESTMENTS.....	2
7.	STAFF AUTHORIZED TO MAKE INVESTMENTS.....	2
8.	AUTHORIZED BROKER/DEALERS.....	3
9.	DAILY ACCOUNTABILITY AND CONTROL.....	3
10.	SECURITY CUSTODY & DELIVERIES.....	3
11.	COMPETITIVE PRICING.....	3
12.	MATURITY LIMITATIONS.....	3
13.	LIQUIDITY.....	3
14.	SECURITIES LENDING.....	3
15.	REVERSE REPURCHASE AGREEMENTS.....	4
16.	MITIGATING MARKET & CREDIT RISKS.....	4
17.	TRADING & EARLY SALE OF SECURITIES.....	4
18.	PURCHASE OF WHEN ISSUED SECURITIES.....	4
19.	PORTFOLIO REPORTS/AUDITING.....	4
20.	SPECIFIC INVESTMENTS.....	4
21.	PERFORMANCE EVALUATION.....	5
22.	INVESTMENT OVERSIGHT COMMITTEE.....	5
23.	QUARTERLY APPORTIONMENT OF INVESTMENT EARNINGS.....	5
24.	QUARTERLY ADMINISTRATIVE COSTS.....	5
25.	TREASURY OPERATIONS.....	5
26.	POLICY CRITERIA FOR AGENCIES SEEKING VOLUNTARY ENTRY.....	5
27.	POLICY CRITERIA FOR VOLUNTARY PARTICIPANT WITHDRAWALS.....	6
28.	POLICY ON RECEIPT OF HONORARIA, GIFTS AND GRATUITIES.....	6
29.	ETHICS & CONFLICTS OF INTEREST.....	6
30.	INVESTMENTS MADE FROM DEBT ISSUANCE PROCEEDS.....	6
31.	POLICY ADOPTION & AMENDMENTS.....	7
32.	AUTHORIZED INVESTMENTS SCHEDULE I.....	8
33.	SCHEDULE II POLICY CRITERIA CORPORATE AND MUNICIPAL SECURITIES.....	10
34.	SCHEDULE III AUTHORIZED BROKER/DEALERS.....	12
35.	SCHEDULE IV POLICY CRITERIA FOR SELECTION OF BROKER/DEALERS 13	
36.	SCHEDULE V POLICY CRITERIA FOR COLLATERALIZED TIME DEPOSITS 14	
37.	SCHEDULE VI POLICY CRITERIA FOR ENTERING INTO A MONEY MARKETFUND.....	15

1. INTRODUCTION

The Treasurer Tax-Collectors (TTC) Statement of Investment Policy is presented annually to the County Investment Oversight Committee (IOC) for review and to the Board of Supervisors (BOS) for approval, pursuant to the requirements of Sections [53646\(a\)](#) and [27133](#) of the California Government Code (GOV §). This policy will become effective immediately upon approval by the BOS.

2. SCOPE

The TTC Statement of Investment Policy is limited in scope to only those county, school, special districts and other fund assets actually deposited and residing in the County Treasury. It does not apply to bond proceeds or other assets belonging to the County of Riverside, or any affiliated public agency the assets of which reside outside of the County Treasury.

3. FIDUCIARY RESPONSIBILITY

GOV §[27000.3](#) declares each Treasurer, or governing body authorized to make investment decisions on behalf of local agencies, to be a trustee and therefore a fiduciary subject to the prudent investor standard. This standard, as stated in GOV §[27000.3](#) requires that “When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the county Treasurer or the BOS, as applicable, shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the county and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the county and the other depositors.”

4. PORTFOLIO OBJECTIVES

The first and primary objective of the TTC’s investment of public funds is to **safeguard investment principal**; second, to maintain sufficient **liquidity** within the portfolio to meet daily cash flow requirements; and third, to achieve a reasonable rate of return or **yield** on the portfolio consistent with these objectives. The portfolio shall be actively managed in a manner that is responsive to the public trust and consistent with State law.

5. AUTHORITY

Statutory authority for the TTC’s investment and safekeeping functions are found in GOV §[53601](#) and [53635](#) et. seq. The TTC’s authority to make investments is to be renewed annually, pursuant to state law. The County Ordinance is No. 767. GOV §[53607](#) effectively requires the legislative body to delegate investment authority of the County on an annual basis.

6. AUTHORIZED INVESTMENTS

Investments shall be restricted to those authorized in GOV § [53601](#) and [53635](#) as amended and as further restricted by this policy statement. All investments shall be governed by the restrictions shown in Schedule I which defines the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards (two of the three nationally recognized ratings shall be used for corporate and municipal securities), and purchase restrictions that apply.

7. STAFF AUTHORIZED TO MAKE INVESTMENTS

Only the Treasurer Tax-Collector, Matthew Jennings, Assistant Treasurer-Tax Collector, Chief Investment Officer, Deputy Investment Officer, and Investment Officer are authorized to make investments and to order the receipt and delivery of investment securities among custodial security

clearance accounts.

8. AUTHORIZED BROKER/DEALERS

Securities transactions are limited solely to those noted on Schedule III of this policy.

9. DAILY ACCOUNTABILITY AND CONTROL

All investment transactions are to be conducted at the TTC's office, or approved remote location subjected to Board Policy [A-50](#) and Department Telecommute policy., All investment transactions will be entered daily into the TTC's internal financial accounting system. New Purchases are audited for compliance, by the Fiscal Compliance Unit daily. In addition, a bi-weekly and monthly compliance review of investment holdings are conducted. All reviews are signed off by the Treasurer-Tax Collector and Fiscal Compliance staff. Portfolio income shall be reconciled daily, monthly and quarterly, prior to the distribution of earnings among those entities sharing in pooled fund investment income.

10. SECURITY CUSTODY & DELIVERIES

All securities, except for money market funds registered in the County's name and securities issued by the County or other local agencies shall be deposited for safekeeping with banks contracted to provide the County TTC with custodial security clearance services. These third-party trust department arrangements provide the County with a perfected interest in, and ownership and control over, the securities held by the custodian on the County's behalf and are intended to protect the County from the bank's own creditors in the event of a bank default and filing for bankruptcy. Securities are **NOT** to be held in investment firm/broker dealer accounts. All security transactions are to be conducted on a "delivery versus payment basis." Confirmation receipts on all investments are to be reviewed immediately for conformity with County transaction documentation. Securities issued by local agencies purchased directly shall be held in the TTC's vault. The security holdings shall be reconciled with the custodian holding records Monthly.

11. COMPETITIVE PRICING

Investment transactions are to be made at current market value and competitively priced whenever possible. Competitive pricing does not necessarily require submission of bids, but does require adequate comparative analysis. The current technology utilized by the Treasury provides this information.

12. MATURITY LIMITATIONS

No investment shall exceed a final maturity date of five years from the date of purchase unless it is authorized by the BOS pursuant to GOV [§53601](#). The settlement date will be used as the date of purchase for measuring maturity limitations.

13. LIQUIDITY

The portfolio shall maintain a weighted average day to maturity (WAM) of less than 541 days or 1.5 years. To provide sufficient liquidity to meet daily expenditure requirements, the portfolio shall maintain at least 40% of its total value in securities having maturities 1 year or less.

14. SECURITIES LENDING

The TTC may engage in securities lending activity limited to 20% of the portfolio's book value on the date of transaction. Instruments involved in a securities lending program are restricted to those securities pursuant to GOV [§53601](#) and by the TTC's Statement of Investment Policy.

15. REVERSE REPURCHASE AGREEMENTS

The Treasury shall not engage in any form of leverage for the purpose of enhancing portfolio yield. There shall be no entry into reverse repurchase agreements except for temporary and unanticipated cash flow requirements that would cause the TTC to sell securities at a principal loss. Any reverse repurchase agreements are restricted pursuant to GOV §[53601](#) and by the TTC's Statement of Investment Policy.

16. MITIGATING MARKET & CREDIT RISKS

Safety of principal is the primary objective of the portfolio. Each investment transaction shall seek to minimize the County's exposure to market and credit risks by giving careful and ongoing attention to the: (1) credit quality standards issued by the nationally recognized rating agencies on the credit worthiness of each issuer of the security, (2) limiting the concentration of investment in any single firm as noted in [Schedule I](#), (3) by limiting the duration of investment to the time frames noted in Schedule I, and (4) by maintaining the diversification and liquidity standards expressed within this policy.

17. TRADING & EARLY SALE OF SECURITIES

All securities are to be purchased with the intent of holding them until maturity. However, in an effort to minimize market and credit risks, securities may be sold prior to maturity either at a profit or loss when economic circumstances, trend in short-term interest rates, or a deterioration in creditworthiness of the issuer warrants a sale of the securities to either enhance overall portfolio yield or to minimize further erosion and loss of investment principal. Such sales should take into account the short- and long-term impacts on the portfolio. However, the sale of a security at a loss can only be made after first securing the approval of the TTC.

18. PURCHASE OF WHEN ISSUED SECURITIES

When issued (W.I.) purchases of securities and their subsequent sale prior to cash settlement are authorized as long as sufficient cash is available to consummate their acceptance into the TTC's portfolio on the settlement date.

19. PORTFOLIO REPORTS/AUDITING

Portfolio reports required by GOV § [53607](#) and [27133](#)(e) shall be filed monthly with the BOS, IOC, Superintendent of Schools, Executive Officer, County Auditor Controller and interested parties. Consistent with Board Policy [B-21](#) (County Investment Policy Statement), § III A, an outside compliance audit will be conducted annually. Outside audits will be conducted at least biennially by an independent auditing firm selected by the BOS, per Board Minute Order No. 3.48. Reports are posted monthly on the Treasurer's website:<https://countytreasurer.org/compliance-analysis-and-investment-report>

20. SPECIFIC INVESTMENTS

Specific investments for individual funds may be made in accordance with the TTC's Statement of Investment Policy, upon written request and approval of the responsible agency's governing board, and approval of the TTC. Investments outside of the policy may be made on behalf of such funds with approval of the governing Board and approval of the TTC. All specific investments shall be memorialized by a Memorandum of Understanding. With the purchase of specific investments, the fund will be allocated the earnings and/or loss associated with those investments. The TTC reserves the right to allocate a pro-rata charge for administrative costs to such funds.

21. PERFORMANCE EVALUATION

Portfolio performance is monitored daily and evaluated monthly in comparison to the movement of the Treasurer's Institutional Money Market Index (TIMMI), or another suitable index. Over time, the portfolio rate of return should perform in relationship to such an index. Regular meetings are to be conducted with the investment staff to review the portfolio's performance, in keeping with this policy, and current market conditions.

22. INVESTMENT OVERSIGHT COMMITTEE

In accordance with GOV §[27130](#), the BOS has established an IOC. The role of the Committee is advisory in nature. It has no input on day to day operations of the Treasury.

23. QUARTERLY APPORTIONMENT OF INVESTMENT EARNINGS

Portfolio income, including gains and losses (if any), will be distributed quarterly in compliance with GOV § [53684](#) and [53844](#) which give the TTC broad authority to apportion earnings and losses among those participants sharing in pooled investment income, and, except for specific investments in which the interest income is to be credited directly to the fund from which the investment was made, all investment income is to be distributed pro-rata based upon each participant's average daily cash balance for the fiscal quarter. Any subsequent adjustments of reported earnings by the Auditor-Controller will be first reviewed and approved by the TTC to assure compliance with GOV § [53684](#) and [53844](#). The TTC employs the modified Cash/ Accrual apportionment method.

24. QUARTERLY ADMINISTRATIVE COSTS

Prior to the quarterly apportionment of pooled fund investment income, the County TTC is permitted, pursuant to GOV §[27013](#), to deduct from investment income before the distribution thereof, the actual cost of the investment, audit, deposit, handling and distribution of such income. Accordingly, in keeping with GOV § [27013](#), [27133](#)(f), and [27135](#), the Treasury shall deduct from pooled fund investment earnings the actual cost incurred for: banking services, custodial safekeeping charges, the pro-rata annual cost of the salaries including fringe benefits for the personnel in the TTC's office engaged in the administration, investment, auditing, cashiering, accounting, reporting, remittance processing and depositing of public funds for investment, together with the related computer and office expenses associated with the performance of these functions. Costs are apportioned based upon average daily ending balances. Prior to gaining reimbursement for these costs, the TTC shall annually prepare a proposed budget revenue estimate per GOV §[27013](#).

25. TREASURY OPERATIONS

Treasury operations are to be conducted in the most efficient manner to reduce costs and assure the full investment of funds. The TTC will maintain a policy regarding outgoing wires and other electronic transfers. Requests for outgoing transfers which do not arrive on a timely basis may be delayed. The County TTC may institute a fee schedule to more equitably allocate costs that would otherwise be spread to all depositors.

26. POLICY CRITERIA FOR AGENCIES SEEKING VOLUNTARY ENTRY

Should any agency solicit entry, the agency shall comply with the requirements of GOV § [53684](#) and adopt a resolution by the legislative or governing body of the local agency authorizing the deposit of excess funds into the County treasury for the purpose of investment by the County TTC. The resolution shall specify the amount of monies to be invested, the personnel authorized by the agency to coordinate the transaction, the anticipated time frame for deposits, the agency's

willingness to be bound to the statutory 30-day written notice requirement for withdrawals, and acknowledging the TTC's ability to deduct pro-rata administrative charges permitted by GOV §27013. Any solicitation for entry into the TPIF must have the County TTC's consent before the receipt of funds is authorized. The depositing entity will enter into a depository agreement with the TTC.

27. POLICY CRITERIA FOR VOLUNTARY PARTICIPANT WITHDRAWALS

With the TTC being required to always maintain a 40% liquidity position during the calendar year, it is anticipated that sufficient funds will be on hand to immediately meet on demand all participant withdrawals for the full dollar amounts requested without having to make any allowance or pro-rata adjustment based on the current market value of the portfolio. In addition, any withdrawal by a local agency for the purpose of investing or depositing those funds outside the Pool shall have the prior written approval of the County TTC.

The TTC's approval of the withdrawal request shall be based on the availability of funds; the circumstances prompting the request; the dollar volume of similar requests; the prevailing condition of the financial markets, and an assessment of the effect of the proposed withdrawal on the stability and predictability of the investments in the county treasury.

28. POLICY ON RECEIPT OF HONORARIA, GIFTS AND GRATUITIES

Neither the TTC nor any member of his staff, shall accept any gift, gratuity or honoraria from financial advisors, brokers, dealers, bankers or other persons or firms conducting business with the County TTC which exceeds the limits established by the Fair Political Practices Commission (FPPC) and relevant portions of GOV §27133. IOC members shall be subject to the limits included in the BOS Policy [B-21](#).

29. ETHICS & CONFLICTS OF INTEREST

Officers and staff members involved in the investment process shall refrain from any personal business activity that compromises the security and integrity of the County's investment program or impairs their ability to make impartial and prudent investment decisions. In addition, the County TTC, Assistant TTC, Chief Investment Officer, Deputy Investment Officer, Investment Officer and Assistant Investment Officer are required to file annually the applicable financial disclosure statements as mandated by the FPPC and County policy.

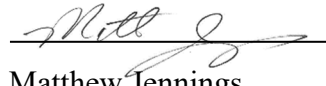
30. INVESTMENTS MADE FROM DEBT ISSUANCE PROCEEDS

The proceeds of a borrowing may be specifically invested per Schedule I of this policy (with the exception of Collateralized Time Deposits and Local Agency Obligations) as well as competitively bid investments (see County of Riverside Office of The TTC Policy Governing Competitively Bid Investments, dated March 3, 2011).

No pooled fund investments made from the proceeds of a borrowing, the monies of which are deposited in the County TTC, shall be invested for a period exceeding the maturity date of the borrowing. Nor shall any monies deposited with a bank trustee or fiscal agent for the ultimate purpose of retiring the borrowing be invested beyond the maturity date of the borrowing.

31. POLICY ADOPTION & AMENDMENTS

This policy statement will become effective following adoption by the BOS and will remain in force until subsequently amended in writing by the TTC and approved by the BOS.



Matthew Jennings
County of Riverside
Treasurer-Tax Collector

12/09/2025

32. AUTHORIZED INVESTMENTS SCHEDULE I

AUTHORIZED INVESTMENTS	CA GOV §	DIVERSIFICATION (1)	PURCHASE RESTRICTIONS	MAXIMUM MATURITY	MINIMUM QUALITY (S&P/MOODY'S/FITCH)
U.S. Treasury Obligations	53601 (b)	100%	N/A	5 years	N/A
U.S. Government Agency Obligations	53601(f)	100%	N/A	5 years	N/A
State Obligations (Munis) and CA Local Agency Obligation	53601(c) 53601(d) 53601(e)	15% maximum	See Schedule II	5 years	AA-, Aa3, AA-
Supranational Obligations issued or fully guaranteed as to principal and interest by the International Bank for Reconstruction and Development, the International Finance Corporation, and Inter-American Development Bank.	53601(q)	20% maximum	Max 10% per issuer	5 years	AA-, Aa3, AA- Applied to the issuer's senior debt ratings.
Local Agency Investment Fund (LAIF)	16429.1	\$50 million maximum	Maximum \$50 million per LAIF	Daily	N/A
Commercial Paper	53635(a)(1)	40% maximum	See Schedule II	397 days	A-1, P-1, F1
Local Agency Obligations	53601(e)	2.5% maximum	BOS approval required. Issued by pool depositors only	3 years	Non-rated, if in the opinion of the Treasurer, considered to be of investment grade or better
Joint Powers Authority Pool CalTRUST Short Term Fund (CLTR), California Asset Management Program (CAMP)	53601(p)	2% maximum	N/A	Daily	NR / Portfolio managed pursuant to California Government Code § 53601 & 53635

TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

Negotiable Certificates of Deposit	53601(i)	20% maximum	See Schedule II	2 year	A-1, P-1, F1” or better
Collateralized Time Deposits	53630 et seq 53601(n)	2% maximum	See Schedule V	1 year	N/A
Repurchase Agreements (REPO) with 102% collateral restricted to U. S. Treasuries, agencies, agency mortgages	53601(j)	40% max, 25% in term repo over 7 days. No more than 20% w/one dealer in term repo	Repurchase agreements to be on file	45 days	
Reverse Repurchase Agreements on U. S. Treasury & federal agency securities in portfolio	53601(j)	10% maximum	For temporary cash flow needs only.	Max 60 days with prior approval of BOS	N/A
Medium Term Notes (Corporate Notes)	53601(k)	20% maximum	See Schedule II	Maximum 4 years	A, A2, A See Schedule II
Interest bearing Checking Account		20% maximum	N/A	Daily	Fully collateralized with US Treasuries or US Federal agency notes
Money Market Mutual Funds (MMF)	53601(i) and 53601.6(b)	20% maximum	See Schedule V	Daily	AAA (2 of 3 nationally recognized rating services)

33. SCHEDULE II POLICY CRITERIA CORPORATE AND MUNICIPAL SECURITIES

Corporate Criteria. Money market securities will be first restricted by short-term ratings and then further restricted by long term credit ratings. The long-term credit ratings, including the outlook of the parent company will be used. Money market securities consist of negotiable certificates of deposit (NCDs), bankers’ acceptances, and commercial paper. Medium term securities will be restricted by the long-term ratings of the legal issuer. Concentration limit restrictions will make no distinction between medium term notes and money market securities.

No short-term negative credit watch or long-term negative outlook by 2 of 3 nationally recognized rating services except for entities participating in government guaranteed programs. Credit Category 1 and Category 2 with negative credit watch or long-term negative outlook, by more than one nationally recognized rating service is permitted as Category 3 and Category 4 respectively.

Municipal Criteria. Minimum of A or A2 or A, underlying credit rating for selecting insured municipal securities and a maximum of 5% exposure to any one insurer (direct purchases and indirect commitments).

Liquidity Provider Restrictions. Maximum of 5% exposure to any one institution (direct purchases and indirect commitments).

Category	Short-Term Ratings	Long-Term Ratings	Restrictions
1	A-1+/P-1/F1+ (SP-1+/MIG1/F1+)	AAA/Aaa/AAA	Corp. (MTN) Maximum of 5% per issuer with no more than 3% greater than 1 year final maturity Muni. Maximum of 5% per issuer
2	A-1+/P-1/F1+ (SP-1+/MIG1/F1)	AA+/Aa1/AA+, AA/Aa2/AA	Corp. Maximum of 4% per issuer with no more than 2% greater than 1 year final maturity. Muni. Maximum of 5% per issuer.
3	A-1+/P-1/F1+ (SP-1+/MIG1/F1)	AA-/Aa3/AA-	Corp. Maximum of 4% per issuer with no more than 2% greater than 180 days. No more than 270 days final maturity. Muni. Maximum of 5% per issuer.
4	A-1/P-1/F1 (SP-1/MIG1/F1)	A/A2/A or better.	Corp. No Asset Backed programs. Maximum of 3% per issuer with no more than 2% greater than 30 days. No more than 120 days maximum maturity.

Rating Agency Comparison Table

Short-Term Scale

S&P	A-1+, A-1
Moody's	P-1
Fitch	F1+, F1

Long-Term Scale

S&P	AAA, AA+, AA, AA-, A+, A, A-
Moody's	Aaa, Aa1, Aa2, Aa3, A1, A2, A3
Fitch	AAA, AA+, AA, AA-, A+, A, A-

34. SCHEDULE III AUTHORIZED BROKER/DEALERS

The TTC is authorized to conduct investment security transactions with the broker/dealers which are designated by the Federal Reserve Bank as primary government dealers. Security transactions with firms, other than those appearing on this list, are prohibited.

1. Other authorized firms:

Academy Securities, Inc.
Bank of New York
FTN
Inspere LLC
Moreton Capital
Loop Capital
Great Pacific Securities
MUFG
Piper Sandler & Co.
Ramirez & Co, Inc.
Raymond James & Associates, Inc.
Siebert Williams Shank & Co.
Stifel Nicolas & Co
Southstate|DuncanStoneX Financial Inc
US Bank
PNC Bank National

2. Direct purchases of commercial paper, money market mutual funds, negotiable CDs, are authorized.

3. Incidental purchases of less than \$10 million may be made with other firms if in the opinion of the TTC, such transactions are deemed advantageous.

To ensure compliance with the County TTC's investment guidelines, each newly authorized primary government dealer and other authorized firms (as listed above in section 1, 2 and 3) will be supplied a complete copy of this Investment Policy document approved by the BOS.

35. SCHEDULE IV POLICY CRITERIA FOR SELECTION OF BROKER/DEALERS

1. The County TTC has elected to limit security transactions as mentioned in Schedule III. Accordingly, the financial institution must confirm that they are a member of the Financial Industry Regulatory Authority (FINRA), registered with the Securities & Exchange Commission (SEC), and possess all other required licenses. The TTC is prohibited from the selection of any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local Treasurer, any member of the governing board of the local agency, or any candidate for those offices.
2. The County TTC's intent is to enter into long-term relationships. Therefore, the integrity of the firm and the personnel assigned to our account is of primary importance.
3. The firm must specify the types of securities it specializes in and will be made available for our account.
4. It is important that the firm provide related services that will enhance the account relationship which could include:
 - (a) An active secondary market for its securities.
 - (b) Internal credit research analysis on commercial paper, banker's acceptances and other securities it offers for sale.
 - (c) Be willing to trade securities for our portfolio.
 - (d) Be capable of providing market analysis, economic projections, and newsletters.
 - (e) Provide market education on new investment products, security spread relationships, graphs, etc.
5. The firm must be willing to provide us monthly financial statements, and transactional confirms.
6. The County TTC is prohibited from the establishment of a broker/dealer account for the purpose of holding the County's securities. All securities must be subject to delivery at the County's custodial bank.
7. Without exception, all transactions are to be conducted on a delivery versus payment (DVP) basis.
8. The broker/dealer must have been in operation for more than 5 years, and, if requested, the firm must be willing to provide us a list of local government clients or other reference, particularly those client relationships established within the State of California.

36. SCHEDULE V POLICY CRITERIA FOR COLLATERALIZED TIME DEPOSITS

Before the TTC can place a time deposit with a local bank or savings and loan, the following criteria must be met:

1. The bank must provide us with an executed copy of the "Contract for Deposit of Moneys."
2. The interest rate on the Time Certificate of Deposit must be competitive with rates offered by other banks and savings and loans residing in Riverside County, as well as exceed that of U.S. Treasury Securities.
3. Investments exceeding the FDIC insurance limit shall be fully collateralized by U.S. Treasury and Federal Agency securities having maturities five years or less. The County Treasury must receive written confirmation that these securities have been pledged in repayment of the time deposit. The securities pledged as collateral must have a current market value greater than the dollar amount of the deposit in keeping with the ratio requirements specified in Code Section 53652. Additionally, a statement of the collateral shall be provided monthly. A collateral waiver for the portion insured by the FDIC will be granted.
4. The County TTC must be given a current audited financial statement for the financial year just ended as well as the most recent quarterly statement of financial condition. The financial reports must both include a statement of financial condition as well as an income statement depicting current and prior year operations.
5. The County TTC will not place a public fund deposit for more than 10% of the present paid-in capital and surplus of the bank.
6. The County TTC must receive a certificate of deposit which specifically expresses the terms governing the transaction, deposit amount, issue date, maturity date, name of depositor, interest rate, interest payment terms (monthly, quarterly, etc).
7. All time certificates must have a maturity date not exceeding one year from the date of the deposit, with interest payments based upon the stated interest rate.
8. The County TTC must receive a letter from an officer of the bank at the time the initial deposit is made, that there is no known pending financial disclosure or public announcement of an adverse financial event involving the bank or savings and loan, nor is there any knowledge that a conflict-of-interest situation exists between any County official and an officer or employee of the bank.

37. SCHEDULE VI POLICY CRITERIA FOR ENTERING INTO A MONEY MARKET FUND

Shares of beneficial interest issued by diversified management companies, also known as money market mutual funds, invest in the securities and obligations authorized by GOV §GOV § 53601.7(10). Approved mutual funds will be registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et. seq.) and shall meet the following criteria:

1. The fund must have a AAA rating from two of the nationally recognized rating services: Moody's, Fitch, Standard & Poor's.
2. The fund's prospectus cannot allow hedging strategies, options or futures.
3. The fund must provide a current prospectus before participation in the fund and provide access to copies of their portfolio reports.

GLOSSARY

AGENCY ISSUES - Securities issued by federal agencies, those chartered by the federal government or Government Sponsored Enterprises that are considered to be backed by the federal government. See also Government Sponsored Enterprises.

ASSET-BACKED SECURITY (ABS) - A financial security backed by a loan, lease, or receivables against assets other than real estate and mortgage-backed securities.

COLLATERALIZATION - Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

COLLATERALIZED CERTIFICATE OF DEPOSIT - An instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is collateralized by the bank with securities at a minimum of 110% of the deposit amount.

COMMERCIAL PAPER - Money Market instrument representing an unsecured short-term promissory note of a corporation at a specified rate of return for a specified period of time.

COUPON - The stated interest rate on a debt security that an issuer promises to pay.

CREDIT QUALITY - An indication of risk that an issuer of a security will fulfill its obligation, as rated by a rating agency.

CREDIT RATING - A standardized assessment, expressed in alphanumeric characters, of a company's creditworthiness.

CREDIT RISK - The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

DIVERSIFICATION - The practice or concept of investing in a range of securities by sector, maturity, asset class or credit quality in order to reduce and spread financial risk.

DOLLAR WEIGHTED AVERAGE MATURITY - The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

DURATION - Is a measure of the price volatility of a portfolio and reflects an estimate of the projected increase or decrease in the value of that portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every one percent

TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

increase in interest rates, the market value of the Portfolio would decrease by 1.0 percent.

EARNINGS APPORTIONMENT - Is the quarterly distribution of earnings to all Pool Participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool.

GOVERNMENT OBLIGATIONS - Securities issued by the U.S. Treasury and Federal Agencies. U.S. Treasuries are direct obligations of the Federal Government. Agencies are not direct obligations of the Federal Government but involve Federal sponsorship or guarantees.

GOVERNMENT SPONSORED ENTERPRISES (GSE'S) - Private, shareholder-owned companies with a relationship with government agencies. These agencies generally are viewed to have an implied guarantee of the U.S. government. These include: Federal National Mortgage Association (FNMA) Federal Home Loan Bank (FHLB) Federal Farm Credit Bank (FFCB) Federal Home Loan Mortgage Corporation (FHLMC) LIQUID - A security that is easily bought and sold because of the willingness of interested buyers and sellers to trade large quantities at a reasonable price.

LOCAL AGENCY OBLIGATION - An indebtedness issued by a local agency, department, board, or authority within the State of California.

LONG-TERM - The term used to describe a security when the maturity is greater than one year.

MARKET VALUE - An estimate of the value of a security at which the principal would be sold from a willing seller to a willing buyer at the date of pricing.

MEDIUM TERM NOTES - These are Corporate Notes and Bank Notes that are debt obligations of banks, corporations, and insurance companies. They are issued at a specific rate of return for a specific period of time.

MONEY MARKET MUTUAL FUND - A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

NEGOTIABLE CERTIFICATE OF DEPOSIT - A Money Market instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is traded in secondary markets.

PAR - The stated maturity value, or face value, of a security.

TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

POOL - In this context, the pooled monies of different government agencies administered by the County Treasurer. Each pool member owns a fractional interest in the securities held in the Pool.

PORTFOLIO VALUE - The total book value amount of all the securities held in the Treasurer's Pooled Money Fund.

PRIMARY DEALER - A group of dealers and banks that can buy and sell securities directly with the Federal Reserve Bank of New York.

REPURCHASE AGREEMENT - A repurchase agreement consists of two simultaneous transactions. One is the purchase of securities by an investor (i.e., the County), the other is the commitment by the seller (i.e. a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed future date.

REVERSE REPURCHASE AGREEMENT - The mirror image of Repurchase Agreements. In this instance the County Pool is the seller of securities to an investor (i.e. brokers).

SAFEKEEPING - A custodian bank's action to store and protect an investor's securities by segregating and identifying the securities.

SECURITIES LENDING - A transaction wherein the Treasurer's Pool transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

SHORT-TERM - The term used to describe a security when the maturity is one year or less.

VOLUNTARY PARTICIPANTS - Local agencies that are not required to deposit their funds with the County Treasurer.

WHEN-ISSUED SECURITIES - A security traded before it receives final trading authorization with the investor receiving the certificate/security only after the final approval is granted.

YIELD - The gain, expressed as a percentage that an investor derives from a financial asset.

YIELD TO MATURITY - The percentage rate of return paid if the security is held to its maturity date. The calculation is based on the coupon rate, length of time to maturity, and market price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate.



County of Riverside

TREASURER-TAX COLLECTOR'S
POOLED INVESTMENT FUND
MARCH 2026 REPORT



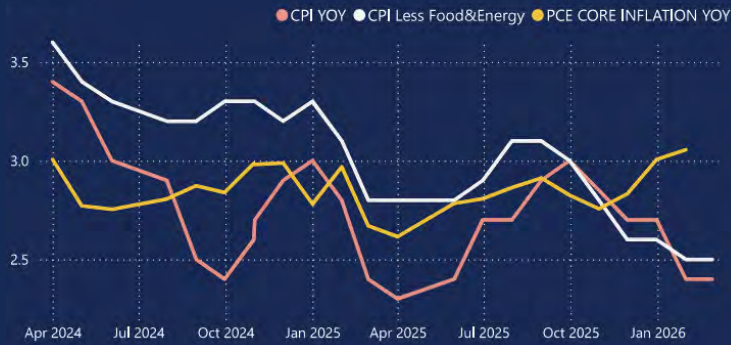
Stability Amid Global Tensions

In March, news focused much of its attention on the Middle East conflict and its impact on energy and shipping. Fuel and natural gas prices moved higher, but the bond market kept its focus on fundamentals. Softer labor data and shifting expectations for Fed policy did more to shape yields than the headlines.

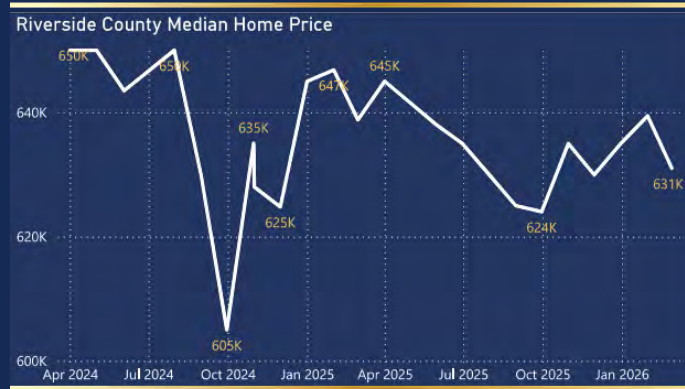
The labor market showed the clearest sign of cooling. Payrolls fell by 92,000, and the unemployment rate moved up to 4.4%. The losses were broad, including a small slowdown in healthcare and social assistance. Housing was the exception. Starts rose 7.2%, driven almost entirely by multifamily construction. With single-family affordability still stretched, rental demand continued to support building activity.

Riverside's housing market remains steady. According to C.A.R., the February median home price was \$631,000, consistent with the relatively narrow range seen since 2022. The region's unsold inventory index continues to reflect a tight but stable environment, and overall activity and pricing remain aligned with long-standing patterns. The region's mix of logistics, healthcare, and service jobs continues to support demand, even as higher borrowing costs make ownership difficult for many households.

Inflation



Energy prices moved higher during the month, and markets noted that increase in real time. The inflation data released in March still reflected February conditions and showed little movement. Traders continued to lean more on fundamentals and the Fed's policy path than on the headlines.



The Fed met on March 18 and left rates unchanged at 3.50%–3.75%. Their message stayed consistent: inflation has improved, but they want more confirmation before making any moves. Early in March, markets were expecting several cuts this year. By month-end, that had shifted to little expectation of easing in 2026 and only modest reductions further out. The change reflected a steadier Fed tone, a firmer inflation backdrop, and even a bit of renewed chatter about possible hikes.

Treasury yields moved higher across the curve. The two-year rose from 3.38% to 3.83%, and the five-year from 3.50% to 3.99%. The biggest moves were in the middle of the curve, where markets adjusted to the idea that rate cuts may come later and in smaller amounts. Stocks pulled back, with the Dow moving from 48,900 to 46,300.

For the Treasurer-Tax Collector's Pooled Investment Fund, the approach didn't change. Higher short- and intermediate-term yields continued to offer solid income opportunities, and staying focused on liquid, high-quality investments remained the most sensible path in a month where the headlines were loud but the underlying signals were clearer.



INVESTMENT RESULTS

Objective

The Fund seeks to safeguard the principal of the funds under the Treasurer's control, meet the liquidity needs of the depositors, and to maximize a return on the funds within the given parameters. The Fund invests exclusively in high-quality, short-term securities maturing within 5 years. The Fund is comprised of contributions from the county, schools, special districts, and other discretionary depositors throughout the County of Riverside. The Fund is in full compliance with the Treasurer-Tax Collector Statement of Policy and California Government Code.

\$16.61bn
Market Value

\$16.58bn
Principal

\$ 30.59M
Unrealized Gain/Loss

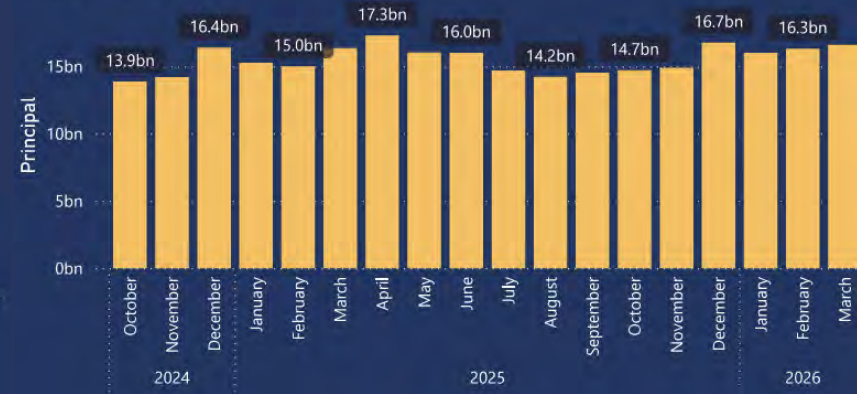
0.18
Unrealized Gain/Loss %

3.80
YTM %

1.41
WAM (Yrs)

Rated AAAf/S1 by Fitch Ratings, one of the nation's most trusted bond credit rating services.

Historical Fund Size



Purchase Yield vs TIMMI Index



SUMMARY

Federal Home Loan Mortgage Corporation

2,636,660,350.65

Federal Home Loan Banks

2,421,379,190.00

Federal National Mortgage Association

2,136,094,878.92

Federal Farm Credit Banks Funding Corporat...

1,468,107,131.25

United States

1,238,366,766.51

BONY

900,000,000.00

Johnson & Johnson

813,694,699.70

Toronto-Dominion Bank - New York Branch

540,000,000.00

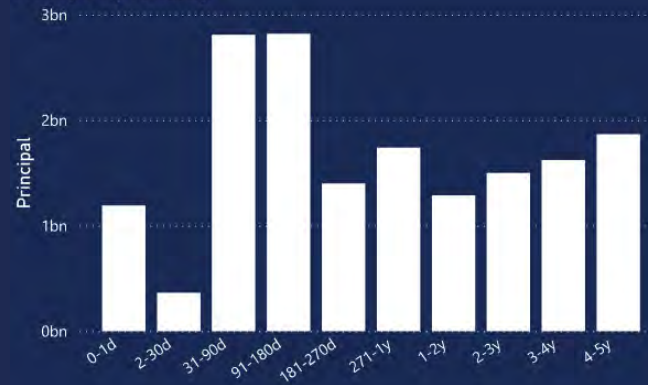
Bank of America, National Association

475,000,000.00

Royal Bank of Canada New York Branch

436,278,083.33

Principal by Maturity



Cash Flows

Month-Year	Projected Receipts	Projected Maturities	Projected Payments	Net Cash
Apr-26	4,581,850,351.16	1,138,550,687.42	3,818,208,852.95	1,902,192,185.62
May-26	1,418,410,086.58	1,742,548,211.71	2,906,956,488.14	254,001,810.15
Jun-26	2,007,976,363.45	1,268,276,102.21	2,142,070,979.35	1,134,181,486.31
Jul-26	962,081,118.65	1,121,358,129.63	2,457,489,509.58	-374,050,261.30
Aug-26	1,320,079,187.43	527,228,226.51	1,760,677,804.44	86,629,609.50
Sep-26	1,801,447,468.42	1,096,153,142.12	1,581,578,414.83	1,316,022,195.71
Oct-26	2,061,594,726.18	750,797,381.37	1,891,493,182.82	920,898,924.73
Nov-26	1,881,779,558.41	345,618,425.47	1,627,499,466.46	599,898,517.43
Dec-26	4,072,710,339.58	295,749,555.63	2,008,414,648.51	2,360,045,246.70
Jan-27	1,898,357,406.81	1,061,874,382.70	3,034,747,265.47	-74,515,475.97
Feb-27	2,293,386,555.93	384,731,729.02	2,546,817,652.85	131,300,632.10
Mar-27	3,517,053,338.52	165,724,422.68	3,259,694,976.62	423,082,784.59
Total	27,816,726,501.11	9,898,610,396.47	29,035,649,242.02	8,679,687,655.56



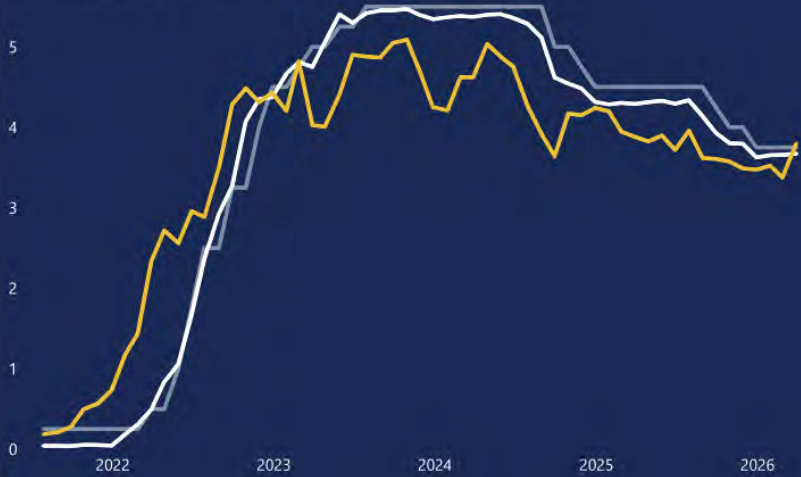
Holdings Summary

Category	Principal	WAM	YTM
Agency	8,732,233,000.82	2.32	3.94
CD	2,030,000,000.00	0.28	3.62
Corporate	255,830,760.28	1.06	4.08
CP	2,568,787,590.54	0.24	3.69
MM Fund	163,000,000.02	0.00	3.55
Muni	85,400,380.00	0.49	4.38
Mutual Fund	313,000,000.00	0.00	3.76
Non-US Gov	294,473,410.25	0.88	4.03
Repo	900,000,000.00	0.01	3.66
US Gov	1,238,366,766.51	1.16	3.34
Total	16,581,091,908.42	1.41	3.80

MARKET DATA

Treasury Rates

● FED TARGET RATE ● 3-MO UST ● 2-YR UST



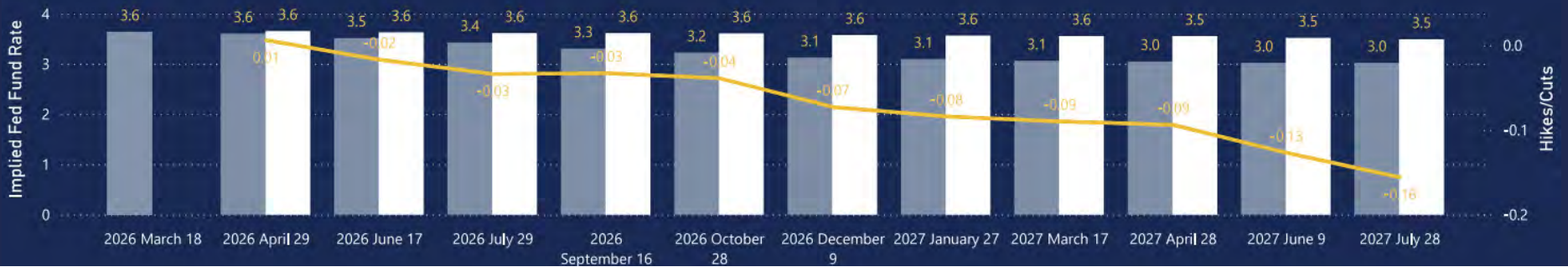
US Treasury Yield Curve

● Start of Month ● End of Month



Implied Fed Funds Rate and Rate Change

● Start of Month ● End of the Month ● Rate Cuts/Hikes



ECONOMICS

U.S. Unemployment Rates (%)

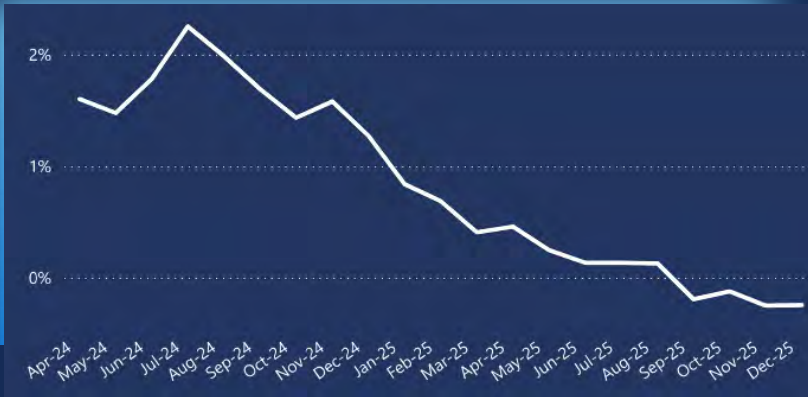
December

2024	4.10	5.50	4.90
Year	United States	California	Riverside County

December

2025	4.40	5.50	5.10
Year	United States	California	Riverside County

Riverside MSA Nonfarm Payroll (%Change)



U.S. Initial Jobless Claims by Month



COMPLIANCE STATEMENT

The Treasurer's Pooled Investment Fund was in full compliance with the County of Riverside Treasurer's Statement of Investment Policy as of month-end. The County's Statement of Investment Policy is more restrictive than California State Government Code 53646. The County's Investment Policy is reviewed annually by the County of Riverside's Oversight Committee and approved by the Board of Supervisors.

Since its inception, the Treasurer's Pooled Investment Fund has been in full compliance with the Treasurer's Statement of Investment Policy.

Investment Category	Gov. Authorized % Limit	Gov. Code Maximum Maturity	Gov. Ratings	Co. Authorized % Limit	Co. Maximum Maturity	Co. Ratings	Pool Principal %
U.S. TREASURIES	NO LIMIT	5 YEARS	NA	100%	5 YEARS	NA	7.47%
REVERSE REPOS	20%	92 DAYS	NA	10%	60 DAYS	NA	
REPURCHASE AGREEMENTS (REPO)	NO LIMIT	1 YEARS	NA	40% max, 25% in term repo over 7 days	45 DAYS	NA	5.43%
NEGOTIABLE CERTIFICATE OF DEPOSITS & COLLATERALIZED TIME DEPOSITS (NCD & TCD)	30%	5 YEARS	NA	20%	2 YEAR	A1/P1/F1	12.24%
MUNICIPAL BONDS (MUNI)	NO LIMIT	5 YEARS	NA	15%	5 YEARS	AA-/Aa3/AA-	0.52%
MONEY MARKET MUTUAL FUNDS (MMF)	20%	60 DAYS (1)	AAA/Aaa (2)	20%	DAILY LIQUIDITY	AAA by 2 Of 3 RATINGS AGC.	0.98%
MEDIUM TERM NOTES (MTNO), CORPORATE NOTES	30%	5 YEARS	A	20%	4 YEARS	A/A2/A	1.54%
LOCAL AGENCY OBLIGATIONS (LAO)	NO LIMIT	5 YEARS	NA	2.5%	3 YEARS	INVESTMENT GRADE	
LOCAL AGENCY INVESTMENT FUND (LAIF)	NA	NA	NA	Max \$50 million	DAILY LIQUIDITY	NA	
JOINT POWERS AUTHORITY POOL, CLTR, CAMP	NA	NA	NA	2%	DAILY LIQUIDITY	NA	1.89%
INT'L BANK FOR RECONSTRUCTION AND DEVELOPMENT, INT'L FINANCE CORPORATION, AND INTER-AMERICAN DEVELOPMENT BANK	NA	NA	NA	20%	5 YEARS	AA/Aa/AA	1.78%
FEDERAL AGENCIES	NO LIMIT	5 YEARS	AAA	100%	5 YEARS	NA	51.38%
COMMERCIAL PAPER (CP)	40%	397 DAYS	A1/P1	40%	397 DAYS	A1/P1/F1	19.75%
CASH/DEPOSIT ACCOUNT	NA	NA	NA	20%	NA	NA	
Total							100.00%





INVESTMENT TEAM

The sound investment of public funds, fair, efficient tax collection, and exceptional public service

Matthew Jennings
Treasurer-Tax Collector

Giovane Pizano

Assistant Treasurer-Tax Collector

John Byerly

Chief Investment Officer

Steve Faeth

Senior Investment Officer

Isela Licea

Investment Officer



The sound investment of public funds, fair, efficient tax collection, and exceptional public service

COUNTY OF RIVERSIDE
TREASURER-TAX COLLECTOR
CAPITAL MARKETS
COUNTY ADMINISTRATIVE CENTER

4080 LEMON STREET, 4TH FLOOR,
RIVERSIDE, CA 92501



<https://countytreasurer.org/>



<https://www.facebook.com/profile.php?id=61551938128471>



<https://instagram.com/rivcottc>



rcttc@rivco.org



SCAN QR CODE TO
Explore our Website



Jessica Roberson

Content Creator



Paola Vertiz

Managing Editor



Agency

AGCY BOND

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
3136GCYF6	FEDERAL NATIONAL MORTC	4.530	100.0342	03/26/2031	25,000,000.00	25,000,000.00	25,008,550.00	25,000,000.00	8,550.00
3136GCT47	FEDERAL NATIONAL MORTC	4.320	99.4241	03/12/2031	25,000,000.00	25,000,000.00	24,856,025.00	25,000,000.00	(143,975.00)
3136GCSW6	FEDERAL NATIONAL MORTC	4.320	99.4241	03/12/2031	25,000,000.00	25,000,000.00	24,856,025.00	25,000,000.00	(143,975.00)
3130B9TR1	FEDERAL HOME LOAN BANF	4.381	99.5414	03/05/2031	25,000,000.00	25,000,000.00	24,885,350.00	25,000,000.00	(114,650.00)
3136GCPQ2	FEDERAL NATIONAL MORTC	4.250	99.3290	03/04/2031	25,000,000.00	25,000,000.00	24,832,250.00	25,000,000.00	(167,750.00)
3136GCPP4	FEDERAL NATIONAL MORTC	4.220	99.2386	03/03/2031	50,000,000.00	50,000,000.00	49,619,300.00	50,000,000.00	(380,700.00)
3134HCVL0	FEDERAL HOME LOAN MOR	4.125	99.1136	02/20/2031	50,000,000.00	50,000,000.00	49,556,800.00	50,000,000.00	(443,200.00)
3134HCVL0	FEDERAL HOME LOAN MOR	4.125	99.1136	02/20/2031	15,000,000.00	15,000,000.00	14,867,040.00	15,000,000.00	(132,960.00)
3136GC4L6	FEDERAL NATIONAL MORTC	4.240	99.0192	11/13/2030	25,000,000.00	25,000,000.00	24,754,800.00	25,000,000.00	(245,200.00)
3130B8BF8	FEDERAL HOME LOAN BANF	4.045	98.5424	11/06/2030	25,000,000.00	24,902,245.35	24,635,600.00	24,893,750.00	(258,150.00)
3130B7SY1	FEDERAL HOME LOAN BANF	3.750	98.2447	09/30/2030	25,000,000.00	25,000,000.00	24,561,175.00	25,000,000.00	(438,825.00)
3133ETLF2	FEDERAL FARM CREDIT BA	4.390	100.0055	06/17/2030	25,000,000.00	25,000,000.00	25,001,375.00	25,000,000.00	1,375.00
3130B6SF4	FEDERAL HOME LOAN BANF	4.125	99.7470	06/14/2030	10,000,000.00	10,000,000.00	9,974,700.00	10,000,000.00	(25,300.00)
3133ETDZ7	FEDERAL FARM CREDIT BA	4.590	99.7125	04/22/2030	10,000,000.00	10,000,000.00	9,971,250.00	10,000,000.00	(28,750.00)
3130B8SU2	FEDERAL HOME LOAN BANF	4.000	98.7988	04/16/2030	15,000,000.00	15,000,000.00	14,819,820.00	15,000,000.00	(180,180.00)
3136GCS30	FEDERAL NATIONAL MORTC	4.000	99.0289	03/18/2030	30,000,000.00	30,000,000.00	29,708,670.00	30,000,000.00	(291,330.00)
3136GCUP8	FEDERAL NATIONAL MORTC	4.300	99.3329	03/18/2030	25,000,000.00	25,000,000.00	24,833,225.00	25,000,000.00	(166,775.00)
3136GCPB5	FEDERAL NATIONAL MORTC	4.000	98.8577	02/27/2030	30,000,000.00	30,000,000.00	29,657,310.00	30,000,000.00	(342,690.00)
3130B9LH1	FEDERAL HOME LOAN BANF	3.825	98.6500	02/26/2030	15,000,000.00	15,000,000.00	14,797,500.00	15,000,000.00	(202,500.00)
3133ET7M3	FEDERAL FARM CREDIT BA	3.892	98.7577	01/14/2030	10,000,000.00	9,992,416.44	9,875,770.00	9,992,000.00	(116,230.00)
3133ET7M3	FEDERAL FARM CREDIT BA	3.918	98.7577	01/14/2030	15,000,000.00	14,974,753.30	14,813,655.00	14,973,750.00	(160,095.00)
3134HCMH9	FEDERAL HOME LOAN MOR	4.014	98.9078	01/07/2030	10,000,000.00	9,995,261.53	9,890,780.00	9,995,000.00	(104,220.00)
3134HCD55	FEDERAL HOME LOAN MOR	4.000	98.9382	12/04/2029	10,000,000.00	10,000,000.00	9,893,820.00	10,000,000.00	(106,180.00)
31424WRN4	FEDERAL AGRICULTURAL M	4.653	100.2795	11/27/2029	15,000,000.00	14,993,744.36	15,041,925.00	14,991,450.00	50,475.00
31424WRG9	FEDERAL AGRICULTURAL M	4.550	100.6902	11/26/2029	20,000,000.00	20,000,000.00	20,138,040.00	20,000,000.00	138,040.00
3133ETY50	FEDERAL FARM CREDIT BA	4.213	99.2530	11/26/2029	20,000,000.00	19,990,729.17	19,850,600.00	19,990,000.00	(139,400.00)
3130B3LE1	FEDERAL HOME LOAN BANF	4.420	100.2798	11/05/2029	15,000,000.00	15,000,000.00	15,041,970.00	15,000,000.00	41,970.00
3133EK4C7	FEDERAL FARM CREDIT BA	4.347	93.9132	10/29/2029	15,000,000.00	13,958,672.88	14,086,980.00	13,549,950.00	537,030.00
3130B7RM8	FEDERAL HOME LOAN BANF	4.100	99.0815	09/26/2029	15,000,000.00	15,000,000.00	14,862,225.00	15,000,000.00	(137,775.00)
3133ETZB6	FEDERAL FARM CREDIT BA	4.010	98.9364	09/24/2029	50,000,000.00	50,000,000.00	49,468,200.00	50,000,000.00	(531,800.00)
3133ERP54	FEDERAL FARM CREDIT BA	3.732	99.4138	08/15/2029	10,000,000.00	10,005,465.06	9,941,380.00	10,008,100.00	(66,720.00)
3130B2HC2	FEDERAL HOME LOAN BANF	4.200	99.5381	08/13/2029	20,000,000.00	20,000,000.00	19,907,620.00	20,000,000.00	(92,380.00)
3130B2S50	FEDERAL HOME LOAN BANF	4.710	100.1036	07/30/2029	15,000,000.00	15,000,000.00	15,015,540.00	15,000,000.00	15,540.00
3134HCQ51	FEDERAL HOME LOAN MOR	3.992	99.1720	07/23/2029	30,000,000.00	30,000,000.00	29,751,600.00	30,000,000.00	(248,400.00)
3133ET2L0	FEDERAL FARM CREDIT BA	3.875	99.1077	06/01/2029	10,000,000.00	10,000,000.00	9,910,770.00	10,000,000.00	(89,230.00)
3130B6J49	FEDERAL HOME LOAN BANF	4.150	99.8963	05/21/2029	15,000,000.00	15,000,000.00	14,984,445.00	15,000,000.00	(15,555.00)
3133ETEX1	FEDERAL FARM CREDIT BA	4.440	99.7391	04/30/2029	10,000,000.00	10,000,000.00	9,973,910.00	10,000,000.00	(26,090.00)
3136GAZA0	FEDERAL NATIONAL MORTC	4.000	99.1793	04/24/2029	25,000,000.00	25,000,000.00	24,794,825.00	25,000,000.00	(205,175.00)
3130B0TF6	FEDERAL HOME LOAN BANF	4.750	100.8254	04/09/2029	10,000,000.00	10,000,000.00	10,082,540.00	10,000,000.00	82,540.00
3133ETBK2	FEDERAL FARM CREDIT BA	4.580	99.8815	04/02/2029	25,000,000.00	25,000,000.00	24,970,375.00	25,000,000.00	(29,625.00)
3133ETBK2	FEDERAL FARM CREDIT BA	4.501	99.8815	04/02/2029	16,000,000.00	16,000,033.06	15,981,040.00	16,012,000.00	(30,960.00)
3130B9WB2	FEDERAL HOME LOAN BANF	4.000	99.5577	03/23/2029	15,000,000.00	15,000,000.00	14,933,655.00	15,000,000.00	(66,345.00)
3130B7QH0	FEDERAL HOME LOAN BANF	4.000	99.3394	03/12/2029	25,000,000.00	25,000,000.00	24,834,850.00	25,000,000.00	(165,150.00)
3134HCZA0	FEDERAL HOME LOAN MOR	4.231	99.4706	03/12/2029	25,000,000.00	24,943,802.23	24,867,650.00	24,943,750.00	(76,100.00)
3134HCXT1	FEDERAL HOME LOAN MOR	4.000	99.3280	03/09/2029	30,000,000.00	30,000,000.00	29,798,400.00	30,000,000.00	(201,600.00)
3133ER5D9	FEDERAL FARM CREDIT BA	4.490	100.3192	03/05/2029	10,000,000.00	10,000,000.00	10,031,920.00	10,000,000.00	31,920.00
3133ETP92	FEDERAL FARM CREDIT BA	4.031	99.2197	02/05/2029	20,000,000.00	19,973,511.45	19,843,940.00	19,970,000.00	(126,060.00)
3134HCNV7	FEDERAL HOME LOAN MOR	4.000	99.3054	01/09/2029	50,000,000.00	50,000,000.00	49,652,700.00	50,000,000.00	(347,300.00)
3133ET4K0	FEDERAL FARM CREDIT BA	3.800	99.1261	12/18/2028	10,000,000.00	10,000,000.00	9,912,610.00	10,000,000.00	(87,390.00)
3133ET4K0	FEDERAL FARM CREDIT BA	3.800	99.1261	12/18/2028	10,000,000.00	10,000,000.00	9,912,610.00	10,000,000.00	(87,390.00)
3134HCN2	FEDERAL HOME LOAN MOR	4.000	99.2998	12/18/2028	20,000,000.00	20,000,000.00	19,859,960.00	20,000,000.00	(140,040.00)
3136GCB38	FEDERAL NATIONAL MORTC	3.780	99.1057	12/18/2028	10,000,000.00	10,000,000.00	9,910,570.00	10,000,000.00	(89,430.00)
3134HCJW0	FEDERAL HOME LOAN MOR	3.950	99.3307	12/18/2028	20,000,000.00	20,000,000.00	19,866,140.00	20,000,000.00	(133,860.00)
3133ET3P0	FEDERAL FARM CREDIT BA	4.212	100.1778	12/04/2028	10,000,000.00	10,000,000.00	10,017,780.00	10,000,000.00	17,780.00
3130B8NM0	FEDERAL HOME LOAN BANF	3.875	99.3196	11/20/2028	15,000,000.00	15,000,000.00	14,897,940.00	15,000,000.00	(102,060.00)
3130B9HG8	FEDERAL HOME LOAN BANF	3.752	98.9662	11/13/2028	15,000,000.00	15,000,000.00	14,844,930.00	15,000,000.00	(155,070.00)
3133ETR82	FEDERAL FARM CREDIT BA	3.876	99.2088	11/10/2028	10,000,000.00	9,991,174.84	9,920,880.00	9,990,000.00	(69,120.00)
3130B3LA9	FEDERAL HOME LOAN BANF	4.428	100.2307	11/06/2028	15,000,000.00	15,000,000.00	15,034,605.00	15,000,000.00	34,605.00
3130AXQC5	FEDERAL HOME LOAN BANF	5.210	100.7668	11/03/2028	25,000,000.00	25,000,000.00	25,191,700.00	25,000,000.00	191,700.00
3133ETN29	FEDERAL FARM CREDIT BA	4.468	100.2331	10/27/2028	25,000,000.00	25,000,000.00	25,058,275.00	25,000,000.00	58,275.00
3130AXL48	FEDERAL HOME LOAN BANF	5.300	100.7926	10/20/2028	40,000,000.00	40,000,000.00	40,317,040.00	40,000,000.00	317,040.00
3133ETJ40	FEDERAL FARM CREDIT BA	4.513	100.2318	10/20/2028	15,000,000.00	15,000,000.00	15,034,770.00	15,000,000.00	34,770.00
3134HBZ61	FEDERAL HOME LOAN MOR	4.000	99.3699	10/20/2028	23,000,000.00	23,000,000.00	22,855,077.00	23,000,000.00	(144,923.00)
3134HBY39	FEDERAL HOME LOAN MOR	4.000	99.3608	10/17/2028	25,000,000.00	25,000,000.00	24,840,200.00	25,000,000.00	(159,800.00)
3130BSVA3	FEDERAL HOME LOAN BANF	4.000	99.6617	10/16/2028	10,000,000.00	10,000,000.00	9,966,170.00	10,000,000.00	(33,830.00)
3133ETH42	FEDERAL FARM CREDIT BA	3.840	99.2299	10/16/2028	25,000,000.00	25,000,000.00	24,807,475.00	25,000,000.00	(192,525.00)
3133ETF28	FEDERAL FARM CREDIT BA	4.360	100.2306	10/13/2028	25,000,000.00	25,000,000.00	25,057,650.00	25,000,000.00	57,650.00
3133ETF28	FEDERAL FARM CREDIT BA	4.360	100.2306	10/13/2028	25,000,000.00	25,000,000.00	25,057,650.00	25,000,000.00	57,650.00
3133EPWM3	FEDERAL FARM CREDIT BA	5.040	100.4825	09/22/2028	25,000,000.00	25,000,000.00	25,120,625.00	25,000,000.00	120,625.00
3133ETXG7	FEDERAL FARM CREDIT BA	4.626	100.2341	09/11/2028	10,000,000.00	10,000,000.00	10,023,410.00	10,000,000.00	23,410.00
3130AWTR1	FEDERAL HOME LOAN BANF	4.346	101.1282	09/08/2028	5,000,000.00	5,002,974.88	5,056,410.00	5,006,100.00	50,310.00

3133ETTD9	FEDERAL FARM CREDIT BA	3.857	99.5706	08/18/2028	9,375,000.00	9,369,418.62	9,334,743.75	9,367,968.75	(33,225.00)
3133ETTC1	FEDERAL FARM CREDIT BA	4.080	99.5935	08/14/2028	25,000,000.00	25,000,000.00	24,898,375.00	25,000,000.00	(101,625.00)
3133ETTC1	FEDERAL FARM CREDIT BA	4.080	99.5935	08/14/2028	25,000,000.00	25,000,000.00	24,898,375.00	25,000,000.00	(101,625.00)
3133ETTC1	FEDERAL FARM CREDIT BA	4.080	99.5935	08/14/2028	25,000,000.00	25,000,000.00	24,898,375.00	25,000,000.00	(101,625.00)
3134HA4S9	FEDERAL HOME LOAN MOR	4.550	100.2508	07/28/2028	3,250,000.00	3,250,000.00	3,258,151.00	3,250,000.00	8,151.00
3133ETRC3	FEDERAL FARM CREDIT BA	4.230	99.8110	07/28/2028	25,000,000.00	25,000,000.00	24,952,750.00	25,000,000.00	(47,250.00)
3133ETRC3	FEDERAL FARM CREDIT BA	4.230	99.8110	07/28/2028	25,000,000.00	25,000,000.00	24,952,750.00	25,000,000.00	(47,250.00)
3130B23Z6	FEDERAL HOME LOAN BAN	4.650	100.1502	07/24/2028	15,000,000.00	15,000,000.00	15,022,530.00	15,000,000.00	22,530.00
3133ETPR2	FEDERAL FARM CREDIT BA	4.000	99.8807	07/14/2028	15,000,000.00	15,000,000.00	14,982,105.00	15,000,000.00	(17,895.00)
3133ET6X0	FEDERAL FARM CREDIT BA	3.782	99.1794	07/13/2028	15,000,000.00	14,986,176.80	14,876,910.00	14,876,910.00	(108,090.00)
3134HCHS1	FEDERAL HOME LOAN MOR	3.850	99.4215	06/16/2028	40,000,000.00	40,000,000.00	39,768,600.00	40,000,000.00	(231,400.00)
3134HCHS1	FEDERAL HOME LOAN MOR	3.850	99.4215	06/16/2028	20,000,000.00	20,000,000.00	19,884,300.00	20,000,000.00	(115,700.00)
3130AWC24	FEDERAL HOME LOAN BAN	3.987	100.2596	06/09/2028	10,000,000.00	10,002,405.29	10,025,960.00	10,005,460.00	20,500.00
3133ETU2	FEDERAL FARM CREDIT BA	4.079	100.0259	06/02/2028	25,000,000.00	25,000,000.00	25,006,475.00	25,000,000.00	6,475.00
3134HBUB5	FEDERAL HOME LOAN MOR	4.400	100.0079	05/26/2028	20,000,000.00	20,000,000.00	20,001,580.00	20,000,000.00	1,580.00
3136GAHG7	FEDERAL NATIONAL MORTC	4.440	100.0304	05/22/2028	20,000,000.00	20,000,000.00	20,006,080.00	20,000,000.00	6,080.00
3133EPGW9	FEDERAL FARM CREDIT BA	3.784	100.0018	04/25/2028	10,000,000.00	10,017,025.73	10,000,180.00	10,041,200.00	(41,020.00)
3130B0PN3	FEDERAL HOME LOAN BAN	4.780	100.0142	04/06/2028	20,000,000.00	20,000,000.00	20,002,840.00	20,000,000.00	2,840.00
3134HCYW3	FEDERAL HOME LOAN MOR	4.000	99.6207	03/13/2028	15,000,000.00	15,000,000.00	14,943,105.00	15,000,000.00	(56,895.00)
3134HCWM7	FEDERAL HOME LOAN MOR	3.853	99.4179	03/02/2028	22,239,000.00	22,217,407.84	22,109,546.78	22,216,761.00	(107,214.22)
3130B9J68	FEDERAL HOME LOAN BAN	3.743	99.9875	02/17/2028	10,000,000.00	10,000,000.00	9,998,750.00	10,000,000.00	(1,250.00)
3133ER3X7	FEDERAL FARM CREDIT BA	4.530	100.0523	02/11/2028	10,000,000.00	10,000,000.00	10,005,230.00	10,000,000.00	5,230.00
3133ER3X7	FEDERAL FARM CREDIT BA	4.530	100.0523	02/11/2028	25,000,000.00	25,000,000.00	25,013,075.00	25,000,000.00	13,075.00
3133ERW31	FEDERAL FARM CREDIT BA	4.429	100.4361	01/27/2028	25,000,000.00	25,000,000.00	25,109,025.00	25,000,000.00	109,025.00
3133EWA17	FEDERAL FARM CREDIT BA	3.738	100.0145	01/26/2028	5,000,000.00	5,000,000.00	5,000,725.00	5,000,000.00	725.00
3133EWA17	FEDERAL FARM CREDIT BA	3.738	100.0145	01/26/2028	5,000,000.00	5,000,000.00	5,000,725.00	5,000,000.00	725.00
3142W6V9	FEDERAL AGRICULTURAL M	3.770	100.0861	01/14/2028	10,000,000.00	10,000,000.00	10,008,610.00	10,000,000.00	8,610.00
3133ET4D6	FEDERAL FARM CREDIT BA	3.800	99.5015	12/15/2027	16,875,000.00	16,875,000.00	16,790,878.13	16,875,000.00	(84,121.88)
3130ATU54	FEDERAL HOME LOAN BAN	3.796	100.6231	12/10/2027	25,000,000.00	25,172,880.76	25,155,775.00	25,510,250.00	(354,475.00)
3130ATU54	FEDERAL HOME LOAN BAN	4.002	100.6231	12/10/2027	50,000,000.00	50,187,330.18	50,311,550.00	50,548,350.00	(236,800.00)
3130ATU54	FEDERAL HOME LOAN BAN	4.036	100.6231	12/10/2027	15,000,000.00	15,048,390.63	15,093,465.00	15,141,570.00	(48,105.00)
3133ET3S4	FEDERAL FARM CREDIT BA	3.730	99.5373	12/09/2027	20,000,000.00	20,000,000.00	19,907,460.00	20,000,000.00	(92,540.00)
3142W4F6	FEDERAL AGRICULTURAL M	0.000	100.0809	12/09/2027	10,000,000.00	10,000,000.00	10,008,090.00	10,000,000.00	8,090.00
3133ET4B0	FEDERAL FARM CREDIT BA	3.956	100.0066	12/09/2027	15,000,000.00	15,000,000.00	15,000,990.00	15,000,000.00	990.00
3134HCFJ3	FEDERAL HOME LOAN MOR	3.900	99.6257	12/03/2027	10,000,000.00	10,000,000.00	9,962,570.00	10,000,000.00	(37,430.00)
3133ER223	FEDERAL FARM CREDIT BA	4.356	100.1769	12/02/2027	10,000,000.00	9,994,429.22	10,017,690.00	9,990,000.00	27,690.00
3133ETS40	FEDERAL FARM CREDIT BA	4.054	100.0742	11/10/2027	15,000,000.00	15,000,000.00	15,011,130.00	15,000,000.00	11,130.00
3133ENW63	FEDERAL FARM CREDIT BA	4.284	100.3577	10/27/2027	5,000,000.00	5,006,365.55	5,017,885.00	5,020,250.00	(2,365.00)
3133ENW63	FEDERAL FARM CREDIT BA	4.195	100.3577	10/27/2027	3,715,000.00	3,724,394.29	3,728,288.56	3,744,868.60	(16,580.05)
3133ENW63	FEDERAL FARM CREDIT BA	4.252	100.3577	10/27/2027	15,000,000.00	15,025,938.75	15,053,655.00	15,082,290.00	(28,635.00)
3133ERXY2	FEDERAL FARM CREDIT BA	4.000	99.8721	10/21/2027	20,000,000.00	20,000,000.00	19,974,420.00	20,000,000.00	(25,580.00)
3133ERXY2	FEDERAL FARM CREDIT BA	4.000	99.8721	10/21/2027	10,000,000.00	10,000,000.00	9,987,210.00	10,000,000.00	(12,790.00)
3133EPH81	FEDERAL FARM CREDIT BA	4.500	100.9244	10/04/2027	25,000,000.00	25,000,590.36	25,231,100.00	25,001,500.00	229,600.00
3130AXEN4	FEDERAL HOME LOAN BAN	4.779	101.3623	09/29/2027	15,000,000.00	15,004,204.31	15,204,345.00	15,011,250.00	193,095.00
3133ENL90	FEDERAL FARM CREDIT BA	3.830	99.3284	09/15/2027	10,000,000.00	9,940,222.15	9,932,840.00	9,795,609.20	137,230.80
3130ATHW0	FEDERAL HOME LOAN BAN	4.239	100.3759	09/10/2027	2,000,000.00	1,997,054.21	2,007,518.00	1,989,972.00	17,546.00
3130ATHW0	FEDERAL HOME LOAN BAN	4.241	100.3759	09/10/2027	3,000,000.00	2,995,531.96	3,011,277.00	2,984,790.00	26,487.00
3133ER6M8	FEDERAL FARM CREDIT BA	4.510	100.1360	09/07/2027	25,000,000.00	25,000,000.00	25,034,000.00	25,000,000.00	34,000.00
3133ETTP2	FEDERAL FARM CREDIT BA	4.465	100.0861	08/18/2027	20,000,000.00	20,000,000.00	20,017,220.00	20,000,000.00	17,220.00
3133ERNP2	FEDERAL FARM CREDIT BA	3.830	100.1872	08/06/2027	5,000,000.00	5,010,691.71	5,009,360.00	5,023,600.00	(14,240.00)
3130B7DP6	FEDERAL HOME LOAN BAN	4.497	100.0707	08/04/2027	15,000,000.00	15,000,000.00	15,010,605.00	15,000,000.00	10,605.00
3134HBZV6	FEDERAL HOME LOAN MOR	4.060	100.0122	07/23/2027	25,000,000.00	25,000,000.00	25,003,050.00	25,000,000.00	3,050.00
3133ENB33	FEDERAL FARM CREDIT BA	3.075	99.0237	07/19/2027	10,000,000.00	9,997,014.79	9,992,370.00	9,988,500.00	(86,130.00)
3133ETPU5	FEDERAL FARM CREDIT BA	4.120	100.0285	07/14/2027	25,000,000.00	25,000,000.00	25,007,125.00	25,000,000.00	7,125.00
3133ETNS2	FEDERAL FARM CREDIT BA	4.506	100.0611	06/29/2027	10,000,000.00	10,000,000.00	10,006,110.00	10,000,000.00	6,110.00
3130ASDV8	FEDERAL HOME LOAN BAN	3.300	99.3783	06/28/2027	10,000,000.00	10,000,000.00	9,937,830.00	10,000,000.00	(62,170.00)
3133ET5H6	FEDERAL FARM CREDIT BA	3.715	100.0053	06/23/2027	10,000,000.00	10,000,000.00	10,000,530.00	10,000,000.00	530.00
3130ASGU7	FEDERAL HOME LOAN BAN	3.095	99.6326	06/11/2027	10,000,000.00	10,044,523.52	9,963,260.00	10,183,200.00	(219,940.00)
3130AWBZ2	FEDERAL HOME LOAN BAN	4.000	100.3549	06/11/2027	8,260,000.00	8,271,237.42	8,289,314.74	8,297,913.40	(8,598.66)
3130AWBZ2	FEDERAL HOME LOAN BAN	4.055	100.3549	06/11/2027	10,000,000.00	10,007,629.26	10,035,490.00	10,025,600.00	9,890.00
3130B6JW7	FEDERAL HOME LOAN BAN	4.369	100.0599	05/21/2027	20,000,000.00	20,000,000.00	20,011,980.00	20,000,000.00	11,980.00
3133ERDS7	FEDERAL FARM CREDIT BA	4.583	100.9928	05/06/2027	10,000,000.00	10,016,797.70	10,099,280.00	10,043,800.00	55,480.00
3130ARSF9	FEDERAL HOME LOAN BAN	3.000	99.1567	04/29/2027	10,000,000.00	10,000,000.00	9,915,670.00	10,000,000.00	(84,330.00)
3130ARPV7	FEDERAL HOME LOAN BAN	3.500	99.6030	04/28/2027	10,000,000.00	10,000,000.00	9,960,300.00	10,000,000.00	(39,700.00)
3133ENV99	FEDERAL FARM CREDIT BA	2.913	99.0336	04/26/2027	10,000,000.00	9,996,240.96	9,903,360.00	9,982,400.00	(79,040.00)
3133EN6V7	FEDERAL FARM CREDIT BA	3.606	99.8119	04/26/2027	8,000,000.00	8,001,569.05	7,984,952.00	8,006,240.00	(21,288.00)
3133EN6V7	FEDERAL FARM CREDIT BA	3.623	99.8119	04/26/2027	2,000,000.00	2,000,068.90	1,996,238.00	2,000,274.00	(4,036.00)
3133EN6V7	FEDERAL FARM CREDIT BA	3.744	99.8119	04/26/2027	4,820,000.00	4,814,436.96	4,810,933.58	4,797,876.20	13,057.38
3130BSU71	FEDERAL HOME LOAN BAN	4.035	100.0599	04/08/2027	10,000,000.00	10,000,000.00	10,005,990.00	10,005,990.00	5,990.00
3130ARHX2	FEDERAL HOME LOAN BAN	3.000	99.2074	03/25/2027	10,000,000.00	10,000,000.00	9,920,740.00	10,000,000.00	(79,260.00)
3130ARHX2	FEDERAL HOME LOAN BAN	3.000	99.2074	03/25/2027	10,000,000.00	10,000,000.00	9,920,740.00	10,000,000.00	(79,260.00)
3130ARHX2	FEDERAL HOME LOAN BAN	3.000	99.2074	03/25/2027	10,000,000.00	10,000,000.00	9,920,740.00	10,000,000.00	(79,260.00)
3130AR6U0	FEDERAL HOME LOAN BAN	2.500	98.7435	03/22/2027	5,000,000.00	5,000,000.00	4,937,175.00	5,000,000.00	(62,825.00)
3134HBN64	FEDERAL HOME LOAN MOR	4.515	100.0605	03/16/2027	10,000,000.00	10,000,000.00	10,006,050.00	10,000,000.00	6,050.00

3130B9YC8	FEDERAL HOME LOAN BAN	3.674	99.9992	02/26/2027	15,000,000.00	15,000,000.00	14,999,880.00	15,000,000.00	(120.00)
3130AQRQ8	FEDERAL HOME LOAN BAN	2.000	98.3727	02/25/2027	10,000,000.00	10,000,000.00	9,837,270.00	10,000,000.00	(162,730.00)
3130AQRH8	FEDERAL HOME LOAN BAN	2.000	98.3727	02/25/2027	5,000,000.00	5,000,000.00	4,918,635.00	5,000,000.00	(81,365.00)
3130AQRH8	FEDERAL HOME LOAN BAN	2.000	98.3727	02/25/2027	5,000,000.00	5,000,000.00	4,918,635.00	5,000,000.00	(81,365.00)
3130ALED2	FEDERAL HOME LOAN BAN	3.001	97.5218	02/24/2027	20,000,000.00	19,669,228.01	19,504,360.00	18,320,000.00	1,184,360.00
3130ALED2	FEDERAL HOME LOAN BAN	2.050	97.5218	02/24/2027	15,000,000.00	14,868,454.47	14,628,270.00	14,275,500.00	352,770.00
3130AL2X1	FEDERAL HOME LOAN BAN	3.001	97.4263	02/17/2027	10,000,000.00	9,824,676.49	9,742,630.00	9,057,500.00	685,130.00
3130AKYH3	FEDERAL HOME LOAN BAN	1.746	97.4707	02/10/2027	10,000,000.00	9,924,661.42	9,747,070.00	9,563,275.40	183,794.60
3130B8VQ2	FEDERAL HOME LOAN BAN	3.813	99.8593	02/10/2027	25,000,000.00	25,000,000.00	24,964,825.00	25,000,000.00	(35,175.00)
3130B9J43	FEDERAL HOME LOAN BAN	3.682	99.9987	01/29/2027	50,000,000.00	50,000,000.00	49,999,350.00	50,000,000.00	(650.00)
3130AQH55	FEDERAL HOME LOAN BAN	1.984	98.2708	01/28/2027	10,000,000.00	9,977,713.10	9,827,080.00	9,866,500.00	(39,420.00)
3130AQH55	FEDERAL HOME LOAN BAN	2.086	98.2708	01/28/2027	20,000,000.00	19,939,566.43	19,654,160.00	19,640,000.00	14,160.00
3130AQKM4	FEDERAL HOME LOAN BAN	1.750	98.3110	01/28/2027	11,250,000.00	11,250,000.00	11,059,987.50	11,250,000.00	(190,012.50)
3133ENLZ1	FEDERAL FARM CREDIT BA	1.860	98.3451	01/26/2027	10,000,000.00	9,993,744.22	9,834,510.00	9,962,090.00	(127,580.00)
3130B8Q96	FEDERAL HOME LOAN BAN	3.977	99.9819	01/25/2027	25,000,000.00	25,000,000.00	24,995,475.00	25,000,000.00	(4,525.00)
3130B8Q96	FEDERAL HOME LOAN BAN	3.977	99.9819	01/25/2027	50,000,000.00	50,000,000.00	49,990,950.00	50,000,000.00	(9,050.00)
3130B9FC9	FEDERAL HOME LOAN BAN	3.711	99.9989	01/21/2027	50,000,000.00	50,000,000.00	49,999,450.00	50,000,000.00	(550.00)
3133ETY35	FEDERAL FARM CREDIT BA	3.976	100.0066	01/20/2027	50,000,000.00	50,000,000.00	50,003,300.00	50,000,000.00	3,300.00
3130B9529	FEDERAL HOME LOAN BAN	3.683	99.9985	01/20/2027	50,000,000.00	50,000,000.00	49,999,250.00	50,000,000.00	(750.00)
3130AYPN0	FEDERAL HOME LOAN BAN	3.702	100.2435	01/15/2027	25,000,000.00	25,080,144.87	25,060,875.00	25,083,750.00	(22,875.00)
3133EWFN5	FEDERAL FARM CREDIT BA	3.700	99.9995	01/15/2027	50,000,000.00	50,000,000.00	49,999,750.00	50,000,000.00	(250.00)
3130B8L34	FEDERAL HOME LOAN BAN	3.987	100.0044	01/12/2027	50,000,000.00	50,000,000.00	50,002,200.00	50,000,000.00	2,200.00
3133ENKG4	FEDERAL FARM CREDIT BA	1.908	98.1862	01/11/2027	10,000,000.00	9,967,505.56	9,818,620.00	9,795,000.00	23,620.00
3134HBXW6	FEDERAL HOME LOAN MOR	4.428	100.0377	01/08/2027	10,000,000.00	10,000,000.00	10,003,770.00	10,000,000.00	3,770.00
3134HCFE2	FEDERAL HOME LOAN MOR	3.611	99.7259	01/05/2027	25,000,000.00	24,989,079.55	24,931,475.00	24,984,500.00	(53,025.00)
3130B8Z88	FEDERAL HOME LOAN BAN	3.788	99.9988	01/04/2027	50,000,000.00	50,000,000.00	49,999,400.00	50,000,000.00	(600.00)
3130AAQY9	FEDERAL HOME LOAN BAN	1.500	98.3049	12/30/2026	25,000,000.00	25,000,000.00	24,576,225.00	25,000,000.00	(423,775.00)
3130AQF65	FEDERAL HOME LOAN BAN	1.306	98.2039	12/21/2026	10,000,000.00	9,996,092.80	9,820,390.00	9,972,990.00	(152,600.00)
3133ERL66	FEDERAL FARM CREDIT BA	4.775	100.0771	12/18/2026	15,000,000.00	15,000,000.00	15,011,565.00	15,000,000.00	11,565.00
3133ERK75	FEDERAL FARM CREDIT BA	4.770	100.0834	12/16/2026	25,000,000.00	25,000,000.00	25,020,850.00	25,000,000.00	20,850.00
3130B46H9	FEDERAL HOME LOAN BAN	4.759	100.0763	12/16/2026	25,000,000.00	25,000,000.00	25,019,075.00	25,000,000.00	19,075.00
3130B46H9	FEDERAL HOME LOAN BAN	4.759	100.0763	12/16/2026	10,000,000.00	10,000,000.00	10,007,630.00	10,000,000.00	7,630.00
3133EN4G2	FEDERAL FARM CREDIT BA	3.923	100.0903	12/15/2026	25,000,000.00	25,002,693.02	25,022,575.00	25,015,250.00	7,325.00
3130ATVE4	FEDERAL HOME LOAN BAN	3.986	100.4685	12/11/2026	5,000,000.00	5,016,300.47	5,023,425.00	5,095,300.00	(71,875.00)
3130B3ZF3	FEDERAL HOME LOAN BAN	4.764	100.0745	12/11/2026	25,000,000.00	25,000,000.00	25,018,625.00	25,000,000.00	18,625.00
3130B3ZF3	FEDERAL HOME LOAN BAN	4.764	100.0745	12/11/2026	25,000,000.00	25,000,000.00	25,018,625.00	25,000,000.00	18,625.00
3135G1AB7	FEDERAL NATIONAL MORTG	4.758	100.0780	12/11/2026	5,000,000.00	5,000,000.00	5,003,900.00	5,000,000.00	3,900.00
3130APWW1	FEDERAL HOME LOAN BAN	1.503	98.5209	11/24/2026	20,000,000.00	19,999,609.13	19,704,180.00	19,997,000.00	(292,820.00)
3133ENEM8	FEDERAL FARM CREDIT BA	1.430	98.4828	11/23/2026	10,000,000.00	10,000,000.00	9,848,280.00	10,000,000.00	(151,720.00)
3133ERQ95	FEDERAL FARM CREDIT BA	4.502	100.0391	11/02/2026	25,000,000.00	25,000,000.00	25,009,775.00	25,000,000.00	9,775.00
3130ARUF6	FEDERAL HOME LOAN BAN	3.125	99.6144	10/29/2026	10,000,000.00	10,000,000.00	9,961,440.00	10,000,000.00	(38,560.00)
3134GW6C5	FEDERAL HOME LOAN MOR	3.122	98.2942	10/28/2026	15,000,000.00	14,814,454.71	14,744,130.00	13,566,000.00	1,178,130.00
3134GW4C7	FEDERAL HOME LOAN MOR	3.092	98.3021	10/27/2026	20,000,000.00	19,755,832.77	19,660,420.00	18,196,200.00	1,464,220.00
3134GW4C7	FEDERAL HOME LOAN MOR	3.488	98.3021	10/27/2026	5,000,000.00	4,929,004.50	4,915,105.00	4,482,650.00	432,455.00
3134GW4C7	FEDERAL HOME LOAN MOR	3.046	98.3021	10/27/2026	20,000,000.00	19,761,506.08	19,660,420.00	18,124,000.00	1,536,420.00
3133ETL62	FEDERAL FARM CREDIT BA	3.603	99.8283	10/27/2026	25,000,000.00	24,985,684.93	24,957,075.00	24,957,000.00	(75.00)
3133EN7A2	FEDERAL FARM CREDIT BA	3.827	99.6243	10/26/2026	4,300,000.00	4,295,459.40	4,283,844.90	4,270,115.00	13,729.90
3133ENBK5	FEDERAL FARM CREDIT BA	1.249	98.5417	10/20/2026	10,000,000.00	9,994,140.88	9,854,170.00	9,947,500.00	(93,330.00)
3133ENBK5	FEDERAL FARM CREDIT BA	1.340	98.5417	10/20/2026	10,000,000.00	9,989,321.09	9,854,170.00	9,905,000.00	(50,830.00)
3133ERWD9	FEDERAL FARM CREDIT BA	5.113	100.0703	10/02/2026	10,000,000.00	10,000,000.00	10,007,030.00	10,000,000.00	7,030.00
3130ANYN4	FEDERAL HOME LOAN BAN	1.000	98.6140	09/30/2026	10,000,000.00	10,000,000.00	9,861,400.00	10,000,000.00	(138,600.00)
3130AP5M3	FEDERAL HOME LOAN BAN	1.040	98.6483	09/28/2026	15,000,000.00	15,000,000.00	14,797,245.00	15,000,000.00	(202,755.00)
3130APAD7	FEDERAL HOME LOAN BAN	1.035	98.6525	09/28/2026	15,000,000.00	15,000,000.00	14,797,875.00	15,000,000.00	(202,125.00)
3130ATFH5	FEDERAL HOME LOAN BAN	3.941	99.9772	09/11/2026	5,000,000.00	4,996,094.94	4,998,860.00	4,965,237.80	33,622.20
3130ATHV2	FEDERAL HOME LOAN BAN	4.312	100.1953	09/11/2026	1,000,000.00	999,749.40	1,001,953.00	997,780.00	4,173.00
3133ET3Q8	FEDERAL FARM CREDIT BA	3.953	100.0006	09/10/2026	50,000,000.00	50,000,000.00	50,000,300.00	50,000,000.00	300.00
3133ET3Q8	FEDERAL FARM CREDIT BA	3.953	100.0006	09/10/2026	15,000,000.00	15,000,000.00	15,000,090.00	15,000,000.00	90.00
3130ANSC5	FEDERAL HOME LOAN BAN	1.000	98.8743	08/26/2026	15,000,000.00	15,000,000.00	14,831,145.00	15,000,000.00	(168,855.00)
3130ANTS9	FEDERAL HOME LOAN BAN	1.000	98.8743	08/26/2026	15,000,000.00	15,000,000.00	14,831,145.00	15,000,000.00	(168,855.00)
3130ANPF1	FEDERAL HOME LOAN BAN	1.000	98.8819	08/25/2026	10,000,000.00	10,000,000.00	9,888,190.00	10,000,000.00	(111,810.00)
3133ENH45	FEDERAL FARM CREDIT BA	3.137	99.7333	08/24/2026	5,000,000.00	4,999,781.61	4,986,665.00	4,997,799.50	(11,134.50)
3133ENH45	FEDERAL FARM CREDIT BA	3.294	99.7333	08/24/2026	5,000,000.00	4,996,879.37	4,986,665.00	4,968,600.00	18,065.00
3130ANMH0	FEDERAL HOME LOAN BAN	3.132	98.9581	08/20/2026	15,000,000.00	14,890,237.80	14,843,715.00	13,851,000.00	992,715.00
3130ANMH0	FEDERAL HOME LOAN BAN	1.100	98.9581	08/20/2026	10,000,000.00	10,000,000.00	9,895,810.00	10,000,000.00	(104,190.00)
3130ANMH0	FEDERAL HOME LOAN BAN	1.668	98.9581	08/20/2026	10,000,000.00	9,978,953.17	9,895,810.00	9,755,200.00	140,610.00
3130ANE48	FEDERAL HOME LOAN BAN	1.000	98.9432	08/17/2026	10,000,000.00	10,000,000.00	9,894,320.00	10,000,000.00	(105,680.00)
3130ANFD7	FEDERAL HOME LOAN BAN	1.000	99.0353	08/05/2026	10,000,000.00	10,000,000.00	9,903,530.00	10,000,000.00	(96,470.00)
3133END80	FEDERAL FARM CREDIT BA	2.873	99.7281	08/03/2026	10,000,000.00	10,004,093.97	9,972,810.00	10,047,600.00	(74,790.00)
3130ANAJ9	FEDERAL HOME LOAN BAN	1.000	99.1072	07/27/2026	15,000,000.00	15,000,000.00	14,866,080.00	15,000,000.00	(133,920.00)
3130ANAJ9	FEDERAL HOME LOAN BAN	1.000	99.1072	07/27/2026	10,000,000.00	10,000,000.00	9,910,720.00	10,000,000.00	(89,280.00)
3130ANBX7	FEDERAL HOME LOAN BAN	1.000	99.1456	07/22/2026	15,000,000.00	15,000,000.00	14,871,840.00	15,000,000.00	(128,160.00)
3130ANSK2	FEDERAL HOME LOAN BAN	4.366	99.3129	07/20/2026	2,375,000.00	2,356,255.65	2,358,681.38	2,143,081.25	215,600.13
3130AN3R9	FEDERAL HOME LOAN BAN	1.130	99.2035	07/20/2026	10,000,000.00	10,000,000.00	9,920,350.00	10,000,000.00	(79,650.00)
3133ENB69	FEDERAL FARM CREDIT BA	3.174	99.8031	07/20/2026	10,000,000.00	9,999,322.38	9,980,310.00	9,991,000.00	(10,690.00)

3130B83W0	FEDERAL HOME LOAN BAN	4.145	100.0018	07/15/2026	25,000,000.00	25,000,000.00	25,000,450.00	25,000,000.00	450.00
3133EMQ62	FEDERAL FARM CREDIT BA	0.990	99.2121	07/13/2026	10,000,000.00	10,000,000.00	9,921,210.00	10,000,000.00	(78,790.00)
3133EMQ62	FEDERAL FARM CREDIT BA	0.990	99.2121	07/13/2026	10,000,000.00	10,000,000.00	9,921,210.00	10,000,000.00	(78,790.00)
3133ETPE1	FEDERAL FARM CREDIT BA	4.367	100.0089	07/09/2026	25,000,000.00	25,000,000.00	25,002,225.00	25,000,000.00	2,225.00
3130AN3B4	FEDERAL HOME LOAN BAN	1.020	99.2773	07/06/2026	15,000,000.00	15,000,000.00	14,891,595.00	15,000,000.00	(108,405.00)
3130ASDK2	FEDERAL HOME LOAN BAN	3.250	99.8630	06/29/2026	5,250,000.00	5,250,000.00	5,242,807.50	5,250,000.00	(7,192.50)
3130AMWT5	FEDERAL HOME LOAN BAN	1.050	99.3599	06/26/2026	15,000,000.00	15,000,000.00	14,903,985.00	15,000,000.00	(96,015.00)
3130AMT69	FEDERAL HOME LOAN BAN	1.070	99.3646	06/26/2026	10,000,000.00	10,000,000.00	9,936,460.00	10,000,000.00	(63,540.00)
31424WXD9	FEDERAL AGRICULTURAL M	4.354	100.0132	06/24/2026	15,000,000.00	15,000,000.00	15,001,980.00	15,000,000.00	1,980.00
3130AMMZ2	FEDERAL HOME LOAN BAN	1.000	99.4680	06/10/2026	5,000,000.00	5,000,000.00	4,973,400.00	5,000,000.00	(26,600.00)
3130AMSS2	FEDERAL HOME LOAN BAN	1.000	99.4836	06/08/2026	15,000,000.00	15,000,000.00	14,922,540.00	15,000,000.00	(77,460.00)
3130AMIN3	FEDERAL HOME LOAN BAN	1.030	99.5779	05/26/2026	5,000,000.00	5,000,000.00	4,978,895.00	5,000,000.00	(21,105.00)
3130AMKB7	FEDERAL HOME LOAN BAN	1.050	99.5809	05/26/2026	15,000,000.00	15,000,000.00	14,937,135.00	15,000,000.00	(62,865.00)
3130AMME9	FEDERAL HOME LOAN BAN	1.000	99.5734	05/26/2026	10,000,000.00	10,000,000.00	9,957,340.00	10,000,000.00	(42,660.00)
3130B9LE8	FEDERAL HOME LOAN BAN	3.670	99.9989	05/26/2026	25,000,000.00	25,000,000.00	24,999,725.00	25,000,000.00	(275.00)
3130B7HM9	FEDERAL HOME LOAN BAN	4.365	100.0034	05/20/2026	25,000,000.00	25,000,000.00	25,000,850.00	25,000,000.00	850.00
3133EMZS4	FEDERAL FARM CREDIT BA	0.900	99.6274	05/18/2026	5,000,000.00	5,000,000.00	4,981,370.00	5,000,000.00	(18,630.00)
3133ER3N9	FEDERAL FARM CREDIT BA	4.403	100.0046	05/11/2026	25,000,000.00	25,000,000.00	25,001,150.00	25,000,000.00	1,150.00
3130B6Y26	FEDERAL HOME LOAN BAN	4.349	100.0007	05/08/2026	15,000,000.00	15,000,000.00	15,000,105.00	15,000,000.00	105.00
3130B6Y26	FEDERAL HOME LOAN BAN	4.349	100.0007	05/08/2026	25,000,000.00	25,000,000.00	25,000,175.00	25,000,000.00	175.00
3133ENUL2	FEDERAL FARM CREDIT BA	3.110	99.9766	04/13/2026	10,000,000.00	10,000,000.00	9,997,660.00	10,000,000.00	(2,340.00)
---	---	3.751	99.6083	02/20/2028	4,166,709,000.00	4,164,195,949.64	4,150,292,667.81	4,154,539,762.10	(4,247,094.29)

Agency

AGCY DISC	Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
313384CJ6	FEDERAL HOME LOAN BAN	3.651	96.6321	02/26/2027	50,000,000.00	48,386,375.00	48,316,050.00	48,316,050.00	48,318,125.00	(2,075.00)
313384CJ6	FEDERAL HOME LOAN BAN	3.733	96.6321	02/26/2027	50,000,000.00	48,349,597.22	48,316,050.00	48,339,625.00	48,339,625.00	(23,575.00)
313384CB3	FEDERAL HOME LOAN BAN	3.655	96.7034	02/19/2027	50,000,000.00	48,418,250.00	48,351,700.00	48,349,902.78	48,351,700.00	1,797.22
313384BE8	FEDERAL HOME LOAN BAN	3.660	96.9170	01/29/2027	50,000,000.00	48,516,562.50	48,458,500.00	48,448,020.83	48,448,020.83	10,479.17
313384AF6	FEDERAL HOME LOAN BAN	3.634	97.1510	01/06/2027	50,000,000.00	48,636,944.45	48,575,500.00	48,559,055.56	48,559,055.56	16,444.44
313384AF6	FEDERAL HOME LOAN BAN	3.655	97.1510	01/06/2027	25,000,000.00	24,314,583.33	24,287,750.00	24,280,312.50	24,280,312.50	7,437.50
313384AF6	FEDERAL HOME LOAN BAN	3.655	97.1510	01/06/2027	25,000,000.00	24,314,583.33	24,287,750.00	24,280,312.50	24,280,312.50	7,437.50
313384AF6	FEDERAL HOME LOAN BAN	3.731	97.1510	01/06/2027	50,000,000.00	48,600,000.00	48,575,500.00	48,590,000.00	48,590,000.00	(14,500.00)
313385M37	FEDERAL HOME LOAN BAN	3.731	97.8661	10/28/2026	50,000,000.00	48,947,083.34	48,933,050.00	48,881,902.78	48,881,902.78	51,147.22
313385H25	FEDERAL HOME LOAN BAN	3.765	98.2016	09/25/2026	50,000,000.00	49,103,937.50	49,100,800.00	49,078,625.00	49,078,625.00	22,175.00
313385F92	FEDERAL HOME LOAN BAN	3.609	98.2930	09/16/2026	25,000,000.00	24,592,250.00	24,573,250.00	24,478,177.08	24,478,177.08	95,072.92
313385F76	FEDERAL HOME LOAN BAN	3.609	98.3133	09/14/2026	25,000,000.00	24,597,104.17	24,578,325.00	24,495,166.67	24,495,166.67	83,158.33
313385E36	FEDERAL HOME LOAN BAN	3.625	98.4353	09/02/2026	50,000,000.00	49,251,388.89	49,217,650.00	48,634,027.78	48,634,027.78	583,622.22
313385ZT6	FEDERAL HOME LOAN BAN	3.736	98.8433	07/24/2026	50,000,000.00	49,423,666.67	49,421,650.00	49,398,388.89	49,398,388.89	23,261.11
313385ZB5	FEDERAL HOME LOAN BAN	3.737	99.0056	07/08/2026	15,000,000.00	14,852,387.50	14,850,840.00	14,653,562.50	14,653,562.50	197,277.50
313385YZ3	FEDERAL HOME LOAN BAN	3.737	99.0259	07/06/2026	15,000,000.00	14,855,400.00	14,853,885.00	14,656,575.00	14,656,575.00	197,310.00
313385XX9	FEDERAL HOME LOAN BAN	3.793	99.2908	06/10/2026	25,000,000.00	24,821,597.22	24,822,700.00	24,477,534.72	24,477,534.72	345,165.28
313385WT9	FEDERAL HOME LOAN BAN	3.707	99.5750	05/13/2026	50,000,000.00	49,787,666.67	49,787,500.00	49,777,555.56	49,777,555.56	9,944.44
---	FEDERAL HOME LOAN BA	3.690	97.7833	11/05/2026	705,000,000.00	689,769,377.79	689,308,450.00	687,696,870.15	687,696,870.15	1,611,579.85

Agency

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
---	---	3.742	99.3489	12/15/2027	4,871,709,000.00	4,853,965,327.42	4,839,601,117.81	4,842,236,632.25	(2,635,514.44)

Agency CMO

FHLMC CMO	Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
3137HNZL5	FHR 5607 GJ	4.074	97.7212	05/15/2030	44,922,286.62	44,594,689.98	43,898,588.56	44,569,576.48	44,569,576.48	(670,987.91)
3137HNZL5	FHR 5607 GJ	4.074	97.7212	05/15/2030	44,922,286.62	44,594,689.98	43,898,588.56	44,569,576.48	44,569,576.48	(670,987.91)

Agency CMO

FNMA CMO	Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
3136B2HA3	FNA 2018-M10 A2	5.208	98.5747	07/25/2028	8,976,056.21	8,745,920.75	8,848,120.75	8,532,863.47	8,532,863.47	315,257.29
3136AW7J0	FNA 2017-M8 A2	3.448	98.9788	05/25/2027	9,106,151.10	9,080,086.39	9,013,156.44	8,992,324.21	8,992,324.21	20,832.24
---	---	4.311	98.7805	12/20/2027	18,082,207.31	17,826,007.14	17,861,277.19	17,525,187.67	17,525,187.67	336,089.52

Agency CMO

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
---	---	4.142	98.0237	09/07/2029	63,004,493.93	62,420,697.11	61,759,865.76	62,094,764.15	(334,898.39)

Agency MBS
FHLMC

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
3132XK6K8	FH WNS373	3.948	98.5516	10/01/2030	50,000,000.00	50,000,000.00	49,275,781.50	50,000,000.00	(724,218.50)
3132XK6K8	FH WNS373	3.994	98.5516	10/01/2030	25,000,000.00	24,953,660.55	24,637,890.75	24,953,125.00	(315,234.25)
3132XF6Q6	FH WNI1778	3.940	98.8196	10/01/2030	21,485,000.00	21,422,886.86	21,231,392.99	21,422,055.66	(190,662.67)
3132XFYS1	FH WNI620	3.906	98.5552	08/01/2030	25,580,000.00	25,545,416.00	25,210,422.21	25,542,029.69	(331,607.48)
3132XFZP6	FH WNI649	4.072	98.3403	08/01/2030	30,000,000.00	29,789,220.11	29,502,076.80	29,770,312.50	(268,235.70)
3132XFZP6	FH WNI649	3.919	98.3403	08/01/2030	15,210,000.00	15,148,189.32	14,957,552.94	15,144,050.39	(186,497.45)
3132XFX9Y	FH WNI594	4.201	98.6890	07/01/2030	25,000,000.00	24,784,091.71	24,672,259.50	24,752,929.69	(80,670.19)
3132XFX9Y	FH WNI594	4.075	98.6890	07/01/2030	25,000,000.00	24,901,884.59	24,672,259.50	24,888,671.88	(216,412.38)
3132XFX9Y	FH WNI594	4.075	98.6890	07/01/2030	25,000,000.00	24,901,884.59	24,672,259.50	24,888,671.88	(216,412.38)
3132XFX9Y	FH WNI594	4.069	98.6890	07/01/2030	29,955,000.00	29,844,405.61	29,562,301.33	29,829,797.46	(267,496.13)
3132XFY98	FH WNI626	4.000	98.8441	07/01/2030	25,000,000.00	24,923,327.21	24,711,031.50	24,916,015.63	(204,984.13)
3132XK4S3	FH WNS332	4.130	98.9098	07/01/2030	33,050,000.00	33,037,958.79	32,689,698.48	33,037,089.84	(347,391.36)
3132XK2A4	FH WNS268	4.194	99.2628	06/01/2030	35,293,000.00	35,198,060.68	35,032,826.00	35,184,088.01	(151,262.01)
3132XKZ91	FH WNS267	4.195	99.2568	06/01/2030	28,034,000.00	27,957,633.04	27,825,658.60	27,946,393.75	(120,735.15)
3132XHSF2	FH WN3217	3.949	95.6726	06/01/2030	48,470,233.50	46,832,862.05	46,372,755.88	46,616,625.74	(243,869.86)
3132XHSF2	FH WN3217	3.933	95.6726	06/01/2030	29,082,140.10	28,115,891.26	27,823,653.53	27,987,015.76	(163,362.23)
3132XHSF2	FH WN3217	3.948	95.6726	06/01/2030	14,095,143.90	13,619,073.85	13,485,197.41	13,557,766.54	(72,569.13)
3132XFXA1	FH WNI572	4.119	98.7985	05/01/2030	23,506,000.00	23,378,424.85	23,223,566.01	23,359,087.50	(135,521.49)
3132XFWN4	FH WNI552	4.315	99.7270	04/01/2030	17,369,000.00	17,280,636.77	17,321,584.19	17,263,157.66	58,426.53
3132XKZH3	FH WNS243	4.362	98.8116	04/01/2030	15,000,000.00	14,793,484.80	14,821,739.55	14,753,906.25	67,833.30
3132XKZH3	FH WNS243	4.206	98.8116	04/01/2030	5,548,000.00	5,501,398.65	5,482,067.40	5,494,253.75	(12,186.35)
3142FEDK3	FH WR1005	4.277	99.7716	04/01/2030	10,000,000.00	9,979,593.86	9,977,158.40	9,976,171.88	986.52
3132XFWR5	FH WNI555	4.114	99.3253	04/01/2030	16,156,000.00	16,141,243.18	16,046,988.68	16,138,960.47	(91,971.79)
3132XKZQ3	FH WNS250	4.130	98.4447	04/01/2030	50,000,000.00	49,536,536.29	49,222,363.00	49,464,843.75	(242,480.75)
3132XKZQ3	FH WNS250	4.130	98.4447	04/01/2030	50,000,000.00	49,536,536.29	49,222,363.00	49,464,843.75	(242,480.75)
3132XKZQ3	FH WNS250	4.061	98.4447	04/01/2030	25,000,000.00	24,828,276.46	24,611,181.50	24,803,710.94	(192,529.44)
3132XKZQ3	FH WNS250	4.053	98.4447	04/01/2030	23,341,000.00	23,187,483.19	22,977,983.50	23,165,942.50	(187,959.00)
3132XDCY7	FH WA4486	4.082	98.6353	04/01/2030	14,660,104.44	14,549,669.82	14,460,036.53	14,535,387.14	(75,800.62)
3132XFWD6	FH WNI543	4.368	100.1079	03/01/2030	14,314,000.00	14,314,000.00	14,329,445.38	14,314,000.00	15,445.38
3132XKY84	FH WNS234	4.070	98.7726	03/01/2030	11,200,000.00	11,160,617.13	11,062,534.78	11,154,062.50	(91,527.72)
3132XK3D7	FH WNS295	3.966	98.9244	03/01/2030	21,840,000.00	21,840,000.00	21,605,083.28	21,840,000.00	(234,916.72)
3132XK3G0	FH WNS298	3.946	98.8221	03/01/2030	11,410,000.00	11,380,474.58	11,275,607.20	11,376,572.27	(100,965.07)
3132XFYA0	FH WNI604	4.013	98.6153	03/01/2030	28,850,000.00	28,645,421.30	28,450,504.82	28,619,384.01	(168,879.19)
3132XDCS0	FH WA4480	4.039	99.1283	03/01/2030	19,621,491.32	19,567,810.29	19,450,448.82	19,560,940.62	(110,491.80)
3132XKY35	FH WNS229	4.133	99.8909	02/01/2030	7,300,000.00	7,295,825.30	7,292,037.82	7,295,152.34	(3,114.52)
3132XK2Q9	FH WNS282	4.015	99.0412	02/01/2030	25,770,000.00	25,770,000.00	25,522,920.07	25,770,000.00	(247,079.93)
3132XK2K2	FH WNS277	3.972	98.8645	01/01/2030	33,000,000.00	32,928,458.25	32,625,279.39	32,917,500.00	(292,220.61)
3132XK2K2	FH WNS277	3.990	98.8645	01/01/2030	31,114,000.00	31,026,244.33	30,760,695.24	31,013,122.58	(252,427.34)
3132XFX29	FH WNI596	3.965	99.0158	01/01/2030	52,288,000.00	52,288,000.00	51,773,370.00	52,288,000.00	(514,630.00)
3132XK2S5	FH WNS284	3.943	98.9350	12/01/2029	10,875,000.00	10,864,259.65	10,759,186.58	10,862,680.66	(103,494.08)
3132XDCU5	FH WA4482	4.027	99.1871	12/01/2029	15,221,410.73	15,188,975.90	15,097,678.92	15,184,546.37	(86,867.45)
3132XKV38	FH WNS133	4.382	98.8296	11/01/2029	6,250,000.00	6,206,509.63	6,239,350.31	6,190,673.83	48,676.48
3132XFU08	FH WNI494	4.669	99.1367	11/01/2029	11,000,000.00	10,758,251.93	10,905,031.50	10,679,453.13	225,578.37
3142FFGV3	FH WR2011	4.378	99.2983	11/01/2029	25,000,000.00	24,873,526.67	24,824,578.00	24,838,867.19	(14,289.19)
3142FFGV3	FH WR2011	4.218	99.2983	11/01/2029	15,000,000.00	15,000,000.00	14,894,746.80	15,000,000.00	(105,253.20)
3132XFIJ8	FH WNI183	4.059	97.7812	10/01/2029	7,470,000.00	7,344,098.44	7,304,252.50	7,290,253.13	13,999.37
3132XFUA4	FH WNI176	4.332	99.3426	10/01/2029	25,000,000.00	24,819,761.17	24,835,656.75	24,777,343.75	58,313.00
3132XKV87	FH WNS138	4.719	98.8933	10/01/2029	15,000,000.00	14,656,042.67	14,833,999.05	14,541,210.94	292,788.11
3132XKV87	FH WNS138	4.239	98.8933	10/01/2029	23,833,000.00	23,627,225.26	23,569,246.62	23,584,429.26	(15,182.64)
3132XFRX8	FH WNI401	4.241	98.7233	09/01/2029	17,875,000.00	17,683,981.62	17,603,383.79	17,603,383.79	43,400.01
3132XFR91	FH WNI1411	4.474	99.5010	09/01/2029	20,000,000.00	19,750,098.04	19,900,196.60	19,647,656.25	252,540.35
3132XFR91	FH WNI1411	4.633	99.5010	09/01/2029	15,000,000.00	14,740,126.99	14,925,147.45	14,636,718.75	288,428.70
3132XFR91	FH WNI1411	4.370	99.5010	09/01/2029	11,500,000.00	11,391,425.96	11,442,613.05	11,349,960.94	92,652.11
3132XKUQ8	FH WNS090	4.392	99.0832	09/01/2029	20,000,000.00	19,708,848.58	19,816,646.80	19,597,656.25	218,990.55
3132XKUQ8	FH WNS090	4.352	99.0832	09/01/2029	32,000,000.00	31,573,053.30	31,706,634.88	31,410,000.00	296,634.88
3132XKTE7	FH WNS048	4.513	98.8617	08/01/2029	11,495,000.00	11,314,355.94	11,364,150.00	11,266,896.09	97,253.91
3132XKSS7	FH WNS028	3.886	98.9563	07/01/2029	24,971,000.00	24,971,000.00	24,710,370.18	24,971,000.00	(260,629.82)
3132XKS65	FH WNS040	3.845	98.8557	07/01/2029	27,733,000.00	27,681,285.49	27,415,645.73	27,676,667.34	(261,021.61)
3132XKR25	FH WNS004	4.439	99.3242	06/01/2029	22,870,000.00	22,755,153.69	22,696,688.28	22,715,434.93	18,746.65
3132WW2J0	FH WA3276	4.668	100.9675	02/01/2029	14,569,524.21	14,547,027.79	14,710,482.17	14,533,100.41	177,381.77
3132XG2H8	FH WNI2575	4.428	100.4417	02/01/2029	33,705,000.00	33,857,530.73	33,853,874.31	33,947,254.69	(93,380.38)
3132XGYU4	FH WNS222	4.779	100.2389	12/01/2028	10,000,000.00	9,935,358.73	10,023,886.60	9,884,375.00	139,511.60
3137FKSH0	FHMS K-086 A2	3.795	99.3004	11/25/2028	11,187,000.00	11,186,798.83	11,186,734.07	11,186,776.26	(78,042.19)
3137FJZ93	FHMS K-084 A2	3.770	99.1366	10/25/2028	16,255,000.00	16,233,442.68	16,114,660.34	16,230,942.60	(116,282.26)
3132XGX35	FH WNI2497	4.611	100.4777	10/01/2028	28,340,000.00	28,260,618.50	28,475,368.28	28,187,229.69	288,138.59
3137FJYH6	FHMS K-W07 A2	5.264	98.6569	09/25/2028	16,627,402.00	16,058,671.77	16,404,082.86	15,471,927.46	932,155.40

3137FGZH1	FHMS K-W06 A2	5.290	98.7909	06/25/2028	23,691,904.75	23,034,256.15	23,405,455.64	22,277,794.19	1,127,661.46
3132XFLR7	FH WN1235	4.690	99.7915	01/01/2028	20,000,000.00	19,910,578.61	19,958,294.20	19,760,937.50	197,356.70
3132XFLR7	FH WN1235	4.333	99.7915	01/01/2028	10,000,000.00	9,982,248.52	9,979,147.10	9,953,125.00	26,022.10
3132XGRH1	FH WN2287	3.945	98.7104	11/01/2027	24,072,754.25	24,003,954.27	23,762,307.68	23,865,879.02	(103,571.34)
3132XGRH1	FH WN2287	4.073	98.7104	11/01/2027	24,072,754.25	23,977,964.68	23,762,307.68	23,804,756.79	(42,449.12)
3132XGQ74	FH WN2277	4.062	99.0942	11/01/2027	9,629,101.70	9,592,427.71	9,541,884.67	9,519,269.76	22,614.91
3137FBXB3	FHMS K-068 A2	4.548	98.9771	08/25/2027	9,525,000.00	9,369,031.89	9,427,564.77	9,120,187.50	307,377.27
3137F2LJ3	FHMS K-066 A2	3.111	99.0411	06/25/2027	10,978,036.51	10,975,549.64	10,872,769.00	10,967,744.60	(94,975.61)
3137BXQY1	FHMS K-064 A2	3.154	99.2859	03/25/2027	1,000,000.00	1,000,337.26	992,859.33	1,001,760.00	(8,900.67)
3137BXSX3	FHMS K-IR2 A2	4.545	99.0894	03/25/2027	15,000,000.00	14,816,451.28	14,863,416.15	14,389,453.20	473,962.95
3137BXSX3	FHMS K-IR2 A2	3.677	99.0894	03/25/2027	37,500,000.00	37,270,026.29	37,158,540.38	37,201,171.88	(42,631.51)
3137BYLD0	FHMS K-L01 A2E	4.184	99.1308	02/25/2027	15,000,000.00	14,897,175.45	14,869,616.70	14,494,950.00	374,666.70
3137BVZ82	FHMS K-063 A2	3.782	99.2240	01/25/2027	9,870,182.06	9,832,373.86	9,793,585.69	9,816,975.61	(23,389.92)
3137BTUM1	FHMS K-061 A2	4.501	99.4885	11/25/2026	8,491,269.24	8,439,104.05	8,447,840.30	8,140,494.91	307,345.40
3137BTUM1	FHMS K-061 A2	4.561	99.4885	11/25/2026	8,019,532.06	7,967,152.24	7,978,515.84	7,718,960.00	259,555.84
3132XDAU7	FH WA4418	4.107	98.6389	11/01/2026	13,853,546.26	13,681,177.91	13,664,990.91	13,367,048.68	297,942.23
3137FQXJ7	FHMS K-737 A2	4.358	99.2598	10/25/2026	2,035,000.00	2,016,680.34	2,019,937.83	1,986,748.23	33,189.60
3137FQXJ7	FHMS K-737 A2	4.358	99.2598	10/25/2026	50,000,000.00	49,549,885.73	49,629,922.00	48,814,453.13	815,468.87
3137FQXJ7	FHMS K-737 A2	4.358	99.2598	10/25/2026	50,000,000.00	49,549,885.73	49,629,922.00	48,814,453.13	815,468.87
3137FQXJ7	FHMS K-737 A2	4.358	99.2598	10/25/2026	50,000,000.00	49,549,885.73	49,629,922.00	48,814,453.13	815,468.87
3137BSRE5	FHMS K-059 A2	4.148	99.4472	09/25/2026	10,366,345.20	10,319,647.69	10,309,044.19	10,202,751.31	106,292.88
3137BSP72	FHMS K-058 A2	4.465	99.3911	08/25/2026	15,000,000.00	14,906,469.04	14,908,658.55	14,589,843.75	318,814.80
3137BSP72	FHMS K-058 A2	4.142	99.3911	08/25/2026	20,975,000.00	20,865,539.96	20,847,274.21	20,521,907.23	325,366.98
3137BSP72	FHMS K-058 A2	4.251	99.3911	08/25/2026	42,473,000.00	42,236,654.93	42,214,363.64	41,490,811.88	723,551.76
3137FQ3P6	FHMS K-C06 A2	4.291	99.3681	08/25/2026	9,777,070.20	9,719,995.92	9,715,291.04	9,604,443.89	110,847.16
3137BRQJ7	FHMS K-057 A2	4.657	99.5196	07/25/2026	12,147,768.15	12,090,010.38	12,089,411.85	11,596,847.88	492,563.97
3137FNWX4	FHMS K-736 A2	3.655	99.5215	07/25/2026	8,419,230.00	8,393,356.47	8,378,945.92	8,001,557.26	377,388.66
3137FNWX4	FHMS K-736 A2	4.170	99.5215	07/25/2026	40,530,173.22	40,357,047.12	40,336,245.66	39,615,078.11	721,167.56
3137BQYS0	FHMS K-056 A2	4.186	99.6823	05/25/2026	12,950,976.78	12,933,558.23	12,909,832.30	12,711,181.35	198,650.95
3137FMU67	FHMS K-735 A2	3.518	99.6821	05/25/2026	9,127,372.20	9,122,783.78	9,098,354.18	8,913,092.87	185,261.31
---	---	4.176	98.9257	03/22/2029	2,055,825,467.02	2,041,255,222.37	2,033,644,637.50	2,029,331,913.17	4,312,724.33

Agency MBS
FNMA

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
3140Q2F29	FN BZ6484	4.261	98.0340	03/01/2031	18,633,000.00	18,279,188.21	18,266,681.00	18,277,808.44	(11,127.44)
3140Q04W9	FN BZ5336	3.943	98.7390	12/01/2030	23,400,000.00	23,371,695.26	23,104,932.08	23,369,835.95	(264,903.87)
3140Q1CP3	FN BZ5477	4.055	98.7790	11/01/2030	8,909,000.00	8,861,876.35	8,800,224.14	8,858,190.86	(57,966.72)
3140Q1CN8	FN BZ5476	4.055	98.7790	11/01/2030	13,860,000.00	13,786,688.32	13,690,774.11	13,780,954.69	(90,180.58)
3140Q1GR5	FN BZ5607	3.972	98.3794	11/01/2030	38,220,000.00	37,997,836.97	37,600,595.98	37,981,125.00	(380,529.02)
3140Q1D72	FN BZ5525	3.987	98.4581	11/01/2030	24,750,000.00	24,616,025.36	24,368,371.34	24,605,947.27	(237,575.94)
3140Q06B3	FN BZ5365	3.953	98.9476	11/01/2030	34,527,000.00	34,450,893.62	34,446,077.34	34,163,640.27	(282,437.07)
3140Q1CA0	FN BZ5490	3.955	98.6526	11/01/2030	25,000,000.00	24,926,853.34	24,663,151.00	24,921,875.00	(258,724.00)
3140Q1JH4	FN BZ5663	4.094	98.2740	11/01/2030	28,849,000.00	28,505,417.83	28,351,070.01	28,483,879.84	(132,809.83)
3140Q0U42	FN BZ5102	4.031	98.6586	10/01/2030	47,851,000.00	47,538,958.40	47,209,114.72	47,507,070.94	(297,956.22)
3140Q03R1	FN BZ5307	3.870	98.6379	10/01/2030	25,000,000.00	24,937,530.40	24,659,464.00	24,931,640.63	(272,176.63)
3140Q0UZ3	FN BZ5099	3.848	98.8109	10/01/2030	32,630,000.00	32,630,000.00	32,241,986.55	32,630,000.00	(388,013.45)
3140Q0XF4	FN BZ5177	3.987	99.3910	10/01/2030	6,580,000.00	6,580,000.00	6,539,929.97	6,580,000.00	(40,070.03)
3140Q0L91	FN BZ4851	3.978	99.1561	09/01/2030	25,000,000.00	25,000,000.00	24,789,013.75	25,000,000.00	(210,986.25)
3140Q0MF6	FN BZ4857	3.996	99.2192	09/01/2030	10,526,000.00	10,524,531.79	10,443,813.41	10,524,355.31	(80,541.90)
3140Q0P30	FN BZ4941	3.972	99.1764	09/01/2030	7,485,000.00	7,471,128.11	7,423,356.08	7,469,503.71	(46,147.63)
3140Q0FN7	FN BZ4672	3.975	99.3732	09/01/2030	32,175,000.00	32,175,000.00	31,973,333.54	32,175,000.00	(201,666.47)
3140Q0FZ0	FN BZ4683	4.107	99.6451	09/01/2030	13,509,000.00	13,503,783.54	13,461,061.96	13,503,195.32	(42,133.36)
3140Q0HM7	FN BZ4735	4.062	99.5025	09/01/2030	16,530,000.00	16,529,408.54	16,447,761.60	16,529,354.30	(81,592.70)
3140Q0SN3	FN BZ5024	4.052	99.4638	09/01/2030	6,050,000.00	6,050,000.00	6,017,556.88	6,050,000.00	(32,443.13)
3140Q0CZ3	FN BZ4587	4.250	100.2437	08/01/2030	9,750,000.00	9,721,211.67	9,773,759.68	9,716,865.23	56,894.45
3140Q0AY8	FN BZ4522	4.192	99.8832	08/01/2030	20,933,850.00	20,894,450.15	20,909,393.40	20,888,874.93	20,518.47
3140NYUL3	FN BZ4186	4.200	100.0089	08/01/2030	10,601,000.00	10,593,744.63	10,592,717.97	10,601,939.14	9,221.17
3140NY4W8	FN BZ4436	3.922	99.2222	08/01/2030	8,283,000.00	8,283,000.00	8,218,576.98	8,283,000.00	(64,423.02)
3140NYN64	FN BZ4012	4.074	99.3834	07/01/2030	8,345,000.00	8,307,692.25	8,293,546.07	8,301,971.09	(8,425.02)
3140NY3N9	FN BZ4404	4.069	99.7130	07/01/2030	7,048,000.00	7,041,695.00	7,027,772.59	7,040,841.88	(13,069.29)
3140NYN49	FN BZ4010	4.104	99.3834	07/01/2030	12,805,000.00	12,759,808.86	12,726,046.42	12,754,480.27	(28,433.85)
3140NYNY3	FN BZ4006	4.104	99.3834	07/01/2030	18,760,000.00	18,693,792.61	18,644,328.84	18,685,985.94	(41,657.10)
3140NYMU2	FN BZ3970	4.106	99.6576	05/01/2030	18,485,000.00	18,426,059.38	18,421,700.52	18,417,125.39	4,575.13
3140NYKT7	FN BZ3905	4.067	99.6793	05/01/2030	10,000,000.00	9,982,361.13	9,979,687.50	9,967,926.50	(11,761.00)
3140NYX72	FN BZ3433	4.213	100.1723	04/01/2030	12,855,000.00	12,855,000.00	12,877,153.28	12,855,000.00	22,153.28
3140NX7M9	FN BZ3599	4.344	100.0568	04/01/2030	35,880,000.00	35,584,072.44	35,900,395.27	35,514,192.21	386,203.06
3140NXWN9	FN BZ3352	4.382	100.9761	03/01/2030	41,362,000.00	41,317,049.49	41,765,746.89	41,305,450.37	460,296.52
3140HXL65	FN BL5748	3.918	94.4412	02/01/2030	12,792,518.90	12,232,575.75	12,081,406.19	12,157,890.04	(76,483.85)
3140NWVP7	FN BZ2421	1.440	101.0328	12/01/2029	31,354,000.00	31,354,000.00	31,677,827.56	31,354,000.00	323,827.56
3140NWVP7	FN BZ2421	4.498	101.0328	12/01/2029	20,000,000.00	19,917,733.12	20,206,562.20	19,889,062.50	317,499.70
3140NW2N4	FN BZ2580	4.589	101.0672	12/01/2029	30,144,000.00	29,941,083.59	30,465,701.59	29,870,820.00	594,881.59

3140NWPY5	FN BZ2238	4.376	100.8270	11/01/2029	9,870,000.00	9,849,650.38	9,951,624.90	9,842,240.63	109,384.27
3140NWHV0	FN BZ2043	4.334	98.8501	11/01/2029	20,000,000.00	19,644,328.23	19,770,025.60	19,566,406.25	203,619.35
3140LHHC7	FN BS6526	3.976	97.8781	10/01/2029	25,000,000.00	24,617,502.99	24,469,530.25	24,573,242.19	(103,711.94)
3140NWXG1	FN BZ2018	3.891	98.8716	10/01/2029	57,415,000.00	57,074,265.72	56,767,103.30	57,029,242.97	(262,139.67)
3140NWXG9	FN BZ2023	4.497	99.6297	10/01/2029	15,000,000.00	14,742,938.42	14,944,458.45	14,640,234.38	304,224.07
3140NWXEX9	FN BZ1949	4.468	99.6680	10/01/2029	3,444,000.00	3,397,456.10	3,432,566.16	3,380,097.66	52,468.50
3140NWKRR5	FN BZ2103	4.517	99.9923	10/01/2029	15,000,000.00	14,781,771.33	14,998,848.75	14,711,132.81	287,715.94
3140HVB60	FN BL3660	4.458	95.6501	08/01/2029	24,225,584.00	23,006,698.03	23,171,783.21	22,398,255.77	773,527.44
3140HUNU6	FN BL3102	4.474	95.5182	08/01/2029	21,561,429.00	20,430,863.54	20,595,089.95	19,860,939.74	734,150.22
3140HUNU6	FN BL3102	4.139	95.5182	08/01/2029	4,701,253.98	4,495,836.47	4,490,553.42	4,395,488.83	95,064.59
3140HUNU6	FN BL3102	4.396	95.5182	08/01/2029	23,976,309.05	22,764,812.31	22,901,740.03	22,164,037.25	737,702.78
3140LGYA4	FN BS6104	3.874	99.0918	08/01/2029	21,190,000.00	21,154,972.58	20,997,549.67	21,151,924.22	(154,374.55)
3138LSYU8	FN AMS222	4.323	100.1991	07/01/2029	27,853,299.70	27,853,299.70	27,908,758.68	27,853,299.70	55,458.98
3140NVFJ1	FN BZ1068	4.555	101.5896	06/01/2029	10,000,000.00	10,000,000.00	10,158,961.40	10,000,000.00	158,961.40
3140NVFJ1	FN BZ1068	4.555	101.5896	06/01/2029	15,000,000.00	15,000,000.00	15,238,442.10	15,000,000.00	238,442.10
3140NVE37	FN BZ1053	4.596	101.6702	06/01/2029	15,770,000.00	15,770,000.00	16,033,396.22	15,770,000.00	263,396.22
3140NU4W6	FN BZ0836	4.606	101.6601	05/01/2029	16,365,000.00	16,365,000.00	16,365,000.00	16,365,000.00	271,675.37
3140NU6F1	FN BZ0869	4.623	101.6343	04/01/2029	32,230,000.00	32,205,428.44	32,756,735.21	32,189,712.50	567,022.71
3140NUP70	FN BZ0433	4.580	100.3755	03/01/2029	25,000,000.00	24,769,775.53	25,093,863.50	24,488,880.50	604,983.00
3140NUP70	FN BZ0433	4.612	100.3755	03/01/2029	25,681,000.00	25,416,001.24	25,777,420.34	25,236,598.32	540,822.02
3140NURK7	FN BZ0489	4.552	101.5020	02/01/2029	25,000,000.00	25,000,000.00	25,375,509.00	25,000,000.00	375,509.00
3140NURK7	FN BZ0489	4.636	101.5020	02/01/2029	16,000,000.00	15,964,717.46	16,240,325.76	15,942,500.00	297,825.76
3140NUNR6	FN BZ0399	4.670	101.5007	02/01/2029	14,979,842.10	14,943,555.02	15,204,638.75	14,916,645.89	287,992.86
3140LLKK6	FN BS9297	5.110	100.9205	10/01/2028	21,050,000.00	20,722,805.52	21,243,769.04	20,402,054.69	841,714.35
3140LLZT1	FN BS9753	5.092	102.4634	10/01/2028	20,000,000.00	19,972,994.30	20,492,681.40	19,946,875.00	545,806.40
3136B3XY1	FNA 2019-M1 A2	4.441	98.7710	09/25/2028	10,563,603.15	10,429,275.45	10,433,778.05	10,377,914.86	55,863.19
3140LLB83	FN BS9062	5.049	101.0346	09/01/2028	20,000,000.00	19,744,384.06	20,206,917.20	19,481,250.00	725,667.20
3140LLMH1	FN BS9359	5.051	101.7371	08/01/2028	15,874,000.00	15,790,029.16	16,149,747.57	15,699,758.05	449,989.52
3136BQDE6	FNA 2023-M6 A2	4.724	99.9297	07/25/2028	22,912,675.25	22,678,786.14	22,896,558.02	22,439,206.30	457,351.72
3140LKKW2	FN BS8408	4.658	100.8048	06/01/2028	12,003,000.00	11,939,757.17	12,099,597.26	11,878,750.20	220,847.06
3140LKYQ0	FN BS8818	4.526	99.6722	06/01/2028	25,000,000.00	24,719,959.31	24,918,059.25	24,363,281.25	554,778.00
3140LKU84	FN BS8706	4.510	100.0279	06/01/2028	25,000,000.00	24,769,522.53	25,006,968.50	24,478,515.63	528,452.87
3140LKP9	FN BS8369	4.649	99.7769	05/01/2028	16,850,000.00	16,758,243.02	16,812,415.57	16,657,804.69	154,610.88
3140LKM6	FN BS8367	4.651	100.3380	05/01/2028	14,563,000.00	14,434,542.35	14,612,224.69	14,304,734.30	307,490.39
3140LKJCS	FN BS8358	4.074	100.1086	04/01/2028	24,459,000.00	24,459,000.00	24,485,569.81	24,459,000.00	26,569.81
3140LBU27	FN BS1500	4.591	94.4930	03/01/2028	29,612,500.00	27,800,362.18	27,981,725.41	26,109,896.48	1,871,828.93
3140LBU27	FN BS1500	3.741	94.4930	03/01/2028	20,000,000.00	19,053,435.77	18,898,590.40	18,286,718.75	611,871.65
3140LBP64	FN BS1344	4.165	94.4838	03/01/2028	20,000,000.00	18,923,644.78	18,896,755.20	18,017,968.75	878,786.45
3140LHSB7	FN BS6813	4.363	100.1454	02/01/2028	19,478,000.00	19,471,207.94	19,506,316.14	19,459,739.38	46,576.76
3140LJS23	FN BS7736	4.416	100.1295	02/01/2028	20,000,000.00	19,899,760.28	20,025,903.40	19,731,250.00	294,653.40
3140LJS23	FN BS7736	4.071	100.1295	02/01/2028	15,000,000.00	15,000,000.00	15,019,427.55	15,000,000.00	19,427.55
3140LJS23	FN BS7736	4.078	100.1295	02/01/2028	10,000,000.00	10,000,000.00	10,012,951.70	10,000,000.00	12,951.70
3140LHVX5	FN BS6929	4.280	100.2114	11/01/2027	31,100,000.00	31,066,765.68	31,165,752.55	30,996,738.28	169,014.27
3136BML55	FNA 2022-M11 A2	4.554	98.2470	10/25/2027	20,554,912.80	20,252,402.44	20,194,576.96	20,583,898.72	610,678.24
3138LKZ34	FN AN7061	6.197	97.7797	10/01/2027	12,800,000.00	12,480,229.78	12,515,803.14	12,028,000.00	487,803.14
3136AY6X6	FNA 2017-M15 A2	4.609	98.7499	09/25/2027	12,763,722.29	12,593,464.15	12,604,157.51	12,247,688.92	356,468.59
3138LHUZ5	FN AN5099	3.076	99.0087	04/01/2027	22,895,224.00	22,890,620.91	22,668,258.84	22,873,759.71	(205,500.88)
3138LHDY7	FN AN4618	3.829	98.9162	04/01/2027	9,840,769.73	9,762,820.93	9,734,114.29	9,740,824.42	(6,710.13)
3138LG4R4	FN AN4431	3.647	99.2867	01/01/2027	42,620,000.00	42,406,267.19	42,315,970.23	42,315,333.59	636.64
3138LMP8	FN AN3965	3.805	99.0977	01/01/2027	15,118,305.45	15,019,918.04	14,981,890.72	14,983,067.48	(1,776.77)
3140HV2G8	FN BL4374	4.291	98.7724	10/01/2026	21,300,000.00	21,052,669.78	21,038,526.53	19,947,117.19	1,091,409.34
3136AS4R4	FNA 2016-M7 A2	4.574	99.5112	09/25/2026	8,194,256.88	8,144,523.62	8,154,200.48	8,017,752.58	136,447.90
3138LEV12	FN AN2418	5.290	99.0126	09/01/2026	15,000,000.00	14,846,602.99	14,851,831.95	14,354,328.92	497,503.03
3138LETCS	FN AN2346	4.438	99.2630	08/01/2026	8,087,002.90	8,041,543.86	8,027,401.77	7,908,520.26	118,881.51
3138LENE7	FN AN2188	3.543	99.3957	07/01/2026	9,484,332.60	9,473,192.76	9,427,016.41	9,302,055.58	124,960.83
3138LECC3	FEDERAL NATIONAL MORTG	3.902	99.3748	07/01/2026	4,000,000.00	3,982,702.96	3,974,991.64	3,963,125.00	11,866.64
3138LDSW9	FN AN1760	4.176	99.5187	06/01/2026	15,000,000.00	14,982,437.24	14,927,800.95	14,582,812.50	344,988.45
3136AR5S3	FNA 2016-M5 A2	4.816	99.7213	04/25/2026	2,851,365.35	2,851,365.35	2,843,419.77	2,799,795.73	43,624.03
---	---	4.222	99.3464	05/21/2029	1,828,120,757.13	1,811,306,297.24	1,815,816,885.40	1,798,569,691.23	17,247,194.17

Agency MBS

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
---	---	4.198	99.1235	04/19/2029	3,883,946,224.15	3,852,561,519.61	3,849,461,522.90	3,827,901,604.40	21,559,918.49

CD

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
06054REK4	Bank of America, National Assoc	3.780	100.0000	11/20/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
06054REK4	Bank of America, National Assoc	3.780	100.0000	11/20/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
06054REDO	Bank of America, National Assoc	3.740	100.0000	11/16/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00

06054RE81	Bank of America, National Asso	3.730	100.0000	11/13/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
06054REC2	Bank of America, National Asso	3.750	100.0000	09/30/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
06054RE73	Bank of America, National Asso	3.740	100.0000	09/17/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
PPGYBN2W3RC	Altura Credit Union	4.020	100.0000	09/04/2026	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00	0.00
95001KUF9	Wells Fargo Bank, National Assc	3.800	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
95001KUF9	Wells Fargo Bank, National Assc	3.800	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
95001KUF9	Wells Fargo Bank, National Assc	3.800	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
95001KUF9	Wells Fargo Bank, National Assc	3.800	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
95001KUJ1	Wells Fargo Bank, National Assc	3.800	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
95001KUJ1	Wells Fargo Bank, National Assc	3.800	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
06054REP3	Bank of America, National Asso	0.000	100.0000	08/19/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
86959TTW6	Svenska Handelsbanken AB (put	3.720	100.0000	08/05/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
06054REQ1	Bank of America, National Asso	0.000	100.0000	08/05/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
78015JZG5	Royal Bank of Canada New York	3.720	100.0000	07/22/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
78015JYL5	Royal Bank of Canada New York	3.690	100.0000	06/24/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DSR8	Toronto-Dominion Bank - New \	3.750	100.0000	06/24/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
21684X6A9	Coöperatieve Rabobank U.A., Ne	3.800	100.0000	06/12/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DRV0	Toronto-Dominion Bank - New \	3.750	100.0000	06/10/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DTH9	Toronto-Dominion Bank - New \	3.750	100.0000	06/10/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DH90	Toronto-Dominion Bank - New \	3.880	100.0000	06/03/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DH90	Toronto-Dominion Bank - New \	3.880	100.0000	06/03/2026	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	0.00
78015JUQ8	Royal Bank of Canada New York	3.850	100.0000	06/03/2026	40,000,000.00	40,000,000.00	40,000,000.00	40,000,000.00	0.00
78015JUQ8	Royal Bank of Canada New York	3.850	100.0000	06/03/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
21684X5Q5	Coöperatieve Rabobank U.A., Ne	3.850	100.0000	06/02/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
21684X5Q5	Coöperatieve Rabobank U.A., Ne	3.850	100.0000	06/02/2026	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00	0.00
21684X5Q5	Coöperatieve Rabobank U.A., Ne	3.850	100.0000	06/02/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DGH3	Toronto-Dominion Bank - New \	3.920	100.0000	05/29/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DHD1	Toronto-Dominion Bank - New \	3.900	100.0000	05/20/2026	50,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00	0.00
89115DPR1	Toronto-Dominion Bank - New \	3.760	100.0000	05/20/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
86959TTS5	Svenska Handelsbanken AB (put	3.690	100.0000	05/20/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
78015JNU7	Royal Bank of Canada New York	3.920	100.0000	05/19/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
06051WWL4	Bank of America, National Asso	3.950	100.0000	05/15/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
86959TTC0	Svenska Handelsbanken AB (put	3.670	100.0000	05/15/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
86959TTE6	Svenska Handelsbanken AB (put	3.650	100.0000	05/15/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
86959TTO9	Svenska Handelsbanken AB (put	3.690	100.0000	05/15/2026	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	0.00
89115DDH6	Toronto-Dominion Bank - New \	3.980	100.0000	05/13/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DCV6	Toronto-Dominion Bank - New \	3.980	100.0000	05/12/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DCD6	Toronto-Dominion Bank - New \	3.950	100.0000	05/11/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DBH8	Toronto-Dominion Bank - New \	3.950	100.0000	05/06/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
---	---	3.617	100.0000	07/11/2026	2,030,000,000.00	2,030,000,000.00	2,030,000,000.00	2,030,000,000.00	0.00

CD

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
---	---	3.617	100.0000	07/11/2026	2,030,000,000.00	2,030,000,000.00	2,030,000,000.00	2,030,000,000.00	0.00

CP

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
7426M5KW3	Private Export Funding Corporat	3.648	97.9212	10/30/2026	25,000,000.00	24,480,305.56	24,480,305.56	24,193,493.06	286,812.50
7426M5KU7	Private Export Funding Corporat	3.798	97.8358	10/28/2026	40,000,000.00	39,134,333.33	39,134,333.33	39,076,622.22	57,711.11
7426M5KE3	Private Export Funding Corporat	3.574	98.1108	10/14/2026	25,000,000.00	24,527,694.45	24,527,694.45	24,272,263.89	255,430.56
7426M3JW0	Private Export Funding Corporat	3.591	98.2306	09/30/2026	50,000,000.00	49,115,277.78	49,115,277.78	48,736,111.11	379,166.67
7426M3JE0	Private Export Funding Corporat	3.780	98.2893	09/14/2026	25,000,000.00	24,572,319.44	24,572,319.44	24,536,250.00	36,069.44
46656HLK6	J.P. Morgan Securities LLC	3.880	100.0000	09/04/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46656HLK6	J.P. Morgan Securities LLC	3.880	100.0000	09/04/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46656HKP6	J.P. Morgan Securities LLC	4.257	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46656HKP6	J.P. Morgan Securities LLC	4.257	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46656HKE1	J.P. Morgan Securities LLC	4.254	100.0000	08/10/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46656HKE1	J.P. Morgan Securities LLC	4.254	100.0000	08/10/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
7426M3GX1	Private Export Funding Corporat	3.791	98.7598	07/31/2026	50,000,000.00	49,379,875.00	49,379,875.00	48,667,500.00	712,375.00
7426M3GV5	Private Export Funding Corporat	3.787	98.7803	07/29/2026	30,000,000.00	29,634,075.00	29,634,075.00	29,228,175.00	405,900.00
47816GGV5	Johnson & Johnson	3.677	98.8034	07/29/2026	50,000,000.00	49,401,694.44	49,401,694.44	49,220,694.44	181,000.00
7426M3GN3	Private Export Funding Corporat	3.693	98.8769	07/22/2026	25,000,000.00	24,719,222.22	24,719,222.22	24,438,444.44	280,777.78
47816GGD5	Johnson & Johnson	3.671	98.9643	07/13/2026	25,000,000.00	24,741,069.44	24,741,069.45	24,653,083.33	87,986.12
47816GGD5	Johnson & Johnson	3.671	98.9643	07/13/2026	50,000,000.00	49,482,138.89	49,482,138.89	49,306,166.67	175,972.22
7426M3G86	Private Export Funding Corporat	3.591	99.0418	07/08/2026	50,000,000.00	49,520,888.89	49,520,888.89	49,007,555.56	513,333.33
47816GG86	Johnson & Johnson	3.699	99.0064	07/08/2026	50,000,000.00	49,503,194.45	49,503,194.45	49,335,902.78	167,291.67
71344UG86	PepsiCo, Inc.	3.715	99.0009	07/08/2026	50,000,000.00	49,500,472.23	49,500,472.23	49,393,430.56	107,041.67
46651VGW0	J.P. Morgan Securities LLC	0.000	100.0000	07/07/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46651VHA7	J.P. Morgan Securities LLC	3.890	100.0000	07/06/2026	20,000,000.00	20,000,000.14	19,999,999.95	20,000,000.30	(0.35)

46651VHA7	J.P. Morgan Securities LLC	3.890	100.0000	07/06/2026	50,000,000.00	49,999,999.86	49,999,999.86	49,999,999.70	0.16
47816GG29	Johnson & Johnson	3.697	99.0672	07/02/2026	50,000,000.00	49,533,611.11	49,533,611.11	49,366,319.44	167,291.67
71344UFW4	PepsiCo, Inc.	3.722	99.0800	06/30/2026	50,000,000.00	49,540,000.00	49,540,000.00	49,422,666.67	107,333.33
71344UFW4	PepsiCo, Inc.	3.720	99.0800	06/30/2026	50,000,000.00	49,540,000.00	49,540,000.00	49,458,222.22	81,777.78
71344UFW4	PepsiCo, Inc.	3.720	99.0800	06/30/2026	11,000,000.00	10,898,800.00	10,898,800.00	10,880,808.89	17,991.11
78015DFV7	Royal Bank of Canada New York	3.726	99.0952	06/29/2026	50,000,000.00	49,547,583.33	49,547,583.33	49,120,583.33	427,000.00
47816GFV6	Johnson & Johnson	3.707	99.0952	06/29/2026	50,000,000.00	49,547,583.33	49,547,583.33	49,364,583.33	183,000.00
77119MFS1	Roche Holdings, Inc.	3.693	99.1281	06/26/2026	50,000,000.00	49,564,027.78	49,564,027.78	49,422,083.33	141,944.45
47816GFN4	Johnson & Johnson	3.704	99.1663	06/22/2026	50,000,000.00	49,583,166.67	49,583,166.67	49,405,250.00	177,916.67
47816GFN4	Johnson & Johnson	3.704	99.1663	06/22/2026	23,000,000.00	22,808,256.67	22,808,256.67	22,726,415.00	81,841.67
47816GFN4	Johnson & Johnson	3.704	99.1663	06/22/2026	50,000,000.00	49,583,166.67	49,583,166.67	49,405,250.00	177,916.67
74271UF96	The Procter & Gamble Company	3.727	99.2928	06/09/2026	50,000,000.00	49,646,375.00	49,646,375.00	49,502,875.00	143,500.00
74271UF96	The Procter & Gamble Company	3.727	99.2928	06/09/2026	50,000,000.00	49,646,375.00	49,646,375.00	49,502,875.00	143,500.00
78015DF88	Royal Bank of Canada New York	3.863	99.2841	06/08/2026	50,000,000.00	49,642,055.56	49,642,055.56	49,052,500.00	589,555.56
78015DF88	Royal Bank of Canada New York	3.863	99.2841	06/08/2026	50,000,000.00	49,642,055.56	49,642,055.56	49,052,500.00	589,555.56
78015DF88	Royal Bank of Canada New York	3.863	99.2841	06/08/2026	50,000,000.00	49,642,055.56	49,642,055.56	49,052,500.00	589,555.56
63763QF10	National Securities Clearing Corj	3.673	99.3849	06/01/2026	50,000,000.00	49,692,458.34	49,692,458.34	49,415,166.67	277,291.67
7426M5EV2	Private Export Funding Corporat	3.799	99.4023	05/29/2026	25,000,000.00	24,850,569.44	24,850,569.44	24,415,159.72	435,409.72
47816GET2	Johnson & Johnson	3.695	99.4307	05/27/2026	50,000,000.00	49,715,333.33	49,715,333.33	49,532,333.33	183,000.00
47816GET2	Johnson & Johnson	3.694	99.4307	05/27/2026	50,000,000.00	49,715,333.33	49,715,333.33	49,542,500.00	172,833.33
47816GET2	Johnson & Johnson	3.694	99.4307	05/27/2026	50,000,000.00	49,715,333.33	49,715,333.33	49,542,500.00	172,833.33
7426M5ET7	Private Export Funding Corporat	3.692	99.4307	05/27/2026	25,000,000.00	24,857,666.67	24,857,666.67	24,786,500.00	71,166.67
47816GEL9	Johnson & Johnson	3.691	99.5018	05/20/2026	50,000,000.00	49,750,916.67	49,750,916.67	49,578,083.33	172,833.34
47816GEL9	Johnson & Johnson	3.691	99.5018	05/20/2026	50,000,000.00	49,750,916.67	49,750,916.67	49,578,083.33	172,833.34
71344UEL9	PepsiCo, Inc.	3.707	99.4991	05/20/2026	50,000,000.00	49,749,555.55	49,749,555.55	49,642,222.22	107,333.33
21687BEJ6	Cooperative Rabobank U.A., Ne	3.937	99.4661	05/18/2026	25,000,000.00	24,874,013.89	24,874,013.89	24,512,138.89	361,875.00
7426M3ED7	Private Export Funding Corporat	3.687	99.5765	05/13/2026	25,000,000.00	24,894,125.00	24,894,125.00	24,611,791.67	282,333.33
47816GED7	Johnson & Johnson	3.625	99.5835	05/13/2026	50,000,000.00	49,791,750.00	49,791,750.00	49,246,333.33	545,416.67
89233HEB6	Toyota Motor Credit Corporation	3.780	99.5844	05/11/2026	50,000,000.00	49,792,222.22	49,792,222.22	49,475,361.11	316,861.11
64105HE81	Nestle Capital Corporation	3.694	99.6290	05/08/2026	50,000,000.00	49,814,486.11	49,814,486.11	49,543,736.11	270,750.00
63763QE60	National Securities Clearing Corj	3.743	99.6451	05/06/2026	50,000,000.00	49,822,569.45	49,822,569.45	49,437,291.67	385,277.77
63763QE60	National Securities Clearing Corj	3.743	99.6451	05/06/2026	25,000,000.00	24,911,284.72	24,911,284.72	24,718,645.83	192,638.89
47816GE62	Johnson & Johnson	3.714	99.6413	05/06/2026	25,000,000.00	24,910,312.50	24,910,312.50	24,838,562.50	71,750.00
47816GE54	Johnson & Johnson	3.624	99.6609	05/05/2026	50,000,000.00	49,830,472.22	49,830,472.22	49,526,319.44	304,152.78
47816GE54	Johnson & Johnson	3.624	99.6609	05/05/2026	50,000,000.00	49,830,472.22	49,830,472.22	49,526,319.44	304,152.78
74271UDW7	The Procter & Gamble Company	3.663	99.7076	04/30/2026	50,000,000.00	49,853,791.67	49,853,791.67	49,546,250.00	307,541.67
74271UDW7	The Procter & Gamble Company	3.663	99.7076	04/30/2026	50,000,000.00	49,853,791.67	49,853,791.67	49,546,250.00	307,541.67
71344UDA4	PepsiCo, Inc.	3.582	99.9115	04/10/2026	50,000,000.00	49,955,750.00	49,955,750.00	49,414,916.67	540,833.33

--- --- 3.690 99.3487 06/26/2026 2,599,000,000.00 2,582,010,798.32 2,582,010,798.15 2,568,787,590.54 13,223,207.61

CP	Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
---	---		3.690	99.3487	06/26/2026	2,599,000,000.00	2,582,010,798.32	2,582,010,798.15	2,568,787,590.54	13,223,207.61

Corporate CORP	Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
037833DK3	APPLE INC	4.252	98.5544	11/13/2027	11,148,000.00	10,937,932.90	10,986,844.51	10,755,590.40	231,254.11	
037833DK3	APPLE INC	4.070	98.5544	11/13/2027	8,275,000.00	8,140,331.14	8,155,376.60	8,057,615.75	97,760.85	
037833DB3	APPLE INC	4.444	98.5244	09/12/2027	4,296,000.00	4,207,209.74	4,232,608.22	4,104,656.16	127,952.06	
037833DB3	APPLE INC	3.620	98.5244	09/12/2027	25,000,000.00	24,754,776.29	24,631,100.00	24,497,500.00	133,600.00	
037833DB3	APPLE INC	3.618	98.5244	09/12/2027	10,000,000.00	9,902,115.33	9,852,440.00	9,800,900.00	51,540.00	
037833DB3	APPLE INC	4.322	98.5244	09/12/2027	8,635,000.00	8,469,061.70	8,507,581.94	8,308,769.70	198,812.24	
931142EX7	WALMART INC	4.404	99.8886	09/09/2027	20,000,000.00	19,878,686.62	19,977,720.00	19,738,000.00	239,720.00	
931142EX7	WALMART INC	4.326	99.8886	09/09/2027	3,770,000.00	3,751,026.66	3,765,800.22	3,729,095.50	36,704.72	
594918CQ5	MICROSOFT CORP	3.994	99.4567	06/15/2027	6,441,000.00	6,397,681.63	6,406,006.05	6,339,103.38	66,902.67	
594918CQ5	MICROSOFT CORP	3.718	99.4567	06/15/2027	5,000,000.00	4,981,837.46	4,972,835.00	4,958,350.00	14,485.00	
037833CR9	APPLE INC	3.677	99.2440	05/11/2027	20,000,000.00	19,899,570.09	19,848,800.00	19,761,200.00	87,600.00	
037833CR9	APPLE INC	3.647	99.2440	05/11/2027	10,411,000.00	10,362,007.54	10,332,292.84	10,295,958.45	36,334.39	
931142CH4	WALMART INC	3.581	101.9989	04/05/2027	3,351,000.00	3,424,685.90	3,417,983.14	3,536,712.42	(118,729.28)	
771196BV3	ROCHE HOLDINGS INC	4.213	98.4414	03/10/2027	20,000,000.00	19,664,622.22	19,688,280.00	19,084,800.00	603,480.00	
771196BV3	ROCHE HOLDINGS INC	4.559	98.4414	03/10/2027	5,000,000.00	4,901,464.14	4,922,070.00	4,726,800.00	195,270.00	
771196BV3	ROCHE HOLDINGS INC	4.326	98.4414	03/10/2027	25,000,000.00	24,556,807.89	24,610,350.00	23,772,500.00	837,850.00	
771196BV3	ROCHE HOLDINGS INC	3.870	98.4414	03/10/2027	6,000,000.00	5,916,864.26	5,906,484.00	5,785,980.00	120,504.00	
771196BV3	ROCHE HOLDINGS INC	4.128	98.4414	03/10/2027	5,710,000.00	5,618,419.22	5,621,003.94	5,461,957.60	159,046.34	
06054REL2	Bank of America, National Assoc	3.763	99.9048	11/23/2026	25,000,000.00	25,000,000.00	24,976,196.75	25,000,000.00	(23,803.25)	
594918CG7	MICROSOFT CORP	4.560	99.8112	09/15/2026	14,108,000.00	14,038,365.53	14,081,364.10	13,685,606.48	395,757.62	
037833DN7	APPLE INC	4.211	99.1785	09/11/2026	15,000,000.00	14,861,495.03	14,876,775.00	14,538,600.00	338,175.00	
037833DN7	APPLE INC	5.003	99.1785	09/11/2026	10,557,000.00	10,427,158.50	10,470,274.25	9,891,064.44	579,209.81	

---	---	4.082	99.0672	04/22/2027	262,702,000.00	260,092,119.82	260,240,186.55	255,830,760.28	4,409,426.27
-----	-----	-------	---------	------------	----------------	----------------	----------------	----------------	--------------

Corporate

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
-------	-------------	-------	--------------	----------------	-----------	------------	--------------	-----------	--------------------------

---	---	4.082	99.0672	04/22/2027	262,702,000.00	260,092,119.82	260,240,186.55	255,830,760.28	4,409,426.27
-----	-----	-------	---------	------------	----------------	----------------	----------------	----------------	--------------

MM Fund
MMFUND

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
-------	-------------	-------	--------------	----------------	-----------	------------	--------------	-----------	--------------------------

949921126	ALLSPRING:GOVT MM SEL	3.610	1.0000	03/31/2026	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
665278404	NORTHERN INST:US GVT SH	3.470	1.0000	03/31/2026	0.02	0.02	0.02	0.02	0.00
857492706	SS INST INV:US GV MM PRM	3.610	1.0000	03/31/2026	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
69347S	PNC BANK DEPOSIT	3.500	1.0000	03/31/2026	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00	0.00
69347S	PNC BANK DEPOSIT	3.500	1.0000	03/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
4812CA538	JPMORGAN:US GVT MM EMF	3.550	1.0000	03/31/2026	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
26200X100	DREYFUS INST PGV MM INS'	3.590	1.0000	03/31/2026	45,000,000.00	45,000,000.00	45,000,000.00	45,000,000.00	0.00
26200X100	DREYFUS INST PGV MM INS'	3.590	1.0000	03/31/2026	40,000,000.00	40,000,000.00	40,000,000.00	40,000,000.00	0.00
---	---	3.549	1.0000	03/31/2026	163,000,000.02	163,000,000.02	163,000,000.02	163,000,000.02	0.00

MM Fund

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
-------	-------------	-------	--------------	----------------	-----------	------------	--------------	-----------	--------------------------

---	---	3.549	1.0000	03/31/2026	163,000,000.02	163,000,000.02	163,000,000.02	163,000,000.02	0.00
-----	-----	-------	--------	------------	----------------	----------------	----------------	----------------	------

Muni
MUNI

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
-------	-------------	-------	--------------	----------------	-----------	------------	--------------	-----------	--------------------------

60412AR54	MINNESOTA ST	4.051	100.2311	08/01/2028	1,250,000.00	1,250,000.00	1,252,888.22	1,250,000.00	2,888.22
419792M29	HAWAII ST	4.513	101.5313	10/01/2027	5,000,000.00	5,033,367.73	5,076,565.69	5,084,150.00	(7,584.31)
13063D3N6	CALIFORNIA STATE	4.847	100.9080	03/01/2027	9,300,000.00	9,300,000.00	9,384,448.06	9,300,000.00	84,448.06
13063DRD2	CALIFORNIA ST	4.259	99.2895	10/01/2026	5,500,000.00	5,450,193.30	5,460,924.82	5,336,155.00	124,769.82
13063EBN5	CALIFORNIA STATE	5.096	100.6751	09/01/2026	30,000,000.00	30,047,543.07	30,202,544.12	30,269,100.00	(66,555.88)
93974EYC4	WASHINGTON STATE	3.370	99.9406	08/01/2026	20,825,000.00	20,825,000.00	20,812,622.60	20,825,000.00	(12,377.40)
13063DMA3	CALIFORNIA STATE	4.011	99.9887	04/01/2026	13,500,000.00	13,500,000.00	13,498,475.64	13,335,975.00	162,500.64
---	---	4.374	100.3684	09/24/2026	85,375,000.00	85,406,104.10	85,688,469.14	85,400,380.00	288,089.14

Muni

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
-------	-------------	-------	--------------	----------------	-----------	------------	--------------	-----------	--------------------------

---	---	4.374	100.3684	09/24/2026	85,375,000.00	85,406,104.10	85,688,469.14	85,400,380.00	288,089.14
-----	-----	-------	----------	------------	---------------	---------------	---------------	---------------	------------

Mutual Fund
Open-End Fund

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
-------	-------------	-------	--------------	----------------	-----------	------------	--------------	-----------	--------------------------

900999101	CalTRUST Liquidity Fund	3.764	1.0000	---	93,865,661.30	93,865,661.30	93,865,661.30	93,865,661.30	0.00
900999101	CalTRUST Liquidity Fund	3.764	1.0000	---	9,134,338.70	9,134,338.70	9,134,338.70	9,134,338.70	0.00
900999101	CalTRUST Liquidity Fund	3.764	1.0000	---	40,000,000.00	40,000,000.00	40,000,000.00	40,000,000.00	0.00
900999101	CalTRUST Liquidity Fund	3.764	1.0000	---	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	0.00
900999101	CalTRUST Liquidity Fund	3.764	1.0000	---	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00	0.00
900999101	CalTRUST Liquidity Fund	3.764	1.0000	---	313,000,000.00	313,000,000.00	313,000,000.00	313,000,000.00	0.00

Mutual Fund

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
-------	-------------	-------	--------------	----------------	-----------	------------	--------------	-----------	--------------------------

900999101	CalTRUST Liquidity Fund	3.764	1.0000	---	313,000,000.00	313,000,000.00	313,000,000.00	313,000,000.00	0.00
-----------	-------------------------	-------	--------	-----	----------------	----------------	----------------	----------------	------

Non-US Gov
SUPRANATIONAL

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
-------	-------------	-------	--------------	----------------	-----------	------------	--------------	-----------	--------------------------

459058LY7	INTERNATIONAL BANK FOR	3.609	98.1056	10/28/2030	8,500,000.00	8,461,418.75	8,338,976.00	8,457,840.00	(118,864.00)
459058KD4	INTERNATIONAL BANK FOR	4.630	100.1180	11/22/2028	10,000,000.00	10,000,000.00	10,011,800.00	10,000,000.00	11,800.00
459058LG6	INTERNATIONAL BANK FOR	5.590	100.1785	05/15/2028	10,000,000.00	10,009,616.79	10,017,850.00	10,017,000.00	850.00

459058LG6	INTERNATIONAL BANK FOR	5.584	100.1785	05/15/2028	10,000,000.00	10,009,177.63	10,017,850.00	10,016,200.00	1,650.00
459058LG6	INTERNATIONAL BANK FOR	5.601	100.1785	05/15/2028	10,000,000.00	10,008,058.63	10,017,850.00	10,014,100.00	3,750.00
459058LG6	INTERNATIONAL BANK FOR	5.096	100.1785	05/15/2028	5,000,000.00	5,003,501.51	5,008,925.00	5,006,000.00	2,925.00
459058LG6	INTERNATIONAL BANK FOR	4.919	100.1785	05/15/2028	10,000,000.00	10,004,092.00	10,017,850.00	10,006,600.00	11,250.00
459058KN2	INTERNATIONAL BANK FOR	4.222	100.1842	01/12/2027	9,665,000.00	9,684,793.82	9,682,802.93	9,692,545.25	(9,742.32)
459053HT2	INTERNATIONAL BANK FOR	3.749	98.0657	09/30/2026	50,000,000.00	49,082,416.66	49,032,850.00	49,057,208.33	(24,358.33)
459053G81	INTERNATIONAL BANK FOR	3.748	98.1387	09/23/2026	50,000,000.00	49,117,708.33	49,069,350.00	49,092,500.00	(23,150.00)
459053E34	INTERNATIONAL BANK FOR	3.740	98.3584	09/02/2026	50,000,000.00	49,223,583.33	49,179,200.00	49,198,375.00	(19,175.00)
459053ZW7	INTERNATIONAL BANK FOR	3.726	98.7543	07/27/2026	50,000,000.00	49,410,125.00	49,377,150.00	49,384,916.67	(7,766.67)
459053XX7	INTERNATIONAL BANK FOR	3.697	99.2529	06/10/2026	25,000,000.00	24,825,972.22	24,813,225.00	24,530,125.00	283,100.00
---	INTERNATIONAL BANK FO	4.031	98.8051	02/14/2027	298,165,000.00	294,840,464.68	294,585,678.93	294,473,410.25	112,268.68

Non-US Gov

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
---	INTERNATIONAL BANK FO	4.031	98.8051	02/14/2027	298,165,000.00	294,840,464.68	294,585,678.93	294,473,410.25	112,268.68

Repo
REPO

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
RP04082026366	Reference Number: L260331000	3.660	100.0000	04/08/2026	200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00	0.00
RP04012026366	Reference Number: L260331000	3.660	100.0000	04/01/2026	700,000,000.00	700,000,000.00	700,000,000.00	700,000,000.00	0.00
---	---	3.660	100.0000	04/03/2026	900,000,000.00	900,000,000.00	900,000,000.00	900,000,000.00	0.00

Repo

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
---	---	3.660	100.0000	04/03/2026	900,000,000.00	900,000,000.00	900,000,000.00	900,000,000.00	0.00

US Gov

T-BILL									
Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
912797TV9	UNITED STATES TREASURY	3.643	96.8283	02/18/2027	50,000,000.00	48,427,864.79	48,414,159.50	48,359,722.71	54,436.79
912797TV9	UNITED STATES TREASURY	3.684	96.8283	02/18/2027	50,000,000.00	48,409,225.00	48,414,159.50	48,404,300.00	9,859.50
912797TM9	UNITED STATES TREASURY	3.605	97.1238	01/21/2027	50,000,000.00	48,576,133.33	48,561,875.00	48,508,560.00	53,315.00
912797UA3	UNITED STATES TREASURY	3.675	99.2368	06/16/2026	25,000,000.00	24,810,960.56	24,809,208.25	24,706,491.39	102,716.86
912797UA3	UNITED STATES TREASURY	3.674	99.2368	06/16/2026	25,000,000.00	24,811,002.77	24,809,208.25	24,706,556.94	102,651.31
---	UNITED STATES TREASURY	3.652	97.5147	12/10/2026	200,000,000.00	195,035,186.46	195,008,610.50	194,685,631.04	322,979.46

US Gov

US GOV									
Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
91282CQD6	UNITED STATES TREASURY	4.000	98.0508	02/28/2031	25,000,000.00	24,447,109.64	24,512,695.25	24,444,335.94	68,359.31
91282CQD6	UNITED STATES TREASURY	4.000	98.0508	02/28/2031	25,000,000.00	24,447,109.64	24,512,695.25	24,444,335.94	68,359.31
91282CQD6	UNITED STATES TREASURY	4.018	98.0508	02/28/2031	25,000,000.00	24,427,675.88	24,512,695.25	24,424,804.69	87,890.56
91282CQD6	UNITED STATES TREASURY	4.003	98.0508	02/28/2031	25,000,000.00	24,444,194.57	24,512,695.25	24,441,406.25	71,289.00
91282CKX8	UNITED STATES TREASURY	4.045	101.2383	06/30/2029	25,000,000.00	25,151,818.52	25,309,570.25	25,189,453.13	120,117.12
91282CKT7	UNITED STATES TREASURY	3.980	101.9453	05/31/2029	20,000,000.00	20,301,453.49	20,389,062.40	20,381,250.00	7,812.40
91282CJF9	UNITED STATES TREASURY	4.010	102.5547	10/31/2028	10,000,000.00	10,206,158.30	10,255,468.70	10,282,812.50	(27,343.80)
91282CCY5	UNITED STATES TREASURY	3.548	93.9180	09/30/2028	7,000,000.00	6,628,175.91	6,574,257.83	6,405,000.00	169,257.83
912810FB9	UNITED STATES TREASURY	4.003	103.3203	11/15/2027	15,000,000.00	15,464,299.45	15,498,046.80	16,425,000.00	(926,953.20)
91282CFH9	UNITED STATES TREASURY	3.269	99.0234	08/31/2027	5,000,000.00	4,990,654.42	4,969,992.19	4,951,171.85	(15,820.34)
912810FA1	UNITED STATES TREASURY	3.247	103.1055	08/15/2027	15,000,000.00	15,590,025.48	15,465,820.35	17,133,984.38	(1,668,164.03)
912810FA1	UNITED STATES TREASURY	3.483	103.1055	08/15/2027	15,000,000.00	15,542,296.82	15,465,820.35	16,957,031.25	(1,491,210.90)
91282CEW7	UNITED STATES TREASURY	3.109	99.2969	06/30/2027	15,000,000.00	15,024,209.17	14,894,531.25	15,094,335.94	(199,804.69)
91282CEW7	UNITED STATES TREASURY	3.213	99.2969	06/30/2027	15,000,000.00	15,006,326.14	14,894,531.25	15,024,609.38	(130,078.13)
91282ZS2	UNITED STATES TREASURY	2.845	96.2578	05/31/2027	20,000,000.00	19,494,679.71	19,251,562.40	17,828,906.25	1,422,656.15
91282CEF4	UNITED STATES TREASURY	2.503	98.7930	03/31/2027	25,000,000.00	24,999,221.32	24,698,242.25	24,996,093.75	(297,851.50)
91282CEF4	UNITED STATES TREASURY	2.502	98.7930	03/31/2027	25,000,000.00	24,999,610.66	24,698,242.25	24,998,046.88	(299,804.63)
91282CMV0	UNITED STATES TREASURY	3.738	100.1172	03/31/2027	50,000,000.00	50,066,224.32	50,058,593.50	50,066,406.25	(7,812.75)
912810EZ7	UNITED STATES TREASURY	3.048	102.3906	02/15/2027	15,000,000.00	15,435,608.35	15,358,593.75	17,248,828.13	(1,890,234.38)
91282CJT9	UNITED STATES TREASURY	3.530	100.1836	01/15/2027	50,000,000.00	50,180,993.12	50,091,797.00	50,230,468.75	(138,671.75)
91282CDQ1	UNITED STATES TREASURY	3.624	98.1602	12/31/2026	50,000,000.00	49,133,490.53	49,080,078.00	48,779,296.88	300,781.12
91282CDQ1	UNITED STATES TREASURY	3.630	98.1602	12/31/2026	50,000,000.00	49,131,581.07	49,080,078.00	48,773,437.50	306,640.50
91282CDQ1	UNITED STATES TREASURY	3.527	98.1602	12/31/2026	50,000,000.00	49,166,034.11	49,080,078.00	49,035,156.25	44,921.75
91282CJP7	UNITED STATES TREASURY	3.616	100.4180	12/15/2026	50,000,000.00	50,260,781.67	50,208,984.50	50,375,000.00	(166,015.50)

91282CLY5	UNITED STATES TREASURY	3.668	100.3164	11/30/2026	50,000,000.00	50,188,076.59	50,158,203.00	50,291,015.63	(132,812.63)
912810EY0	UNITED STATES TREASURY	4.205	101.5000	11/15/2026	25,000,000.00	25,325,649.65	25,375,000.00	27,136,718.75	(1,761,718.75)
91282CDG3	UNITED STATES TREASURY	2.884	98.4688	10/31/2026	10,000,000.00	9,904,530.07	9,846,875.00	9,258,203.13	588,671.87
91282CJC6	UNITED STATES TREASURY	3.602	100.4492	10/15/2026	50,000,000.00	50,268,691.08	50,224,609.50	50,488,281.25	(263,671.75)
91282CJC6	UNITED STATES TREASURY	3.698	100.4492	10/15/2026	50,000,000.00	50,243,127.26	50,224,609.50	50,425,781.25	(201,171.75)
91282CCZ2	UNITED STATES TREASURY	2.540	98.5820	09/30/2026	15,000,000.00	14,883,116.69	14,787,304.65	13,943,554.69	843,749.96
91282CCZ2	UNITED STATES TREASURY	0.982	98.5820	09/30/2026	20,000,000.00	19,989,617.59	19,716,406.20	19,895,833.60	(179,427.40)
91282CCZ2	UNITED STATES TREASURY	3.756	98.5820	09/30/2026	25,000,000.00	24,648,416.16	24,645,507.75	24,646,484.38	(976.63)
91282CCW9	UNITED STATES TREASURY	0.902	98.7617	08/31/2026	25,000,000.00	24,984,596.11	24,690,429.75	24,817,382.81	(126,953.06)
91282CCW9	UNITED STATES TREASURY	0.832	98.7617	08/31/2026	25,000,000.00	24,991,710.44	24,690,429.75	24,900,416.25	(209,986.50)
91282CCJ8	UNITED STATES TREASURY	0.882	99.2852	06/30/2026	20,000,000.00	19,999,663.02	19,857,031.20	19,993,166.80	(136,135.60)
91282CCJ8	UNITED STATES TREASURY	0.906	99.2852	06/30/2026	35,000,000.00	34,997,370.50	34,749,804.60	34,946,679.69	(196,875.09)
91282CCJ8	UNITED STATES TREASURY	3.757	99.2852	06/30/2026	15,000,000.00	14,895,002.09	14,892,773.40	14,738,671.88	154,101.52
91282CKY6	UNITED STATES TREASURY	4.101	100.2148	06/30/2026	50,000,000.00	50,062,640.28	50,107,422.00	50,251,953.13	(144,531.13)
---	UNITED STATES TREASURY	3.279	99.5718	06/29/2027	1,042,000,000.00	1,039,921,939.83	1,037,321,717.98	1,043,681,135.47	(6,359,417.49)

US Gov

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
---	UNITED STATES TREASURY	3.338	99.2469	05/28/2027	1,242,000,000.00	1,234,957,126.29	1,232,330,328.48	1,238,366,766.51	(6,036,438.03)

Summary

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
---	---	3.804	96.5754	09/07/2027	16,711,901,718.10	16,632,254,157.38	16,611,677,967.74	16,581,091,908.40	30,586,059.34

