

# PRELIMINARY OFFICIAL STATEMENT DATED JUNE 26, 2025

## NEW ISSUE - FULL BOOK-ENTRY

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

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

**\$40,000,000\***  
**NEWARK UNIFIED SCHOOL DISTRICT**  
(Alameda County, California)  
**General Obligation Bonds**  
**Election of 2024, Series A**

**\$4,000,000\***  
**NEWARK UNIFIED SCHOOL DISTRICT**  
(Alameda County, California)  
**2025 General Obligation Refunding Bonds**

**Dated: Date of Delivery**

**Due: August 1, as shown on inside front cover**

**Authority and Purpose.** The above-captioned General Obligation Bonds Election of 2024, Series A (the "2024 Series A Bonds") and the 2025 General Obligation Refunding Bonds (the "Refunding Bonds" and, together with the 2024 Series A Bonds, the "Bonds") are being issued by the Newark Unified School District (the "District") pursuant to certain provisions of the California Government Code and resolutions of the Board of Education of the District adopted on June 25, 2025. The 2024 Series A Bonds were authorized at an election of the registered voters of the District held on November 5, 2024, which authorized the issuance of \$205,000,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The 2024 Series A Bonds are the first series of bonds to be issued under the 2024 Authorization (as defined herein). The Refunding Bonds are being issued to refund certain outstanding general obligation bonds of the District, and to pay costs of issuance. See "THE BONDS – Authority for Issuance" 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 Alameda County (the "County"). The County is empowered and obligated to annually levy *ad valorem* property taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). The District has other series of general obligation bonds outstanding. See "SECURITY FOR THE BONDS."

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

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

**Redemption.\*** The 2024 Series A Bonds are subject to redemption prior to maturity as described herein. The Refunding Bonds are not subject to redemption prior to their stated maturities. See "THE BONDS – Redemption."

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### MATURITY SCHEDULE

(See inside cover)

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**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, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. Kutak Rock LLP, Denver, Colorado 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 August 5, 2025.\**

## STIFEL

The date of this Official Statement is \_\_\_\_\_, 2025.

*\*Preliminary; subject to change.*

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

## MATURITY SCHEDULES\*

**NEWARK UNIFIED SCHOOL DISTRICT**  
(Alameda County, California)  
**General Obligation Bonds**  
**Election of 2024, Series A**

**Base CUSIP†: 650264**

**\$\_\_\_\_\_ Serial Bonds**

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

*[Continued on the next page]*

\*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.

## MATURITY SCHEDULES\*

*[Continued from Previous Page]*

**NEWARK UNIFIED SCHOOL DISTRICT**  
(Alameda County, California)  
**2025 General Obligation Refunding Bonds**

**Base CUSIP<sup>†</sup>: 650264**

**\$ \_\_\_\_\_ Serial Bonds**

<b><u>Maturity Date</u></b> <b><u>(August 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP<sup>†</sup></u></b>
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*\*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 Underwriters takes any responsibility for the accuracy of the CUSIP data.*

**NEWARK UNIFIED SCHOOL DISTRICT**  
(Alameda County, California)

**BOARD OF EDUCATION**

Katherine Jones, *President*  
Nancy Thomas, *Vice President*  
Gabriel Anguiano Jr., *Member*  
Austin Block, *Member*  
Aiden Hill, *Member*

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**DISTRICT ADMINISTRATION**

Tracey Vackar, *Superintendent*

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**PROFESSIONAL SERVICES**

**MUNICIPAL ADVISOR**

Fieldman, Rolapp & Associates, Inc.  
*Irvine, California*

**BOND AND DISCLOSURE COUNSEL**

Jones Hall LLP  
*San Francisco, California*

**BOND REGISTRAR, TRANSFER AGENT, 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.

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

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

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

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

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

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**\$40,000,000\***  
**NEWARK UNIFIED SCHOOL DISTRICT**  
**(Alameda County, California)**  
**General Obligation Bonds**  
**Election of 2024, Series A**

**\$4,000,000\***  
**NEWARK UNIFIED SCHOOL DISTRICT**  
**(Alameda County, California)**  
**2025 General Obligation Refunding Bonds**

The purpose of this Official Statement, which includes the cover page, inside cover pages and attached appendices, is to set forth certain information concerning the sale and delivery of (i) General Obligation Bonds Election of 2024, Series A (the “**2024 Series A Bonds**”) and (ii) 2025 General Obligation Refunding Bonds (the “**Refunding Bonds**”) and, together with the 2024 Series A Bonds, the “**Bonds**”) by Newark 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, established in 1964, consists of an area of approximately 13 square miles, and provides educational services to the residents of the City of Newark, in Alameda County (the “**County**”), in the State of California (the “**State**”). The District’s boundaries are coterminous with the City’s boundaries. The District currently operates six elementary schools, one junior high, one comprehensive high school, one independent school, one alternative high school, and one adult education center. Enrollment in the District for fiscal year 2024-25 was approximately 4,666 students, and is budgeted for 4,513 students in fiscal year 2025-26. The District’s fiscal year 2024-25 total assessed value is \$15,496,518,922.

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 Newark and the County.

**Purpose of Issue.** The net proceeds of the 2024 Series A Bonds will be used to finance construction of and improvements to facilities of the District, as approved by voters in the District at an election held on November 5, 2024 (the “**Bond Election**”), which authorized a total of \$205,000,000 principal amount of general obligation bonds (the “**2024 Authorization**”), and to pay costs of issuance.

The net proceeds of the Refunding Bonds will be used to refund the District’s outstanding General Obligation Bonds, Election of 2011, Series A (the “**2011A Bonds**”) and the District’s outstanding General Obligation Bonds, Election of 2011, Series B (the “**2011B Bonds**”) and together with the 2011A Bonds, the “**Refunded Bonds**”), and to pay costs of issuance.

See “THE FINANCING PLAN” herein.

**Authority for Issuance of the Bonds.** Issuance of the 2024 Series A Bonds was approved by more than the requisite 55% of the voters of the District voting at the Bond Election to authorize \$205,000,000 of general obligation bonds, and will be issued pursuant to certain provisions of the California Government Code and a resolution adopted by the Board of Education of the District on

June 25, 2025 (the “**2024 Series A Bond Resolution**”). See “THE BONDS – Authority for Issuance” herein.

The Refunding 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 Board of Education of the District on June 25, 2025 (the “**Refunding Bond Resolution**” and, together with the 2024 Series A Bond Resolution, the “**Bond Resolutions**”). See “THE BONDS - Authority for Issuance.”

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

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

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

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

Following the issuance of the 2024 Series A Bonds, there will be \$165,000,000\* of unissued capacity remaining under the 2024 Authorization. See “FINANCIAL INFORMATION - Existing Debt Obligations” in APPENDIX A.

**Redemption\*.** The 2024 Series A Bonds are subject to redemption prior to maturity as described herein. The Refunding Bonds are not subject to redemption prior to their stated maturity dates. See “THE BONDS – Redemption.”

**Legal Matters.** Issuance of the Bonds is subject to the approving opinions of Jones Hall LLP, San Francisco, California, Bond Counsel, to be delivered in substantially the forms attached hereto as APPENDIX D. Jones Hall LLP, San Francisco, California, will serve as Disclosure Counsel to the District. Kutak Rock LLP, Denver, Colorado, is serving as counsel to the Underwriter. Payment of

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\* Preliminary; subject to change.



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 forms of Bond Counsel's opinions to be delivered concurrently with the Bonds.

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

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

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

## THE FINANCING PLAN

### The 2024 Series A Bonds

The 2024 Series A Bonds are the first series of bonds issued pursuant to the 2024 Authorization. Following the issuance of the 2024 Series A Bonds, there will be \$165,000,000\* of unissued capacity remaining under the 2024 Authorization.

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

*“To update schools for 21st century learning, classrooms/ labs for science, technology, engineering, arts and math instruction; technology infrastructure, HVAC, electrical/plumbing systems; and school security/ emergency preparedness; shall Newark Unified School District's measure authorizing \$205,000,000 in bonds at legal interest rates be adopted, with average levies of \$50 per \$100,000 assessed valuation while bonds are outstanding, generating approximately \$14,000,000 annually, extending not increasing estimated tax rates, with citizen oversight, annual audits and no funds for administrators?”*

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

### The Refunding Bonds

**2011A Bonds.** On July 31, 2012, the District issued its 2011A Bonds, as current interest bonds, in the original principal amount of \$15,000,000. The 2011A Bonds currently outstanding are subject to optional redemption on August 1, 2022, or any date thereafter, at a price equal to the principal amount thereof, together with interest accrued thereon to the date of redemption, without premium.

On February 3, 2022, the District issued its 2022 Refunding General Obligation Bonds, Series B, for the purpose of refinancing a portion of the 2011A Bonds. The 2011A Bonds are currently outstanding in the aggregate principal amount of \$1,925,000.

**2011B Bonds.** On June 19, 2014, the District issued its 2011B Bonds, as current interest bonds, in the original principal amount of \$30,000,000. The 2011B Bonds currently outstanding are subject to optional redemption on August 1, 2024, or any date thereafter, at a price equal to the principal amount thereof, together with interest accrued thereon to the date of redemption, without premium.

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\* Preliminary; subject to change.

On February 3, 2022, the District issued its 2022 Refunding General Obligation Bonds, Series A, for the purpose of refinancing a portion of the 2011B Bonds. The 2011B Bonds are currently outstanding in the aggregate principal amount of \$1,840,000.

The proceeds of the Refunding Bonds will be used to refinance the Refunded Bonds, as identified below, on or about September 4, 2025 (the “**Redemption Date**”), and to pay related costs of issuance.

#### Identification of 2011A Refunded Bonds\*

Maturity Date (August 1)	CUSIP†	Principal Amount	Redemption Price
2028	650264 ST2	\$695,000	100.0%
2029	650264 SP0	315,000	100.0
2030	650264 SQ8	355,000	100.0
2031	650264 SR6	400,000	100.0
Total	--	\$1,765,000	--

#### Identification of 2011B Refunded Bonds\*

Maturity Date (August 1)	CUSIP†	Principal Amount	Redemption Price
2026	650264 TZ7	\$200,000	100.0%
2027	650264 UA0	410,000	100.0
2028	650264 UB8	475,000	100.0
2029	650264 UC6	555,000	100.0
Total	--	\$1,640,000	--

\*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.

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

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 “**VERIFICATION OF MATHEMATICAL ACCURACY.**” As a result of the deposit of funds with the Escrow Bank on the date of issuance of the Refunding Bonds, the Refunded Bonds will be legally defeased and will be payable solely from amounts held for that purpose under the Escrow Agreement, and will cease to be secured by *ad valorem* property taxes levied in the District.

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

## THE BONDS

### Authority for Issuance

The 2024 Series A Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof, and the 2024 Series A Bond Resolution. The Refunding Bonds will be issued pursuant to the Refunding Law and the Refunding Bond Resolution.

### Description of the Bonds

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

The Bonds shall be issued in the denominations of \$5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing February 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 (15<sup>th</sup>) 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 January 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 who will remit such payments to the Beneficial Owners of the Bonds.

### Book-Entry Only System

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

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

The Paying Agent, the District, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial

ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

### **Redemption\***

**Optional Redemption – 2024 Series A Bonds.** The 2024 Series A Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to maturity. The 2024 Series A Bonds maturing on or after August 1, 20\_\_ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20\_\_, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

**No Optional Redemption – Refunding Bonds.** The Refunding Bonds are not subject to redemption prior to maturity.

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

**Mandatory Sinking Fund Redemption – 2024 Series A Bonds.** The 2024 Series A Bonds maturing on August 1, 20\_\_ (the “**2024 Series A Term Bonds**”), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The 2024 Series A Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

#### **2024 Series A Term Bonds Maturing August 1, 20\_\_**

<b>Redemption Date (August 1)</b>	<b>Sinking Fund Redemption</b>
---------------------------------------	------------------------------------

**Mandatory Sinking Fund Redemption – Refunding Bonds.** The Refunding Bonds maturing on August 1, 20\_\_ (the “**Refunding Term Bonds**” and, together with the 2024 Series A Term Bonds, the “**Term Bonds**”), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Refunding Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

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\* Preliminary; subject to change.

## **Refunding Term Bonds Maturing August 1, 20\_\_**

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

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

### **Notice of Redemption**

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

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

### **Partial Redemption of Bonds**

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

### **Effect of Redemption**

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called will cease to be entitled to any benefit under the Bond Resolutions, 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 applicable 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 applicable Bond Resolution.

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

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

### **Defeasance and Discharge of Bonds**

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

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

Whenever in the Bond Resolutions it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by

any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under the Bond Resolutions and will be:

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

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

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



## APPLICATION OF PROCEEDS OF THE BONDS

### Building Fund

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

### Debt Service Funds

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

If, after payment in full of the 2024 Series A Bonds, any amounts remain on deposit in the 2024 Series A Debt Service Fund, the County shall transfer such amounts to the District's general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

**Refunding Bonds Debt Service Fund.** Amounts to pay debt service on the Refunding Bonds will be held in the fund created and established in the Refunding Bond Resolution and known as the "Newark Unified School District, 2025 General Obligation Refunding Bonds Debt Service Fund" (the "**Refunding Debt Service Fund**") for the Refunding Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the District. All taxes levied by the County for the payment of the principal of and interest on the Refunding Bonds will be deposited in the Refunding Debt Service Fund by the County promptly upon the receipt. The Refunding Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Refunding Bonds when and as the same become due. The County will transfer amounts in the Refunding Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same becomes due and payable.

If, after payment in full of the Refunding Bonds, any amounts remain on deposit in the respective 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.

### **Escrow Fund**

As described herein, the proceeds of the Refunding Bonds will be deposited in the Escrow Fund, and applied to pay costs of issuance. See "THE FINANCING PLAN" and "SOURCES AND USES OF FUNDS."

### **Investment of Proceeds of Bonds**

All moneys held in any of the funds or accounts established with the County under the Bond Resolution will be invested in Authorized Investments (as defined in the Bond Resolution) in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established under the applicable Bond Resolution will be deposited in the fund or account from which such investment was made, and will be expended for the purposes thereof.

In accordance with Government Code Section 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 Government Code. See "APPENDIX G - ALAMEDA COUNTY INVESTMENT POLICY AND INVESTMENT REPORT."

## DEBT SERVICE SCHEDULES

**The 2024 Series A Bonds.** The following table shows the annual debt service schedule with respect to the 2024 Series A Bonds, assuming no optional redemptions.

**Newark Unified School District  
General Obligation Bonds,  
Election of 2024, Series A  
Debt Service Schedule**

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

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

**Newark Unified School District  
2025 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 schedule with respect to all outstanding general obligation bonds of the District secured by *ad valorem* property taxes, assuming no optional redemptions. See APPENDIX A – “FINANCIAL INFORMATION – Existing Debt Obligations” for additional information.

**NEWARK UNIFIED SCHOOL DISTRICT**  
**Combined General Obligation Bond Debt Service Schedule**

Period Ending (August 1)	1997 Series D Bonds	2012 Refunding Bonds	Series 2011A Bonds <sup>(1)</sup>	Series 2011B Bonds <sup>(1)</sup>	Series 2011C Bonds	2022 Refunding Series A	2022 Refunding Series B	2024 Series A Bonds	Refunding Bonds	Total Debt Service
2025	\$5,600,000	\$2,394,335	\$241,944	\$283,800	\$1,291,600	\$1,230,766.90	\$298,800.00			
2026	8,245,000	--	268,544	273,800	1,373,000	1,233,400.40	298,800.00			
2027	4,265,000	--	293,306	473,800	1,254,800	1,230,037.60	298,800.00			
2028	--	--	321,231	526,500	1,262,300	1,230,746.90	298,800.00			
2029	--	--	352,056	582,750	1,335,300	1,230,482.16	298,800.00			
2030	--	--	381,425	--	1,325,300	1,874,273.80	298,800.00			
2031	--	--	414,000	--	1,354,700	1,937,050.60	298,800.00			
2032	--	--	--	--	1,382,300	2,001,448.20	688,800.00			
2033	--	--	--	--	1,406,700	2,066,759.70	713,200.00			
2034	--	--	--	--	1,428,300	2,132,030.70	756,000.00			
2035	--	--	--	--	1,452,100	2,202,385.30	786,400.00			
2036	--	--	--	--	1,472,900	2,278,232.70	819,800.00			
2037	--	--	--	--	--	2,348,575.10	861,000.00			
2038	--	--	--	--	--	2,428,541.50	899,600.00			
2039	--	--	--	--	--	2,510,267.26	940,600.00			
2040	--	--	--	--	--	2,591,960.50	983,800.00			
2041	--	--	--	--	--	2,673,453.50	1,024,000.00			
2042	--	--	--	--	--	2,759,578.50	1,071,200.00			
Total	\$18,110,000	\$2,394,335	\$2,272,506	\$2,140,650	\$16,339,300	\$35,959,991.32	\$11,636,000.00			

(1) Expected to be refunded with the proceeds of the Refunding Bonds. See “THE FINANCING PLAN - The Refunding Bonds.”

## SOURCES AND USES OF FUNDS

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

<b><u>Sources of Funds</u></b>	<b>2024 Series A Bonds</b>	<b>Refunding Bonds</b>
Principal Amount of Bonds		
[Net] Original Issue [Premium]/[Discount]		
<b>Total Sources</b>		
<b><u>Uses of Funds</u></b>		
Building Fund		
Escrow Fund		
Debt Service Fund		
Costs of Issuance <sup>(1)</sup>		
<b>Total Uses</b>		

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

## SECURITY FOR THE BONDS

### ***Ad Valorem Taxes***

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

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

***Levy, Collection and Pledge of Taxes.*** The County will levy and collect such *ad valorem* property taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a 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 will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

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

## **Debt Service Funds**

As described herein under the heading “APPLICATION OF PROCEEDS OF THE BONDS - Debt Service Fund,” the County Treasurer will establish separate Debt Service Funds for the Bonds. All taxes levied by the County for the payment of the principal of and interest on the applicable series of Bonds will be deposited in the related Debt Service Fund by the County promptly upon the receipt. The Debt Service Funds are pledged in the Bond Resolutions for the payment of the principal of and interest on the applicable series of Bonds when and as the same become due. The County will transfer amounts in the Debt Service Funds to the Paying Agent to the extent necessary to pay the principal of and interest on the related series of Bonds as the same becomes due and payable.

## **Not a County Obligation**

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

## **PROPERTY TAXATION**

### **Property Tax Collection Procedures**

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

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

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



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

### **Taxation of State-Assessed Utility Property**

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

### **Assessed Valuation**

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

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

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

**NEWARK UNIFIED SCHOOL DISTRICT**  
**Assessed Valuation**  
**Fiscal Years 2015-16 through 2024-25**

<b>Fiscal Year</b>	<b>Local Secured</b>	<b>Utility</b>	<b>Unsecured</b>	<b>Total</b>	<b>% Change</b>
2015-16	\$6,099,679,405	\$371,252	\$823,549,996	\$6,923,600,653	--%
2016-17	7,102,387,653	371,252	502,466,622	7,605,225,527	9.8
2017-18	8,116,591,100	178,598	625,081,222	8,741,850,920	14.9
2018-19	8,852,749,698	178,598	605,704,087	9,458,632,383	8.2
2019-20	9,774,859,236	178,598	605,044,520	10,380,082,354	9.7
2020-21	10,619,097,492	178,598	622,858,588	11,242,134,678	8.3
2021-22	11,113,015,871	355,889	751,064,508	11,864,436,268	5.5
2022-23	12,267,041,443	355,889	835,449,969	13,102,847,301	10.4
2023-24	13,337,340,927	355,889	1,164,138,732	14,501,835,548	10.7
2024-25	14,090,914,160	355,889	1,405,248,873	15,496,518,922	6.9

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 previously issued executive orders 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 June 17, 2025, the U.S. Drought Monitor indicates that the State is classified as experiencing mostly no drought conditions in the northern part of the State, some abnormally dry and moderate drought conditions in the central part of the State, and moderate and severe drought conditions with pockets of extreme drought conditions on the south and southeast borders, with the County experiencing abnormally dry and no drought conditions.

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

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

Public Health Emergencies. In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, the World Health Organization announced the official name for the outbreak of the disease known as COVID-19 ("**COVID-19**"), an upper respiratory tract illness, that spread across the globe. The ultimate impact of COVID-19 on the District's operations and finances and the economy, real estate market, development within the District and tax collections may not be fully known, and it may be some time before the full adverse impact of the COVID-19 outbreak is known. Further, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the District's operations and finances. In addition, the District cannot predict whether future pandemics will occur and whether any such pandemics may impact its finances or operations. As of this date, several vaccines have been provided approval by federal health authorities and are widely available, and both the national emergency and state of emergency have officially ended, and the World Health Organization declared an end to the COVID-19 global health emergency.

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

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

**NEWARK UNIFIED SCHOOL DISTRICT  
Assessed Valuation by Jurisdiction  
Fiscal Year 2024-25**

<b><u>Jurisdiction:</u></b>	<b><u>Assessed Valuation in School District</u></b>	<b><u>% of School District</u></b>	<b><u>Assessed Valuation of Jurisdiction</u></b>	<b><u>% of Jurisdiction in School District</u></b>
City of Newark	\$15,496,518,922	100.00%	\$15,496,518,922	100.00%
Total District	\$15,496,518,922	100.00%		
Alameda County	\$15,496,518,922	100.00%	\$420,593,862,195	3.68%

Source: California Municipal Statistics, Inc.

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

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

	<b><u>2024-25 Assessed Valuation <sup>(1)</sup></u></b>	<b><u>% of Total</u></b>	<b><u>No. of Parcels</u></b>	<b><u>% of Total</u></b>
<b><u>Non-Residential:</u></b>				
Rural/Undeveloped	\$ 48,052,198	0.34%	22	0.14%
Commercial	1,148,063,690	8.15	260	1.69
Vacant Commercial	16,565,364	0.12	26	0.17
Industrial	2,443,191,252	17.34	213	1.39
Vacant Industrial	50,940,891	0.36	36	0.23
Recreational	1,765,119	0.01	2	0.01
Government/Social/Institutional	38,198,675	0.27	64	0.42
Subtotal Non-Residential	\$3,746,777,189	26.59%	623	4.06%
<b><u>Residential:</u></b>				
Single Family Residence	\$ 7,778,838,322	55.20%	10,929	71.16%
Condominium/Townhouse	1,967,858,196	13.97	2,986	19.44
2-4 Residential Units	174,094,683	1.24	264	1.72
5+ Residential Units/Apartments	327,947,699	2.33	107	0.70
Vacant Residential	95,398,071	0.68	450	2.93
Subtotal Residential	\$10,344,136,971	73.41%	14,736	95.94%
<b>Total</b>	<b>\$14,090,914,160</b>	<b>100.00%</b>	<b>15,359</b>	<b>100.00%</b>

(1) Local secured assessed valuation; excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

**Assessed Valuation of Single-Family Residential Parcels.** The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the District for fiscal year 2024-25, including the median and average assessed value of single-family parcels in the District.

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

	<b>No. of Parcels</b>	<b>2024-25 Assessed Valuation</b>	<b>Average Assessed Valuation</b>	<b>Median Assessed Valuation</b>
<b>Single Family Residential</b>	10,929	\$7,778,838,322	\$711,761	\$613,288

<b>2024-25 Assessed Valuation</b>	<b>No. of Parcels <sup>(1)</sup></b>	<b>% of Total</b>	<b>Cumulative % of Total</b>	<b>Total Valuation</b>	<b>% of Total</b>	<b>Cumulative % of Total</b>
\$0 - \$99,999	698	6.387%	6.387%	\$ 51,668,158	0.664%	0.664%
\$100,000 - \$199,999	888	8.125	14.512	131,254,060	1.687	2.352
\$200,000 - \$299,999	811	7.421	21.932	204,221,014	2.625	4.977
\$300,000 - \$399,999	1,165	10.660	32.592	409,544,609	5.265	10.242
\$400,000 - \$499,999	946	8.656	41.248	423,936,619	5.450	15.692
\$500,000 - \$599,999	836	7.649	48.897	458,633,748	5.896	21.588
\$600,000 - \$699,999	699	6.396	55.293	451,871,062	5.809	27.396
\$700,000 - \$799,999	648	5.929	61.222	485,994,997	6.248	33.644
\$800,000 - \$899,999	622	5.691	66.914	529,226,764	6.803	40.448
\$900,000 - \$999,999	663	6.066	72.980	630,487,192	8.105	48.553
\$1,000,000 - \$1,099,999	610	5.581	78.562	639,057,504	8.215	56.768
\$1,100,000 - \$1,199,999	455	4.163	82.725	523,611,435	6.731	63.499
\$1,200,000 - \$1,299,999	385	3.523	86.248	481,495,213	6.190	69.689
\$1,300,000 - \$1,399,999	342	3.129	89.377	462,149,644	5.941	75.630
\$1,400,000 - \$1,499,999	345	3.157	92.534	500,307,009	6.432	82.062
\$1,500,000 - \$1,599,999	331	3.029	95.562	511,490,866	6.575	88.637
\$1,600,000 - \$1,699,999	178	1.629	97.191	292,538,994	3.761	92.398
\$1,700,000 - \$1,799,999	107	0.979	98.170	186,706,328	2.400	94.798
\$1,800,000 - \$1,899,999	76	0.695	98.865	139,983,245	1.800	96.598
\$1,900,000 - \$1,999,999	46	0.421	99.286	89,371,486	1.149	97.747
\$2,000,000 and greater	78	0.714	100.000	175,288,375	2.253	100.000
	10,929	100.000%		\$7,778,838,322	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 County board of equalization or assessment appeals board. In most cases, the appeal is filed

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

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

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

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

## Tax Rates

Below are historical typical tax rates in a typical tax rate area (Tax Rate Area 11-010) within the District for fiscal years 2020-21 through 2024-25.

**NEWARK UNIFIED SCHOOL DISTRICT**  
**Typical Total Tax Rates per \$100 of Assessed Valuation (TRA 11-010)<sup>(1)</sup>**  
**Fiscal Years 2020-21 through 2024-25**

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
General Tax Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
County General Obligation Bond	.0036	.0041	.0103	.0088	.0089
Newark Unified School District	.0855	.0838	.0761	.0707	.0686
Ohlone Community College District	.0334	.0309	.0294	.0276	.0274
Washington Township Hospital District	.0213	.0203	.0197	.0162	.0257
Bay Area Rapid Transit District	.0139	.0060	.0140	.0134	.0148
East Bay Regional Park District	.0014	.0020	.0058	.0057	.0013
Alameda County Water District	.0067	.0072	.0065	.0061	.0070
Total Tax Rate	\$1.1658	\$1.1543	\$1.1618	\$1.1485	\$1.1537

(1) 2024-25 assessed valuation of TRA 11-010 is \$5,809,516,204, which is 37.49% of the District's total assessed valuation.  
Source: California Municipal Statistics, Inc.

## Tax Levies and Delinquencies

Teeter Plan for One Percent General Fund Apportionment. For the District's share of the one percent general fund apportionment, 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 the State Revenue and Taxation Code, which requires the County to pay 100% of such secured property taxes due to local agencies in the fiscal year such taxes are due. Pursuant to these provisions, each county operating under the Teeter Plan establishes a delinquency reserve and assumes responsibility for all secured delinquencies, assuming that certain conditions are met.

Because of this method of tax collection, the K-12 districts located in the County are assured of their share of the one percent general fund apportionment but are not entitled to share in any penalties due to delinquent payments with respect to the one percent general fund apportionment. The County does not include *ad valorem* taxes levied for general obligation bonds in the Teeter Plan. The Teeter Plan is subject to discontinuance at the County's option in the future or if demanded by the participating taxing agencies.

The District cannot provide any assurances that the County will continue to maintain the Teeter Plan described above, or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other outbreak of disease or natural or manmade disaster.

The following table shows secured tax charges and delinquencies for secured property in the District for property within the District for recent fiscal years without regard to the Teeter Plan.

### **NEWARK UNIFIED SCHOOL DISTRICT Secured Tax Charges and Delinquencies Fiscal Years 2014-15 through 2023-24**

<b>Fiscal Year</b>	<b>Secured Tax Charge<sup>(1)</sup></b>	<b>Amount Delinquent</b>	<b>% Delinquent</b>
		<b>June 30</b>	<b>June 30</b>
2014-15	\$7,006,139	\$50,196	0.72%
2015-16	6,834,866	49,578	0.73
2016-17	7,348,000	39,720	0.54
2017-18	7,423,902	45,615	0.61
2018-19	8,405,407	58,399	0.69
2019-20	8,007,669	69,605	0.87
2020-21	9,085,966	46,754.	0.51
2021-22	9,263,772	58,307	0.63
2022-23	9,312,941	88,414	0.95
2023-24	9,719,971	242,826	2.50

(1) 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 2024-25. 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.

### NEWARK UNIFIED SCHOOL DISTRICT Top 20 Secured Property Taxpayers Fiscal Year 2024-25

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2024-25 Assessed Valuation</u>	<u>% of Total <sup>(1)</sup></u>
1.	BMR Gateway Boulevard LLC	Industrial	\$ 381,747,478	2.71%
2.	Terreno Morton LLC	Industrial	189,749,580	1.35
3.	Silicon Valley Gateway Technology Center	Industrial	183,289,894	1.30
4.	T5 Silicon Valley LLC	Industrial	174,839,445	1.24
5.	JMB Newpark Associates & GGP Newpark LLC	Shopping Center	151,408,575	1.07
6.	IPT East Bay DC LP	Industrial	144,209,555	1.02
7.	Cherry Logistics Commerce Center I LP LLC	Industrial	140,760,000	1.00
8.	DCT Cherry Street CA LP	Industrial	107,713,885	0.76
9.	Lennar Homes California Inc.	Residential Development	79,564,154	0.56
10.	Leslie Salt Co.	Industrial	77,291,860	0.55
11.	Sycamore Bay LLC	Apartments	65,762,235	0.47
12.	BRE Jupiter S2 West CA Owner LP	Industrial	58,674,524	0.42
13.	Syufy Enterprises	Hotel	54,791,895	0.39
14.	Newpark Mall LP	Shopping Center	52,533,558	0.37
15.	Chang Income Property Partnership LP	Shopping Center	50,494,862	0.36
16.	Teachers Insurance & Annuity Association	Industrial	48,084,316	0.34
17.	Costco Wholesale Corporation	Shopping Center	47,763,118	0.34
18.	Silicon Valley Hotel Partners LP	Hotel	46,241,699	0.33
19.	TRPF Bridgeway Technology Center LP	Industrial	44,943,495	0.32
20.	Sobrato Family Foundation & Arques Investments	Undeveloped	40,662,500	0.29
			<u>\$2,140,526,628</u>	<u>15.19%</u>

(1) 2024-25 local secured assessed valuation: \$14,090,914,160.

Source: California Municipal Statistics, Inc.



## Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. for debt issued as of May 1, 2025. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

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

**2024-25 Assessed Valuation:** \$15,496,518,922

<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>	<b><u>% Applicable</u></b>	<b><u>Debt 5/1/25</u></b>	
Alameda County	3.684%	\$ 17,643,597	
Bay Area Rapid Transit District	1.479	35,366,735	
Ohlone Community College District	16.795	63,811,763	
<b>Newark Unified School District</b>	<b>100.000</b>	<b>57,078,095</b>	(1)
Washington Township Healthcare District	14.479	66,722,852	
East Bay Regional Park District	2.307	3,366,605	
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$243,989,647</b>	
<b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>			
Alameda County General Fund Obligations	3.684%	\$ 23,197,872	
Alameda-Contra Costa Transit District Certificates of Participation	4.335	416,160	
Ohlone Community College District Certificates of Participation	16.795	33,590,000	
City of Newark Certificates of Participation	100.000	56,940,000	
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>		<b>\$114,144,032</b>	
<b>COMBINED TOTAL DEBT</b>		<b>\$358,133,679</b>	(2)

#### **Ratios to 2024-25 Assessed Valuation:**

<b>Direct Debt (\$57,078,095)</b> .....	<b>0.37%</b>
Total Direct and Overlapping Tax and Assessment Debt .....	1.57%
Combined Total Debt .....	2.31%

(1) Excludes the Bonds offered for sale hereunder, but includes the Refunded Bonds.

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

Source: California Municipal Statistics, Inc.

## TAX MATTERS

### Tax Exemption

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

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

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

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

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

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

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

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

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

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

## **VERIFICATION OF MATHEMATICAL ACCURACY**

The Verification Agent, upon delivery of the Refunding Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to (a) the sufficiency of the anticipated amount of proceeds of the Refunding Bonds and other funds available to pay upon prior redemption, principal, interest and redemption premium requirements of the Refunded Bonds described under the heading "THE FINANCING PLAN" and (b) the "yields" on the amount of proceeds held and invested prior to redemption of the Refunded Bonds and on the Refunding Bonds considered by Bond Counsel in connection with the opinion rendered by Bond Counsel that the Refunding Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

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.

## CERTAIN LEGAL MATTERS

### Legality for Investment

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

### Absence of Material Litigation

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

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

Assembly Bill 218 effective January 1, 2020, extended the statute of limitations on certain lawsuits based on past sexual abuse, including abuse by educators or public-school staff. The District is aware of two pending cases against it, based on actions of a former employee during the 2022-23 school year. At this time, the District cannot predict the outcome of pending legal proceedings and whether or not there will be a resulting liability, and the extent damages, if any, may be covered by insurance policies maintained by the District. Damages not covered by insurance would be payable from the District's general fund.

### 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 (the "**Municipal Advisor**"), and Kutak Rock LLP, as counsel to the Underwriter, are contingent upon issuance of the Bonds.

### Municipal Advisor

The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of, 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 related to the Bonds. 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, 2026, with the report for the 2024-25 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District on EMMA. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in the form of Continuing Disclosure Certificate attached as APPENDIX E. These covenants have been made in order to assist the Underwriter of the Bonds in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the **“Rule”**).

In the previous five-years, the District has not failed to materially comply with its existing continuing disclosure undertakings. In order to assist it in complying with its undertakings pursuant to the Rule, including the undertaking to be entered into with respect to the Bonds, the District has engaged Fieldman, Rolapp & Associates, Inc. dba Applied Best Practices, to serve as its dissemination agent.

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

## RATING

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

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

## UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”).

**The 2024 Series A Bonds.** The Underwriter has agreed to purchase the 2024 Series A Bonds at a price of \$\_\_\_\_\_ which is equal to the aggregate principal amount of the 2024 Series A Bonds of \$\_\_\_\_\_, [plus][less] [net] original issue [premium][discount] of \$\_\_\_\_\_ less an Underwriter’s discount of \$\_\_\_\_\_.

**The Refunding Bonds.** The Underwriter has agreed to purchase the Refunding Bonds at a price of \$\_\_\_\_\_ which is equal to the aggregate principal amount of the Refunding Bonds of \$\_\_\_\_\_, [plus][less] [net] original issue [premium][discount] of \$\_\_\_\_\_ less an Underwriter’s discount of \$\_\_\_\_\_.

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

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

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

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

## **EXECUTION**

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

### **NEWARK UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_  
Superintendent



## APPENDIX A

### GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

*The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem property tax required to be levied by the 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, established in 1964, consists of an area of approximately 13 square miles, and provides educational services to the residents of the City of Newark, in Alameda County (the "**County**"), in the State of California (the "**State**"). The District's boundaries are coterminous with the City's boundaries. The District currently operates six elementary schools, one junior high, one comprehensive high school, one independent school, one alternative high school and one adult education center. Enrollment in the District for fiscal year 2024-25 is approximately 4,666 students, and is budgeted for 4,513 students in fiscal year 2025-26.

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

#### District Governance and Administration

The District is governed by a five-member Board of Education (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>
Katherine Jones	President	December 2026
Nancy Thomas	Vice President	December 2026
Gabriel Anguiano Jr.	Member	December 2028
Austen Block	Member	December 2028
Aiden Hill	Member	December 2028

**Administrative Personnel.** The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Tracey Vackar currently serves as the Superintendent of the District.

## Recent Enrollment Trends

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

**ANNUAL ENROLLMENT**  
**Fiscal Years 2017-18 through 2025-26**  
**Newark Unified School District**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>% Change</u>
2017-18	5,913	--%
2018-19	5,758	(2.6)
2019-20	5,669	(1.5)
2020-21	5,507	(2.9)
2021-22	5,173	(6.1)
2022-23	4,955	(4.2)
2023-24	4,828	(2.6)
2024-25	4,666	(3.4)
2025-26 <sup>(1)</sup>	4,513	(3.3)

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(1) Budgeted.

Source: California Department of Education; Newark Unified School District.

## Employee Relations

For fiscal year 2025-26, the District has budgeted for 238 full-time equivalent ("FTE") certificated employees, 157 FTE classified employees, and 45 FTE management employees. Two unions represent the District employees as shown in the table below.

<u>Employee Group</u>	<u>Bargaining Group</u>	<u>Contract Expiration Date</u>
Certificated	Newark Teachers Association	June 30, 2025
Classified	California School Employees Association	June 30, 2025

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Source: Newark Unified School District.

## FINANCIAL INFORMATION

### Education Funding Generally

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

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

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

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

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

Funding levels used in the LCFF entitlement calculations for fiscal year 2024-25 are set forth in the following table.

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

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

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

Source: California Department of Education.

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

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

### **District Accounting Practices**

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

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

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

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

## **Financial Statements**

**General.** The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's audited financial statements for fiscal year 2023-24 were prepared by Crowe LLP, Sacramento, California, and are attached to the Official Statement as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Office of the Assistant Superintendent of Business 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 tables show the audited income and expense statements for the District for the fiscal years 2019-20 through 2023-24. Due to a change in format this information is presented in two tables.

**GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Fiscal Years 2019-20 through 2022-23 (Audited)**  
**Newark Unified School District**

	<b>Audited 2019-20</b>	<b>Audited 2020-21</b>	<b>Audited 2021-22</b>	<b>Audited 2022-23</b>
<b>SOURCES</b>				
LCFF Sources	\$54,434,624	\$54,091,048	\$57,577,335	\$62,729,114
Federal revenues	2,463,475	7,044,397	7,422,566	3,720,585
Other state revenues	6,533,484	9,763,544	9,956,404	17,278,914
Other local revenues	4,924,757	5,328,941	5,466,777	7,730,778
Total Sources	68,356,340	76,227,930	80,423,082	91,459,391
<b>EXPENDITURES</b>				
Instruction	39,784,874	40,040,938	43,309,767	46,021,335
Supervision of instruction	2,559,044	2,625,718	2,875,143	3,502,136
Instructional library, media, tech	404,625	387,128	382,332	250,259
School site administration	4,188,052	4,109,365	4,040,865	4,707,975
Pupil services: Home-to-school transport.	866,770	332,543	640,960	929,937
Food services	277,803	81,376	18,893	7,840
All other pupil services	5,257,075	5,575,155	6,292,659	6,995,925
General administration: Data Processing.	629,727	822,393	716,922	984,554
All other general administration	3,755,768	4,782,699	4,233,645	5,201,705
Plant services	7,322,335	8,004,460	8,725,618	9,158,481
Facility acquisition and construction	136,322	487,781	451,078	427,677
Ancillary services	523,593	547,117	870,793	1,028,530
Community services	131	1,020	--	--
Enterprise activities	7,153	2,297	2,270	4,616
Transfers to other agencies	977,458	969,356	977,896	978,542
Debt service				
Principal	--	-	--	--
Interest	--	-	--	--
Total Expenditures	66,690,730	68,769,346	73,538,841	80,199,512
Excess of (Deficiency) Revenues Over (Under) Expenditures	1,665,610	7,458,584	6,884,241	11,259,879
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	--	--	--	--
Operating transfers out	(3,129)	--	(245,517)	--
Other Sources (Uses)	--	--	--	--
Total Other Financing Sources (Uses)	(3,129)	--	(245,517)	--
NET change in fund balance	1,662,481	7,458,584	6,638,724	11,259,879
Fund Balance, July 1	9,247,709	11,289,776 <sup>(1)</sup>	18,841,908 <sup>(1)</sup>	25,480,632
Fund Balance, June 30 <sup>(2)</sup>	\$10,910,190	\$18,748,360	\$25,480,632	\$36,740,511

(1) Restated as a result of the implementation of GASB Statement No. 84.

(2) Totals may not foot due to rounding.

Source: Audited financial statements of the District.

**GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Fiscal Year 2024 (Audited)<sup>(1)</sup>**  
**Newark Unified School District**

<u><b>Revenues</b></u>	<u><b>Audited 2023-24</b></u>
LCFF sources	\$59,907,961
Federal Revenues	2,054,083
Other state revenues	10,013,040
Other local revenues	8,785,431
Total Revenues	<u>80,760,515</u>
<u><b>Expenditures</b></u>	
Certificated salaries	32,085,783
Classified salaries	10,588,699
Employee benefits	15,916,267
Books and supplies	1,942,137
Services and other operating expenditures	19,175,907
Other Outgo	971,824
Capital outlay	693,112
Total Expenditures	<u>81,373,729</u>
<b>Excess of Revenues Over/(Under) Expenditures</b>	 (613,214)
<u><b>Other Financing Sources (Uses)</b></u>	
Operating transfers in	128,694
Operating transfers out	(506)
Total Other Financing Sources (Uses)	<u>128,188</u>
Net change in fund balance	(485,026)
<b>Fund Balance, July 1</b>	<u>36,740,511</u>
<b>Fund Balance, June 30<sup>(2)</sup></b>	<u>\$36,255,485</u>

(1) Audited financial statement for preceding years appear in the preceding table, because the audits were prepared using different formats.

(2) Totals may not foot due to rounding.

Source: Audited financial statements of the District.

## **District Budget and Interim Financial Reporting**

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

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

disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

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

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

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

***District's Budget and Interim Certification History.*** During the past five years, each of the District's adopted budgets have been approved by the County Superintendent and the District has received positive certifications on all of its interim reports, except for its fiscal year 2023-24 first interim report, which was certified as qualified.

Previous District Actions to Balance Budget. Following three consecutive qualified interim reports of the District, commencing in fiscal year 2018-19, the Fiscal Crisis and Management Assistance Team ("**FCMAT**"), a State agency created to assist K-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges, was automatically engaged to prepare a Fiscal Health Risk Analysis. The report, dated September 4, 2020, found that fiscal concerns stemmed largely from declining enrollment and a pattern of deficit spending. In addition, staffing and Board changes affected the continuity of decision-making, the



implementation of budget balancing actions, and a lack of critical controls for processes and procedures in the business office.

To address its budget concerns, the Board committed to reduce spending and undertook two school closures, one at the end of the 2020-21 school year and one at the end of the 2021-22 school year.

Current District Actions to Balance Budget. The District is currently forming an exploratory committee to consider additional school closures and the consolidation of schools in order to address declining enrollment and projected budget shortfalls. It is expected that the committee will convene in August 2025.

***District's General Fund.*** The following table shows the general fund figures for fiscal year 2024-25 (estimated actual) and fiscal year 2025-26 (adopted budget).

**NEWARK UNIFIED SCHOOL DISTRICT**  
**Revenues, Expenditures, and Changes in General Fund Balance**  
**Fiscal Year 2024-25 (Estimated Actuals)**  
**Fiscal Year 2025-26 (Adopted Budget)**

	<b>Estimated Actuals</b>	<b>Adopted Budget</b>
<b>Revenues</b>	<b>2024-25</b>	<b>2025-26</b>
Total LCFF Sources	\$60,342,083	\$58,729,347
Federal Revenues	2,849,614	2,330,760
Other state revenues	9,038,822	8,279,906
Other local revenues	6,531,806	6,200,135
Total Revenues	78,762,325	75,540,148
 <u>Expenditures</u>		
Certificated Salaries	31,581,129	34,780,732
Classified Salaries	10,190,274	11,598,595
Employee Benefits	16,408,308	17,704,282
Books and Supplies	4,111,626	2,374,201
Services and Other Operating Expenditures	22,486,303	18,272,229
Capital Outlay	310,407	260,124
Other Outgo (excluding transfers of indirect costs)	969,359	969,359
Other Outgo	(13,155)	(162,998)
Total Expenditures	86,044,251	85,796,524
 Excess of Revenues Over/(Under) Expenditures	 (7,281,926)	 (10,256,376)
 <u>Other Financing Sources (Uses)</u>		
Operating transfers in	--	--
Operating transfers out	--	--
Other sources	--	--
Contributions	--	--
Total Other Financing Sources (Uses)	--	--
 Net change in fund balance	 (7,281,926)	 (10,256,376)
 Fund Balance, July 1	 33,843,057	 26,561,131
Fund Balance, June 30 <sup>(1)</sup>	\$26,561,131	\$16,304,755

(1) Fund balances do not reflect all funds included in the District's general fund in the audited financial statements shown above.  
Source: Newark 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. The District maintains an unrestricted reserve which meets the State's minimum requirements. In addition, the Board has adopted a resolution with a goal of maintaining reserves at an amount of 17% of expenditures.

Under State law, there are certain restrictions on the amounts that can be held in reserve by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or school districts funded as Basic Aid school districts. When applicable, the reserve cap requires that a school district's adopted or revised budget not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the State's Public School System Stabilization Account and is triggered in any fiscal year in which when the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period, if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multi-year infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap has not been triggered for fiscal year 2024-25.

#### **Attendance - LCFF Funding**

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

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

<b>Fiscal Year</b>	<b>ADA</b>	<b>LCFF Funding Per ADA</b>
2019-20	5,483	\$9,928
2020-21	5,483	9,866
2021-22	4,709	12,226
2022-23	4,590	13,667
2023-24	4,521	13,251
2024-25 <sup>(1)</sup>	4,705	12,825
2025-26 <sup>(2)</sup>	4,494	13,068

(1) Estimated actual.

(2) Budgeted.

Source: California Department of Education for fiscal years 2019-20 through 2023-24; Newark 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 50% 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(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

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

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

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

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

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

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

### **District Retirement Systems**

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

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

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

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

**STRS EMPLOYER CONTRIBUTION RATES**  
**Effective Dates of July 1, 2020 through July 1, 2025**

<b>Effective Date</b>	<b>Employer Contribution Rate</b>
July 1, 2020	16.15%
July 1, 2021	16.92
July 1, 2022	19.10
July 1, 2023	19.10
July 1, 2024	19.10
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 2024-25 and will remain at 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**  
**Newark Unified School District**  
**Fiscal Years 2019-20 through 2025-26**

<b>Fiscal Year</b>	<b>Amount</b>
2019-20	\$4,991,337
2020-21	4,768,166
2021-22	5,174,928
2022-23	5,727,756
2023-24	5,778,847
2024-25 <sup>(1)</sup>	8,791,529
2025-26 <sup>(2)</sup>	9,365,846

(1) Estimated actual.

(2) Budgeted.

*Source: Newark 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 2019-20 through 2025-26**

<b>Fiscal Year</b>	<b>Employer Contribution Rate<sup>(1)</sup></b>
2019-20	19.721%
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**  
**Newark Unified School District**  
**Fiscal Years 2019-20 through 2025-26**

<b>Fiscal Year</b>	<b>Amount</b>
2019-20	\$1,918,478
2020-21	2,041,784
2021-22	2,266,987
2022-23	2,665,694
2023-24	2,899,594
2024-25 <sup>(1)</sup>	2,733,331
2025-26 <sup>(2)</sup>	3,237,561

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

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

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

**Additional Information - STRS and PERS.** Additional information regarding the District's retirement programs is available in Notes 7 and 8 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](http://www.calstrs.com) and [www.calpers.ca.gov](http://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.*

## Post-Employment Retirement Benefits

**The Plan Generally.** The District's defined benefit post-employment ("OPEB") plan, Newark Unified School District Retiree Benefit Plan (the "**Plan**") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides post-employment healthcare benefits to certain eligible retirees. The District has not accumulated assets in an irrevocable trust with respect to its OPEB liability.

**Benefits Provided.** Certificated employees may retire and receive District-paid contributions towards healthcare upon attainment of age 55 and 15 years of service, but not later than age 60. The District pays \$850 per year towards health insurance premiums for a certificated retiree until age 65, at which time benefits generally cease.

Classified employees may retire and receive District-paid contributions towards healthcare depending on the date of hire and years of service, as follows:

- If hired prior to January 1, 1977, may retire with District-paid benefits after the later of age 55 and 15 years of service. District-paid benefits in force at retirement continue until age 70.
- If hired on or after January 1, 1977, may retire with District-paid benefits upon the later of age 50 and 15 years of service, but not later than age 65. The District pays the Kaiser retiree-only premium until age 67 (\$1,167/month for 2013-14 and \$1,267/month for 2014-15).
- If hired on or after September 1, 2004, may retire at age 60 with single Kaiser coverage paid until age 65.

**Contribution Information.** For fiscal year 2023-24, the District contributed \$629,976 to the Plan, all of which was used for current premiums.

**Changes in OPEB Liability of the District.** The changes in OPEB liability of the District as of June 30, 2024 is shown in the following table:

CHANGES IN TOTAL OPEB LIABILITY Newark Unified School District	
	Total OPEB Liability
Balance at July 1, 2023	<u>\$14,811,432</u>
Service Cost	782,724
Interest	589,891
Changes of assumptions or other inputs	(179,901)
Benefit payments	<u>(629,976)</u>
Net changes	<u>562,738</u>
Balance at July 1, 2024	<u>\$15,374,170</u>

Source: Newark Unified School District Audit Report for Year Ending June 30, 2024.



**OPEB Expense.** For the year ended June 30, 2024, the District recognized an OPEB expense of \$429,009.

For more information regarding the District's OPEB, benefits provided, and assumptions used in its most recent actuarial study, see Note 9 of Appendix B to the Official Statement.

### **Insurance – Joint Powers Authorities**

The District is a member with other school districts in Alameda County Schools Insurance Group, Northern California Regional Liability Excess Fund, School Employers Association of California and Mission Valley Regional Occupational Program joint powers authorities ("JPAs"), which provide workers' compensation, excess liability, other insurance coverage for its member districts and joint occupational training services. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There have been no significant reductions in insurance coverage from the coverage in the prior year through any of these JPAs.

For more information regarding the District's participation in joint powers authorities, see Note 10 of APPENDIX B to the Official Statement.

### **Disclaimer Regarding Cyber Risks**

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. In the previous five years, the District was the target of a cyber incident, which did not cause any financial impact. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful.

The District relies on other entities and service providers in the course of operating the District, including the 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 other series of refunding general obligation bonds currently outstanding, as summarized in the following table. See also “DEBT SERVICE SCHEDULES” in the body of this Official Statement for the annual debt service requirements of the District’s outstanding bonds.

### GENERAL OBLIGATION BONDS Newark Unified School District

GO Bond Issue	Date Issued	Final Maturity <sup>(1)</sup>	Amount Outstanding June 1, 2025 <sup>(2)</sup>
<u>1997 Election Bonds</u>			
Series D	04/30/2002	02/01/2027	\$4,418,096
<u>2011 Election Bonds</u>			
Series A <sup>(3)</sup>	07/31/2012	08/01/2042	1,925,000
Series B <sup>(3)</sup>	06/19/2014	08/01/2044	1,840,000
Series C	07/13/2016	08/01/2036	13,085,000
<u>Refunding Bonds</u>			
2012 Refunding Bonds	12/20/2012	08/01/2025	2,315,000
2022 Refunding Bonds, Series A	02/03/2022	08/01/2042	26,025,000
2022 Refunding Bonds, Series B	05/03/2022	08/01/2044	7,470,000
<b>TOTAL</b>			<b>\$57,078,096</b>

(1) Assuming no early redemptions.

(2) Principal or denominational amount, not including accreted interest on capital appreciation bonds.

(3) Expected to be refunded, in part, with the proceeds of the Refunding Bonds as described herein.

Source: District’s Audit; the Municipal Advisor.

**Compensated Absences.** Compensated absences (unpaid employee vacation) for the District at June 30, 2024, amounted to \$782,998.

## Impact of COVID-19

As described in this Official Statement, while indications are that the COVID-19 pandemic is transitioning to an endemic stage, many variables will continue to contribute to the economic impact of the COVID-19 pandemic and the recovery. The ultimate impact of COVID-19 on the District’s operations and finances is not fully known, and it may be some time before the full impact of the COVID-19 pandemic is known. The Bonds described in this Official Statement are not secured by the District’s funds, but rather are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are not payable from the General Fund of the District.

## 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”). Neither the District, the Underwriter nor 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](http://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](http://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](http://www.lao.ca.gov): The LAO’s internet home page includes a link to “-The Budget” which includes analyses and commentary on fiscal outlooks.

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

### **The 2024-25 State Budget**

The Governor signed the fiscal year 2024-25 State budget on June 29, 2024, which was amended through a series of legislative trailer bills (the “**2024-25 State Budget**”). The 2024-25 State Budget notes that the State has experienced significant revenue volatility and unprecedented revenue growth that was quickly followed by a sharp and deep correction back toward historical trends. The 2024-25 State Budget also notes that the unprecedented Internal Revenue Service tax filing and payment postponement in the year 2023 significantly clouded the State’s revenue forecast, and indicates that, with the revenue picture now clearer, the 2024-25

State Budget takes steps to ensure California is on sound fiscal footing by setting the State on a fiscally responsible long-term path that protects vital programs.

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

The 2024-25 State Budget includes a \$13.6 billion increase in revenues by means of additional revenue sources and internal borrowing from special funds, which incorporates suspension of net operating loss deductions for companies with over \$1.0 million in taxable income and limits business tax credits to \$5.0 million in fiscal years 2023-2024 through 2025-2026, and increased managed care organization tax generating \$5.1 billion in fiscal year 2024-25, \$4.6 billion in fiscal year 2025-26, and \$4.0 billion in fiscal year 2026-27. Significantly, the 2024-25 State Budget provides for the withdrawal of approximately \$12.2 billion from the State Rainy Day Fund (the "Rainy Day Fund") over fiscal years 2024-25, and 2025-26 and approximately \$0.9 billion from the State Safety Net Reserve in fiscal year 2024-25.

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

The 2024-25 State Budget projects total resources available in fiscal year 2023-24 of approximately \$236.5 billion, including revenues and transfers of approximately \$189.4 billion and a prior year balance of approximately \$47.1 billion, and total expenditures in fiscal year 2023-24 of approximately \$223.1 billion. The 2024-25 State Budget projects total resources available for fiscal year 2024-25 of approximately \$225.6 billion, inclusive of revenues and transfers of approximately \$212.1 billion and a prior year balance of approximately \$13.4 billion. The 2024-25 State Budget projects total expenditures in fiscal year 2024-25 of approximately \$211.5 billion, inclusive of non-Proposition 98 expenditures of approximately \$128.9 billion and Proposition 98 expenditures of approximately \$82.6 billion. The 2024-25 State Budget projects total reserve

balances of \$22.2 billion at the end of fiscal year 2024-25. This includes \$17.6 billion in the State Rainy Day Fund, \$3.5 billion in the State's SFEU, and \$1.1 billion in the Proposition 98 Rainy Day Fund. The 2024-25 State Budget includes total funding of \$133.8 billion for all K-12 education programs, including \$81.5 billion from the State's general fund and \$52.3 billion from other funds. The 2024-25 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

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

Proposition 98 Minimum Guarantee. The 2024-25 State Budget suspends the Proposition 98 minimum guarantee in fiscal year 2023-24 and projects the Proposition 98 minimum guarantee to be in Test 1 in fiscal year 2024-25. In Test 1 years, the Proposition 98 minimum guarantee is equal to the percentage of State general fund appropriated for K-14 schools in the fiscal year 1986-87. Suspending the Proposition 98 minimum guarantee is projected to create a maintenance factor obligation of approximately \$8.3 billion in fiscal year 2023-24 and is projected to result in a \$4.1 billion maintenance factor payment in fiscal year 2024-25, which will be paid in addition to the Proposition 98 minimum guarantee level in fiscal year 2024-25. The 2024-25 State Budget reflects Proposition 98 funding levels of \$103.7 billion in fiscal year 2022-23, \$98.5 billion in fiscal year 2023-24, and \$115.3 billion in fiscal year 2024-25. Such funding represents approximately 39.2% of the State's general fund revenues, plus local property tax revenues and a \$4.1 billion maintenance factor payment. To accommodate enrollment increases related to the expansion of transitional kindergarten, the 2024-25 State Budget increased the funding level from approximately 38.6% to approximately 39.2% to increase the percentage of State general fund revenues due to the minimum guarantee.

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

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

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

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

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

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

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

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

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

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

## **The 2025-26 State Budget Proposal**

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

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

Certain budgeted programs and adjustments for K-12 education set forth in the 2025-26 State Budget Proposal include Proposition 98 funding for K-14 schools set at \$118.9 billion for



fiscal year 2025-26, and a LCFF cost-of-living adjustment of 2.43%. The proposal also reflects full implementation of universal transitional kindergarten, increased funding for universal school meals, and implementation of grants that will be fully disbursed in fiscal year 2025-26 to support the community school model to support improved educational outcomes at more than 2,000 public schools.

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

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

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

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

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

## May Revision to the 2025-26 State Budget Proposal

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

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

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

- Enrollment Freeze for Full-Scope Medi-Cal Expansion for Undocumented Adults, Adults 19 and Older—\$86.5 million in 2025-26, growing to \$3.3 billion in 2028-29.
- Medi-Cal Premiums, Adults 19 and Older—Implementation cost of \$30 million in 2025-26, growing to savings of \$2.1 billion in 2028-29 for individuals with certain statuses, those who will eventually qualify for federal funds, and individuals enrolled in the Medi-Cal full-scope expansion.
- Medi-Cal Asset Test Limits—\$94 million in 2025-26, growing to \$791 million in 2028-29.
- Elimination of Long-Term Care Benefits—\$333.3 million in 2025-26, growing to \$800 million in 2026-27 for individuals with certain statuses, those who will eventually qualify for federal funds, and individuals enrolled in the Medi-Cal full-scope expansion.
- Prospective Payment System Payments to Federally Qualified Health Centers and Rural Health Clinics—\$452.5 million in 2025-26, growing to \$1.1 billion in 2026-27.
- Specialty Drug Coverage for Weight Loss—\$85 million in 2025-26, growing to \$680 million in 2028-29.
- Cap In-Home Supportive Services Overtime and Travel Hours at 50 Hours—\$707.5 million in 2025-26, growing to \$893.4 million in 2028-29.
- Require Provider Mandates for Quality Incentive Payment Incentive Eligibility—\$221.7 million ongoing beginning in 2026-27.

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

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

- Medical Providers Interim Payment Fund Loan—\$3.4 billion due to extending the repayment deadline.
- Unfair Competition Law Fund Loan—\$150 million in 2025-26.
- Labor and Workforce Development Fund Loan—\$400 million in 2025-26.

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

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

- California Food Assistance Program Expansion—\$117.2 million in 2027-28, growing to \$163.2 million in 2028-29.
- Foster Care Tiered Rate Structure Trigger—\$338.9 million in 2027-28, growing to \$522.1 million in 2028-29.

**Education.** Important education highlights from the May Revision include:

- \$8.4 billion withdrawal from the Public School System Stabilization Account to support TK-12 schools and community colleges.
- A reduction of \$177.5 million in remaining, unused General Fund from a \$2 billion one-time allocation provided to the Office of Public School Construction in the 2023 Budget Act for TK-12 school facilities.
- A reduction of \$19.3 million ongoing Proposition 98 General Fund and \$10.2 million ongoing General Fund to reflect the suspension of the statutory cost-of-living adjustment for the California State Preschool Program in 2025-26.
- \$2.1 billion ongoing Proposition 98 General Fund (inclusive of all prior years' investments) to support the full implementation of universal TK.
- \$1.2 billion ongoing Proposition 98 General Fund to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom.

The 2025-26 State Budget is required to be passed by the Legislature by June 15, 2025, prior to the start of the new fiscal year, though the trend in recent years has been for the approval of a largely symbolic bill by that deadline with a substantive agreement emerging later. The State legislature approved the 2025-26 State Budget on June 13, 2025. The approved 2025-26 State Budget differs from the May Revision and will need to be negotiated to reach a final 2025-26 State Budget. A tentative agreement was reached on June 24, 2025.

For the full text of the 2025-26 State Budget Proposal and the May Revision to the 2025-26 State Budget Proposal, see the DOF website at [www.dof.ca.gov](http://www.dof.ca.gov). *The reference to this Internet website is shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. 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.*

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

- A Budget Problem Has Emerged Since January. Since January, when the 2025-26 State Budget Proposal was roughly balanced, a budget problem has emerged. The LAO estimates the administration solved a \$14 billion budget problem (similar to the \$12 billion budget problem cited by the Governor in the May Revision). The budget problem is driven by two key factors: higher baseline spending, most notably in Medi-Cal, and lower revenues, reflecting diminished expectations for both the personal income tax and the corporation tax.
- The Governor Mainly Proposes Addressing the Budget Problem With Spending Solutions. The May Revision proposes \$9.5 billion in spending solutions, including about \$5 billion in spending reductions. A significant share of these spending solutions are ongoing and grow to \$17.5 billion by the last year of the administration's forecast, helping to address, but not fully solve, the State's persistent multiyear deficits. Notably, the administration does not propose using any more in reserves to address this new budget problem, which the LAO notes is prudent.
- Recommend Legislature Maintain Overall May Revision Structure. The LAO recommends the Legislature address the budget shortfall with a similar approach that the administration took, namely adopting solutions that primarily put the State on more solid fiscal footing, rather than those that delay or exacerbate future problems. Moreover, the LAO recommends avoiding committing to new activities. Finally, the State's persistent fiscal imbalance and the added downside risks, particularly from potential federal actions, suggest a need for a more proactive approach. As such, the LAO views the Governor's focus on reducing multiyear spending as a reasonable and appropriate step. That said, the Legislature could allocate the mix of solutions differently, for example, by changing the types of programs, types of reductions, or mix of spending and revenue solutions adopted.

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

### **Disclaimer Regarding State Budgets**

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

The State has not entered into any contractual commitments with the District, the 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 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.

***K-12 School Facilities.*** 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.

***Community College Facilities.*** Proposition 2 (2024) includes \$1.5 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must prepare a plan listing their Statewide project priorities. The Governor and State Legislature will select specific projects to fund.

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

## **Future Initiatives**

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

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**APPENDIX B**

**NEWARK UNIFIED SCHOOL DISTRICT  
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2023-24**

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**NEWARK UNIFIED SCHOOL DISTRICT**

**FINANCIAL STATEMENTS**

June 30, 2024

NEWARK UNIFIED SCHOOL DISTRICT  
FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
June 30, 2024

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June 30, 2024  
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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Newark Unified School District  
Newark, 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 Newark Unified School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Newark Unified School District's basic financial statements as listed in the table of contents.

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

***Basis for Opinions***

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

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

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(Continued)

## ***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 Newark Unified School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Newark Unified School District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 10 and the General Fund Budgetary Comparison Schedule, the Schedule of Changes in the District's Total Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 48 to 53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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(Continued)

## **Supplementary Information**

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

## **Other Information**

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

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025 on our consideration of Newark Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Newark Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Newark Unified School District's internal control over financial reporting and compliance.



Crowe LLP

Sacramento, California  
February 28, 2025



# NEWARK UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTRODUCTION

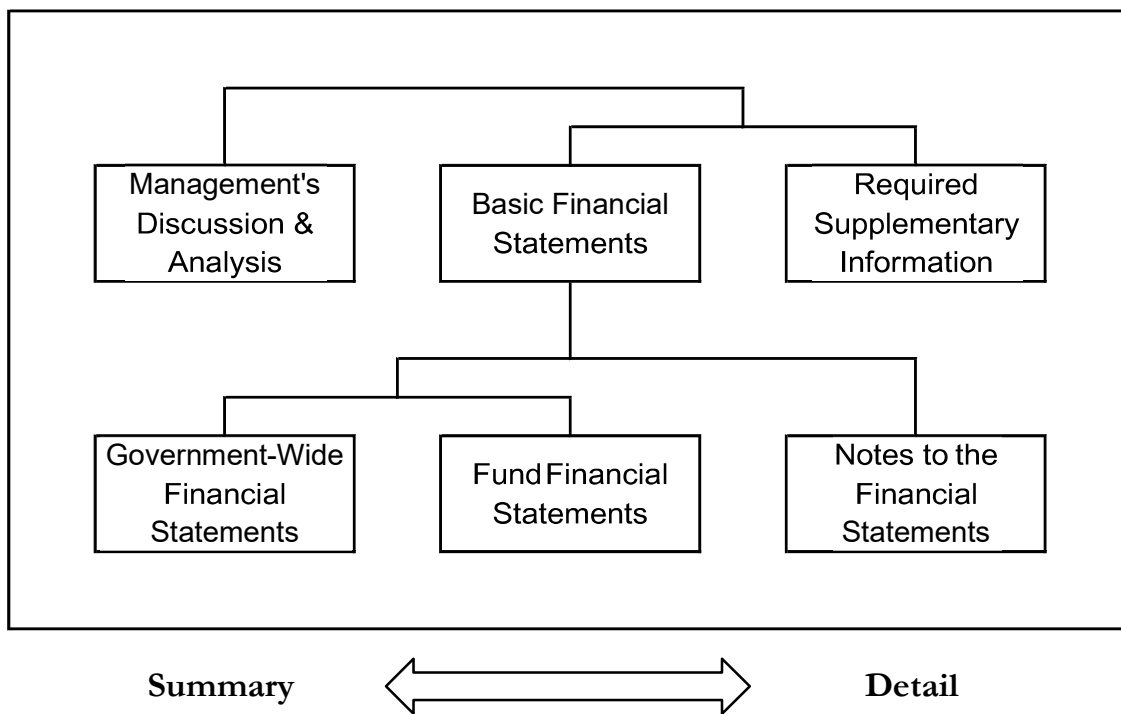
Our discussion and analysis of Newark Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the District's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- The District's net position was \$3,801,659 at June 30, 2024. This was an increase of \$3,206,377 from the prior year.
- Overall revenues were \$99,200,649 which exceeded expenses of \$95,994,272.

## OVERVIEW OF FINANCIAL STATEMENTS

### Components of the Financial Section



**NEWARK UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2024**

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**OVERVIEW OF FINANCIAL STATEMENTS (continued)**

**Components of the Financial Section (continued)**

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

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
  - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
  - ▶ **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.

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

**Government-Wide Statements**

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

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

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

**NEWARK UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE**

**Net Position**

The District's net position was \$3,801,659 at June 30, 2024, as reflected in the table below. Of this amount, \$(60,310,425) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		Net Change
	<u>2024</u>	<u>2023</u>	
Assets			
Current and other assets	\$ 85,203,015	\$ 87,709,513	\$ (2,506,498)
Capital assets	<u>74,729,023</u>	<u>78,826,172</u>	<u>(4,097,149)</u>
Total assets	<u>159,932,038</u>	<u>166,535,685</u>	<u>(6,603,647)</u>
Deferred outflows or resources	<u>19,432,082</u>	<u>20,633,795</u>	<u>(1,201,713)</u>
Liabilities			
Current liabilities	6,556,813	18,418,291	(11,861,478)
Other noncurrent	<u>153,884,021</u>	<u>152,676,258</u>	<u>1,207,763</u>
Total liabilities	<u>160,440,834</u>	<u>171,094,549</u>	<u>(10,653,715)</u>
Deferred inflows of resources	<u>15,121,627</u>	<u>15,479,649</u>	<u>(358,022)</u>
Net position			
Net investment in capital assets	9,517,855	7,362,899	2,154,956
Restricted	54,594,229	50,113,891	4,480,338
Unrestricted	<u>(60,310,425)</u>	<u>(56,881,508)</u>	<u>(3,428,917)</u>
Total net position	<u>\$ 3,801,659</u>	<u>\$ 595,282</u>	<u>\$ 3,206,377</u>

**NEWARK UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)**

**Changes in Net Position**

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

	Governmental Activities		Net Change
	<u>2024</u>	<u>2023</u>	
Revenues			
Program revenues			
Charges for services	\$ 1,418,859	\$ 1,427,900	\$ (9,041)
Operating grants and contributions	20,429,407	25,835,098	(5,405,691)
General revenues			
Federal and State aid not restricted	22,603,506	28,125,650	(5,522,144)
Property taxes	50,855,683	47,701,882	3,153,801
Other general revenues	<u>3,893,194</u>	<u>1,376,333</u>	<u>2,516,861</u>
Total revenues	<u>99,200,649</u>	<u>104,466,863</u>	<u>(5,266,214)</u>
Expenses			
Instruction-related	61,776,442	49,137,912	12,638,530
Pupil services	12,569,834	10,573,886	1,995,948
Administration	5,876,852	6,072,031	(195,179)
Maintenance and operations	11,269,392	10,420,508	848,884
All other services	<u>4,501,752</u>	<u>5,211,523</u>	<u>(709,771)</u>
Total expenses	<u>95,994,272</u>	<u>81,415,860</u>	<u>14,578,412</u>
Change in net position	<u>\$ 3,206,377</u>	<u>\$ 23,051,003</u>	<u>\$ (19,844,626)</u>

The cost of all our governmental activities this year was \$95,994,272 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was \$50,855,683 because the remaining cost was paid by other governments and organizations who subsidized certain programs with grants, contributions, charges for services and other revenues.

**NEWARK UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2024**

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**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)**

**Changes in Net Position (continued)**

In the table below, we have presented the total costs and net cost of each of the District's functions. 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.

	Total Cost of Services		Net Cost of Services	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction-related	\$ 61,776,442	\$ 49,137,912	\$ (49,917,063)	\$ (34,411,732)
Pupil services	12,569,834	10,573,886	(6,103,510)	(3,814,393)
Administration	5,876,852	6,072,031	(5,211,210)	(3,794,549)
Plant services	11,269,392	10,420,508	(10,998,798)	(9,878,705)
All other services	<u>4,501,752</u>	<u>5,211,523</u>	<u>(1,915,425)</u>	<u>(2,253,483)</u>
Total	<u>\$ 95,994,272</u>	<u>\$ 81,415,860</u>	<u>\$ (74,146,006)</u>	<u>\$ (54,152,862)</u>

**FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$74,344,066 which is more than last year's ending fund balance of \$74,279,646. The District's General Fund 010 balance decreased \$485,026 from the year ended June 30, 2023. The District's Capital Facilities Fund 250 balance decreased \$1,036,634 from prior year. The District's Special Reserve Fund for Capital Outlay Projects fund balance increased \$3,083 from prior year. In addition, the District's Bond Interest and Redemption Fund 510 balance increased \$528,905 from prior year.

**CURRENT YEAR BUDGET 2023-2024**

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a periodic basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

**NEWARK UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

**Capital Assets**

By the end of 2023-2024 the District had invested \$74,729,023 in capital assets, net of accumulated depreciation.

	Governmental Activities		Net Change
	2024	2023	
Capital assets:			
Land	\$ 1,971,656	\$ 1,971,656	\$ -
Construction in process	14,793,888	13,495,764	1,298,124
Land improvements	14,001,122	12,346,566	1,654,556
Building and improvements	168,893,066	168,217,423	675,643
Furniture and equipment	4,347,724	3,915,983	431,741
Less: accumulated depreciation	<u>(129,278,433)</u>	<u>(121,121,220)</u>	<u>(8,157,213)</u>
Total	<u>\$ 74,729,023</u>	<u>\$ 78,826,172</u>	<u>\$ (4,097,149)</u>

**Long-Term Liabilities**

At year-end, the District had \$153,884,021 in long-term liabilities. This was a decrease of 4.69% from the prior year, as shown in the table below. More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		Net Change
	2024	2023	
Long-Term Liabilities			
General obligation bonds	\$ 63,739,626	\$ 69,996,811	\$ (6,257,185)
Unamortized premiums/(discounts)	2,065,471	2,176,128	(110,657)
Accreted interest	13,681,756	15,063,043	(1,381,287)
Compensated absences	782,998	661,611	121,387
Total OPEB liability	15,374,170	14,881,432	492,738
Net pension liability	<u>58,240,000</u>	<u>58,675,127</u>	<u>(435,127)</u>
Total	<u>\$ 153,884,021</u>	<u>\$ 161,454,152</u>	<u>\$ (7,570,131)</u>

**NEWARK UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2024**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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

In its June 2023 quarterly report, the UCLA Anderson Forecast indicated that the U.S. economy is not currently in a recession, however, it includes a cautionary note. Actions taken by the Federal Reserve to combat inflation could still lead to a near-term recession. The Federal Reserve has stated that this decision will be based on incoming data. If the data shows that the labor market remains strong, and if the upcoming jobs report indicates significant growth in payroll employment while inflation persists, the Federal Reserve is likely to continue tightening monetary policy. Consequently, a mild recession later this year is considered probable.

The forecast also anticipates a mild impact on California's economy, regardless of the Federal Reserve's policy actions. The average unemployment rates in California are projected to be 4.1% in 2023, 4.0% in 2024, and 4.0% in 2025. Additionally, non-farm payroll jobs are expected to grow at rates of 2.0%, 1.3%, and 1.6% over the three-year period.

Fiscal policy for the funding of public education changes annually based on fluctuations in State revenues. The May 2023 Budget Revision includes a total Proposition 98 guarantee of \$106.8 billion (\$77.4 billion General Fund and \$29.4 billion local property tax) down from the January 2023 Governor's Budget Proposition 98 guarantee of \$108.8 billion (\$79.6 billion General Fund and \$29.2 billion local property tax). The Proposition 98 Guarantee continues to be in Test 1 for 2022-23 and 2023-24. At May Revision, the 2023-24 cost-of-living adjustment (COLA) is updated to 8.22 percent, the largest COLA in the history of LCFF. Additionally, the May revise saw a reduction of \$1.8 billion to the Arts, Music, and Instructional Materials Discretionary Block Grant and a \$2.5 billion reduction of the Learning Recovery Emergency Block Grant.

The District participates in state employee pensions plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2023. The amount of the liability is material to the financial position of the District. The CalSTRS projected employer contribution rate for 2023-24 is 19.10 percent. The CalPERS projected employer contribution rate for 2023-24 is 26.68 percent. The projected increased pension costs to school employers remain a significant fiscal factor.

Enrollment levels can vary for various reasons, including population increases, competition from private and religious schools, and housing market fluctuations. When enrollment declines, a school district faces reductions in operating venue, which often does not allow for corresponding adjustments in fixed operating costs.

All of these factors were considered in preparing the District's budget for the 2024-25 fiscal year.

**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 Business Office at the Newark Unified School District, 5715 Musick Avenue, Newark CA 94560.

## **BASIC FINANCIAL STATEMENTS**



NEWARK UNIFIED SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
June 30, 2024

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments (Note 2)	\$ 81,520,000
Receivables	3,514,925
Stores inventory	167,986
Other assets	104
Non-depreciable capital assets (Note 4)	16,765,544
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>57,963,479</u>
Total assets	<u>159,932,038</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources - pensions (Notes 7 and 8)	17,133,441
Deferred outflows of resources - OPEB (Note 9)	1,704,712
Deferred outflow from refunding of debt	<u>593,929</u>
Total deferred outflows of resources	<u>19,432,082</u>
<b>LIABILITIES</b>	
Accounts payable	5,918,494
Unearned revenue	638,319
Long-term liabilities (Note 5):	
Current portion	9,959,792
Non-current portion	<u>143,924,229</u>
Total liabilities	<u>160,440,834</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources - pensions (Notes 7 and 8)	9,623,000
Deferred inflows of resources - OPEB (Note 9)	<u>5,498,627</u>
Total deferred inflows of resources	<u>15,121,627</u>
<b>NET POSITION</b>	
Net investment in capital assets	9,517,855
Restricted:	
Legally restricted programs	15,844,673
Capital projects	23,016,361
Debt service	10,616,987
Self-insurance	5,116,208
Unrestricted	<u>(60,310,425)</u>
Total net position	<u><u>\$ 3,801,659</u></u>

See accompanying notes to financial statements.

NEWARK UNIFIED SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2024

	Program Revenues				Net (Expense) Revenues and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 52,857,097	\$ 2,160	\$ 10,529,605	\$ -	\$ (42,325,332)
Instruction-related services:					
Instructional supervision and administration	3,143,419	9,867	721,394	-	(2,412,158)
Instructional library, media and technology	621,120	610	11,565	-	(608,945)
School site administration	5,154,806	48	584,130	-	(4,570,628)
Pupil services:					
Home-to-school transportation	916,823	-	224,566	-	(692,257)
Food services	3,475,390	37,689	4,213,526	-	775,825
All other pupil services	8,177,621	52,848	1,937,695	-	(6,187,078)
General administration:					
Centralized data processing	932,840	-	-	-	(932,840)
All other general administration	4,944,012	8,524	657,118	-	(4,278,370)
Plant services	11,269,392	19,078	251,516	-	(10,998,798)
Ancillary services	687,785	298	25,012	-	(662,475)
Interest on long-term liabilities	2,842,143	-	-	-	(2,842,143)
Other outgo	971,824	1,287,737	1,273,280	-	1,589,193
Total governmental activities	\$ 95,994,272	\$ 1,418,859	\$ 20,429,407	\$ -	(74,146,006)
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					38,824,670
Taxes levied for debt service					10,739,824
Taxes levied for other specific purposes					1,291,189
Federal and state aid not restricted to specific purposes					22,603,506
Interest and investment earnings					3,097,430
Miscellaneous					795,764
Total general revenues					77,352,383
Change in net position					3,206,377
Net position, July 1, 2023					595,282
Net position, June 30, 2024					\$ 3,801,659

See accompanying notes to financial statements.

NEWARK UNIFIED SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2024

	General Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments:						
Cash in County Treasury	\$ 37,516,283	\$ 14,438,953	\$ 8,561,604	\$ 10,551,173	\$ 4,010,531	\$ 75,078,544
Cash on hand and in banks	753,600	-	-	-	29,858	783,458
Cash in revolving fund	22,127	-	-	-	-	22,127
Collections awaiting deposit	129,521	-	-	-	411,986	541,507
Receivables	3,079,968	114,191	69,184	65,814	145,334	3,474,491
Due from other funds	145,236	-	-	-	158,485	303,721
Stores inventory	112,374	-	-	-	55,612	167,986
Other assets	104	-	-	-	-	104
Total assets	<u>\$ 41,759,213</u>	<u>\$ 14,553,144</u>	<u>\$ 8,630,788</u>	<u>\$ 10,616,987</u>	<u>\$ 4,811,806</u>	<u>\$ 80,371,938</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 4,895,375	\$ 166,742	\$ 829	\$ -	\$ 32,946	\$ 5,095,892
Due to other funds	506	-	-	-	293,215	293,721
Unearned revenue	607,847	-	-	-	30,472	638,319
Total liabilities	<u>5,503,728</u>	<u>166,742</u>	<u>829</u>	<u>-</u>	<u>356,633</u>	<u>6,027,932</u>
Fund balances:						
Nonspendable	134,501	-	-	-	55,612	190,113
Restricted	11,389,500	14,386,402	8,629,959	10,616,987	4,399,561	49,422,409
Committed	16,807,006	-	-	-	-	16,807,006
Assigned	658,829	-	-	-	-	658,829
Unassigned	7,265,649	-	-	-	-	7,265,649
Total fund balances	<u>36,255,485</u>	<u>14,386,402</u>	<u>8,629,959</u>	<u>10,616,987</u>	<u>4,455,173</u>	<u>74,344,006</u>
Total liabilities and fund balances	<u>\$ 41,759,213</u>	<u>\$ 14,553,144</u>	<u>\$ 8,630,788</u>	<u>\$ 10,616,987</u>	<u>\$ 4,811,806</u>	<u>\$ 80,371,938</u>

See accompanying notes to financial statements.

NEWARK UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
Year Ended June 30, 2024

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Total fund balances - governmental funds	\$	74,344,006
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Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 204,007,456	
Accumulated depreciation	<u>(129,278,433)</u>	
		74,729,023

Deferred amount of refunding:

In governmental funds, the net effect of refunding bonds is recognized when debt is issued, whereas this amount is deferred and amortized in the government-wide financial statements:

593,929

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatrued interest owing at the end of the period was:

(814,012)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported.

Long-term liabilities relating to governmental activities consist of:

General obligation bonds	(63,739,626)	
Unamortized premiums	(2,065,471)	
Accreted Interest	(13,681,756)	
Compensated absences	(782,998)	
Net pension liability	(58,240,000)	
Total OPEB liability	<u>(15,374,170)</u>	
		(153,884,021)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources related to pensions	17,133,441	
Deferred inflows of resources related to pensions	<u>(9,623,000)</u>	
		7,510,441

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
Year Ended June 30, 2024

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Deferred outflows and inflows of resources relating to OPEB:

In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods.

In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.

Deferred outflows of resources related to OPEB	1,704,712	
Deferred inflows of resources related to OPEB	<u>(5,498,627)</u>	
		(3,793,915)

Internal service funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets, deferred outflows of resources, liabilities, and deferred inflows of resources of internal service funds are reported with governmental activities in the statement of net position. Net position for

internal service funds is:	<u>5,116,208</u>
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Total net position - governmental activities	<u><u>\$ 3,801,659</u></u>
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See accompanying notes to financial statements.

NEWARK UNIFIED SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2024

	General Fund	Capital Facilities Fund	Special Revenue for Capital Outlay Projects Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:						
Local Control Funding Formula (LCFF):						
State apportionment	\$ 21,085,789	\$ -	\$ -	\$ -	\$ -	\$ 21,085,789
Local sources	<u>38,822,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,822,172</u>
Total LCFF	<u>59,907,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,907,961</u>
Federal sources	2,054,083	-	-	-	2,650,929	4,705,012
Other state sources	10,013,040	-	-	40,548	2,060,838	12,114,426
Other local sources	<u>8,785,431</u>	<u>2,097,028</u>	<u>397,828</u>	<u>11,039,437</u>	<u>328,551</u>	<u>22,648,275</u>
Total revenues	<u>80,760,515</u>	<u>2,097,028</u>	<u>397,828</u>	<u>11,079,985</u>	<u>5,040,318</u>	<u>99,375,674</u>
Expenditures:						
Current:						
Certificated salaries	32,085,783	-	-	-	103,621	32,189,404
Classified salaries	10,588,699	-	15,430	-	1,345,336	11,949,465
Employee benefits	15,916,267	-	5,730	-	686,922	16,608,919
Books and supplies	1,942,137	-	-	-	1,420,416	3,362,553
Contract services and other operating expenditures	19,175,907	81,967	135,361	-	224,768	19,618,003
Other outgo	971,824	-	-	-	-	971,824
Capital outlay	693,112	3,051,695	238,224	-	77,035	4,060,066
Debt service:						
Principal retirement	-	-	-	6,257,185	-	6,257,185
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,293,895</u>	<u>-</u>	<u>4,293,895</u>
Total expenditures	<u>81,373,729</u>	<u>3,133,662</u>	<u>394,745</u>	<u>10,551,080</u>	<u>3,858,098</u>	<u>99,311,314</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(613,214)</u>	<u>(1,036,634)</u>	<u>3,083</u>	<u>528,905</u>	<u>1,182,220</u>	<u>64,360</u>
Other financing sources (uses):						
Transfers in	128,694	-	-	-	506	129,200
Transfers out	<u>(506)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(128,694)</u>	<u>(129,200)</u>
Total other financing sources (uses)	<u>128,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(128,188)</u>	<u>-</u>
Change in fund balances	(485,026)	(1,036,634)	3,083	528,905	1,054,032	64,360
Fund balances, July 1, 2023	<u>36,740,511</u>	<u>15,423,036</u>	<u>8,626,876</u>	<u>10,088,082</u>	<u>3,401,141</u>	<u>74,279,646</u>
Fund balances, June 30, 2024	<u>\$ 36,255,485</u>	<u>\$ 14,386,402</u>	<u>\$ 8,629,959</u>	<u>\$ 10,616,987</u>	<u>\$ 4,455,173</u>	<u>\$ 74,344,006</u>

See accompanying notes to financial statements.

NEWARK UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS – TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2024

Net change in fund balances - Total Governmental Funds	\$	64,360
Amounts reported for governmental activities in the statement of are different from amounts reported in governmental funds because:		
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	\$	4,060,064
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).		(8,157,213)
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 5).		6,257,185
Losses on refunding of debt are categorized as deferred outflows and are amortized over the shortened life of the refunded or refunding of the debt.		(102,105)
Interest on long-term liabilities is recognized in the period it is incurred, in governmental funds it is only recognized when it is due.		61,912
Accreted interest is an expense that is not recorded in the governmental funds (Note 5).		1,381,287
In the governmental funds, debt issued at a premium is recognized as an other financing source. In the government- wide statements debt issued at a premium is amortized as interest over the life of the debt (Note 5).		110,657
In the statement of activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 5).		(121,387)
In the governmental funds, OPEB is recognized when employers contributions are made. In the government-wide statements, OPEB is recognized on the accrual basis (Notes 5 and 9).		(1,007,165)
In the governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions were (Notes 7 and 8).		137,968
Activities of the internal service fund are reported with governmental activities.	520,814	3,142,017
Change in net position of governmental activities	<u>\$</u>	<u>3,206,377</u>

(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
SELF-INSURANCE FUND  
June 30, 2024

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**ASSETS**

Current assets

Cash and investments:

Cash in County Treasury \$ 5,089,195

Cash in banks 889

Collections awaiting deposit 4,280

Receivables 40,434

Total current assets 5,134,798

**LIABILITIES**

Current liabilities

Accrued liabilities 8,590

Due to other funds 10,000

Total liabilities 18,590

**NET POSITION**

Restricted 5,116,208

Total net position \$ 5,116,208

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(Continued)



NEWARK UNIFIED SCHOOL DISTRICT  
STATEMENT OF CHANGE IN NET POSITION – PROPRIETARY FUND  
SELF-INSURANCE FUND  
Year Ended June 30, 2024

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Operating revenues:	
Charges for services	<u>\$ 1,627,431</u>
Operating expenses:	
Professional services	<u>1,317,561</u>
Operating income	309,870
Non-operating revenue (expense)	
Interest income	<u>210,944</u>
Change in net position	520,814
Total net position, July 1, 2023	<u>4,595,394</u>
Total net position, June 30, 2024	<u><u>\$ 5,116,208</u></u>

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
SELF-INSURANCE FUND  
Year Ended June 30, 2024

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**Cash flows from operating activities:**

Cash received from user charges	\$ 1,788,954
Cash payments for payroll, insurance, and operating costs	<u>(1,407,531)</u>
Net cash provided by operating activities	<u>381,423</u>

**Cash flows from investing activities:**

Interest income received	<u>210,944</u>
Net cash provided by investing activities	<u>210,944</u>

Increase in cash and investments	592,367
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Cash and Investments, July 1, 2023	<u>4,501,997</u>
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Cash and Investments, June 30, 2024	<u><u>\$ 5,094,364</u></u>
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**Reconciliation of operating income to net cash provided by operating activities:**

Operating income	<u>\$ 309,870</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	29,768
Amount due from other funds	78,051
Accrued liabilities	(46,266)
Due to other funds	<u>10,000</u>
Total adjustments	<u>71,553</u>
Net cash provided by operating activities	<u><u>\$ 381,423</u></u>

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See accompanying notes to financial statements.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Newark Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant policies:

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

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District and Newark Unified School District School Building Corporations 1 and 2 (the "Corporations") have a financial and operational relationship which meet the reporting entity definition criteria of the *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100*, for inclusion of the Corporations as component units of the District. Therefore, the financial activities of the Corporations have been included as a blended component unit in the basic financial statements of the District.

The following are those aspects of the relationship between the District and the Corporations which satisfy *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100*, as amended:

### A - Manifestation of Oversight

- The Corporation's Board of Directors were appointed by the District's Board of Education.
- The Corporation has no employees. The District's Superintendent and Assistant Superintendents function as agents of the Corporation. Neither receives additional compensation for work performed in this capacity.
- The District exercises significant influence over operations of the Corporation as it is anticipated that the District will be sole lessee of all facilities owned by the Corporation.

### B - Accounting for Fiscal Matters

- All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the District.
- Any deficits incurred by the Corporation will be reflected in the lease payments of the District. Any surpluses of the Corporation revert to the District at the end of the lease period.
- It is anticipated that the District's lease payments will be the sole revenue source of the Corporation.
- The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Corporation.

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C - Scope of Public Service and Financial Presentation**

- The Corporation was created for the sole purpose of financially assisting the District.
- The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State. The Corporation was formed to provide financing assistance to the District for construction and acquisition of major capital facilities. Upon completion the District intends to occupy all Corporation facilities. When the Corporation's Certificates of Participation have been paid with state reimbursements and the District's developer fees, title of all Corporation property will pass to the District for no additional consideration.
- The Corporation's financial activity is included in the basic financial statements as the Capital Facilities Fund. Certificates of Participation issued by the Corporation are included in the government-wide financial statements. At June 30, 2024, there were no Certificates of Participation outstanding.

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

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole.

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

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

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

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

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A - Major Funds**

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

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

*Special Reserve for Capital Outlay Projects Fund* – The Special Reserve for Capital Outlay Projects Fund is a capital projects fund used to account for resources used for the acquisition of capital facilities by the District.

*Bond Interest and Redemption Fund* – The Bond Interest and Redemption Fund is a debt service fund used to account for resources used for the payment of general long-term liabilities principal, interest and related costs.

**B - Other Funds**

*Special Revenue Funds* - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This classification includes the Adult Education, Child Development and Cafeteria Funds.

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

*Self-Insurance Fund* - The Self-Insurance Fund is an internal service fund used to account for the District's self-insured health and welfare plan.

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

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

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

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Receivables: Receivables are made up principally of amounts due from the State of California. The District has determined that no allowance for doubtful accounts was necessary as of June 30, 2024.

Stores Inventory: Inventories in the General and Cafeteria Funds are valued at average cost and consist mainly of school supplies and consumable supplies. Inventories are recorded as an expenditure at the time the individual inventory items are transferred from the warehouse to schools and offices.

Capital Assets: The District maintains a capitalization threshold of an original cost of \$10,000. When purchased, such assets are recorded at historical cost or estimated historical cost. Contributed assets are reported at acquisition value for the contributed asset. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation of capital assets is computed and recorded using the straight-line method. Estimated useful lives for the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, 5 to 50 years; equipment 2 to 15 years.

Compensated Absences: Compensated absences totaling \$782,998 are recorded as a liability of the District. The liability is for the earned but unused benefits.

Accumulated Sick Leave: Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for certain STRP and PERF B employees, when the employee retires.

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

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

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods, and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported, which is in the statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shortened life of the refunded or refunding debt. Additionally, the District has recognized deferred outflows of resources related to the recognition of the pension and OPEB liabilities reported, which are in the Statement of Net Position.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized deferred inflows of resources related to the recognition of the pension and OPEB liabilities reported, which are in the Statement of Net Position.

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

The following is a summary of pension amounts in aggregate:

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 10,117,847	\$ 7,015,594	\$ 17,133,441
Deferred inflows of resources	\$ 7,388,000	\$ 2,235,000	\$ 9,623,000
Net pension liability	\$ 37,208,000	\$ 21,032,000	\$ 58,240,000
Pension expense	\$ 9,513,342	\$ 2,848,785	\$ 12,362,127

Net Position: Net position is displayed in three components:

1. Net Investment in Capital Assets - Consist of capital assets, net of accumulated depreciation, reduced by outstanding related debt and adjusted for unspent debt proceeds and deferred outflows/inflows resulting from refunding debt instruments.
2. Restricted Net Position - Restrictions of the ending net position indicate the portions of net position not appropriable for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for debt service represents the portion of net position which the District plans to expend on debt repayment. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for self-insurance represents the portion of net position restricted for District's self-insurance activities. It is the District's policy to first spend restricted net position when allowable expenditures are incurred.
3. Unrestricted Net Position - All other net position that do not meet the definitions of "restricted" or "net investments in capital assets".

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

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A - Nonspendable Fund Balance:**

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

**B - Restricted Fund Balance:**

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

**C - Committed Fund Balance:**

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Education. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Education is required to remove any commitment from any fund balance.

**D - Assigned Fund Balance:**

The assigned fund balance classification reflects amounts that the District's Board of Education has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Education can designate personnel with the authority to assign fund balances. In accordance with board policy, only the Board of Education and the Assistant Superintendent of Business Services may assign individual amounts.

**E - Unassigned Fund Balance:**

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

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

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

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Education. At June 30, 2024, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

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(Continued)



NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property Taxes: Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are due in two installments on or before November 15 and March 15. Unsecured property taxes are due in one installment on or before August 31. The County of Alameda bills and collects taxes for the District. Tax revenues are recognized by the District when received.

Encumbrances: Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. All encumbrances are liquidated as of June 30.

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

Estimates: The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

**NOTE 2 - CASH AND INVESTMENTS**

Cash and investments at June 30, 2024 consisted of the following:

	Governmental Funds	Proprietary Fund	Total Governmental Activities
Pooled Funds:			
Cash in County Treasury	\$ 75,078,544	\$ 5,089,195	\$ 80,167,739
Collections awaiting deposit	541,507	4,280	545,787
Deposits:			
Cash on hand and in banks	783,458	889	784,347
Cash in revolving fund	<u>22,127</u>	<u>-</u>	<u>22,127</u>
Total cash and investments	<u>\$ 76,425,636</u>	<u>\$ 5,094,364</u>	<u>\$ 81,520,000</u>

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest bearing Alameda County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 2 - CASH AND INVESTMENTS (Continued)**

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required. In accordance with applicable state laws, the Alameda County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2024, the Alameda County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2024, the carrying amount of the District's accounts was \$806,474 and the bank balances were \$827,954.

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2024, the District had no significant interest rate risk related to cash and investments held.

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

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2024, the District had no concentration of credit risk.

**NOTE 3 - INTERFUND TRANSACTIONS**

Interfund Activity: Transactions between funds of the District are recorded as interfund transfers. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables: Individual interfund receivable and payable balances at June 30, 2024 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental Activities</u>		
Major Fund:		
General	\$ 145,236	\$ 506
Non-Major Funds:		
Adult Education	-	12,372
Building	-	6,542
Child Development	157,698	7,967
Cafeteria	787	266,334
Proprietary Fund:		
Self-Insurance	-	10,000
Totals	<u>\$ 303,721</u>	<u>\$ 303,721</u>

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 3 - INTERFUND TRANSACTIONS** (Continued)

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

Transfers for the 2023-2024 fiscal year were as follows:

Transfer from the General Fund to the Cafeteria Fund for meal reimbursements.	\$ 506
Transfer from the Adult Education Fund to the General Fund for indirect costs.	12,372
Transfer from the Child Development Fund to the General Fund for indirect costs.	7,686
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	<u>108,636</u>
	<u>\$ 129,200</u>

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 4 - CAPITAL ASSETS**

A schedule of changes in capital assets for the year ended June 30, 2024 is shown below:

	Balance July 1, <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance June 30, <u>2024</u>
Non-depreciable:					
Land	\$ 1,971,656	\$ -	\$ -	\$ -	\$ 1,971,656
Work-in-process	13,495,764	2,288,524	-	(990,400)	14,793,888
Depreciable:					
Land improvements	12,346,566	724,043	-	930,513	14,001,122
Buildings and improvements	168,217,423	615,756	-	59,887	168,893,066
Furniture and equipment	<u>3,915,983</u>	<u>431,741</u>	-	-	<u>4,347,724</u>
Totals, at cost	<u>199,947,392</u>	<u>4,060,064</u>	-	-	<u>204,007,456</u>
Less accumulated depreciation:					
Land improvements	(5,903,285)	(1,129,459)	-	-	(7,032,744)
Buildings and improvements	(112,396,551)	(6,741,292)	-	-	(119,137,843)
Furniture and equipment	<u>(2,821,384)</u>	<u>(286,462)</u>	-	-	<u>(3,107,846)</u>
Total accumulated depreciation	<u>(121,121,220)</u>	<u>(8,157,213)</u>	-	-	<u>(129,278,433)</u>
Capital assets, net	<u>\$ 78,826,172</u>	<u>\$ (4,097,149)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,729,023</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 6,865,722
Instruction library, media, and technology	192,210
Home-to-school transportation	47,606
Food services	3,562
Ancillary services	12,140
All other general administration	35,208
Centralized data processing	40,143
Plant services	<u>960,622</u>
Total depreciation expense	<u>\$ 8,157,213</u>

(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 5 - LONG-TERM LIABILITIES**

General Obligation Bonds: A summary of General Obligation Bonds payable as of June 30, 2024 follows:

<u>Series</u>	<u>Interest Rate %</u>	<u>Current Fiscal Year Maturity</u>	<u>Outstanding July 1, 2023</u>	<u>Current Year Issuance</u>	<u>Current Year Matured</u>	<u>Outstanding June 30, 2024</u>
Election of 1997, Series D	3.00-5.84%	2027	\$ 6,211,811	\$ -	\$ 912,185	\$ 5,299,626
Election of 2011, Series A	3.37-5.00%	2032	2,155,000	-	100,000	2,055,000
2012 Refunding Bonds	0.51-3.43%	2026	10,545,000	-	3,965,000	6,580,000
Election of 2011, Series B	2.00-5.00%	2030	2,240,000	-	200,000	2,040,000
Election of 2011, Series C	2.00-4.00%	2037	14,465,000	-	640,000	13,825,000
2022 Refunding Bonds, Series A	0.797-3.355%	2043	26,910,000	-	440,000	26,470,000
2022 Refunding Bonds, Series B	4.00%	2043	7,470,000	-	-	7,470,000
			<u>\$ 69,996,811</u>	<u>\$ -</u>	<u>\$ 6,257,185</u>	<u>\$ 63,739,626</u>

A summary of all future maturities of the District's General Obligation Bonds follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2025	\$ 6,661,530	\$ 4,233,407	\$ 10,894,937
2026	5,397,424	5,874,471	11,271,895
2027	4,795,672	11,128,472	15,924,144
2028	1,980,000	1,545,161	3,525,161
2029	2,120,000	1,481,983	3,601,983
2030-2034	13,500,000	6,228,917	19,728,917
2035-2039	15,950,000	3,643,135	19,593,135
2040-2043	13,335,000	984,426	14,319,426
	<u>\$ 63,739,626</u>	<u>\$ 35,119,972</u>	<u>\$ 98,859,598</u>

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the year ended June 30, 2024 is shown below:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within One Year</u>
Debt:					
General Obligation Bonds	\$ 69,996,811	\$ -	\$ 6,257,185	\$ 63,739,626	\$ 6,661,530
Unamortized premiums	2,176,128	-	110,657	2,065,471	146,794
Accreted Interest	15,063,043	871,528	2,252,815	13,681,756	2,368,470
Other long-term liabilities:					
Net pension liability (Note 7 & 8)	58,675,127	-	435,127	58,240,000	-
Total OPEB Liability (Note 9)	14,811,432	562,738	-	15,374,170	-
Compensated absences	661,611	121,387	-	782,998	782,998
	<u>\$ 161,384,152</u>	<u>\$ 1,555,653</u>	<u>\$ 9,055,784</u>	<u>\$ 153,884,021</u>	<u>\$ 9,959,792</u>

(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 5 - LONG-TERM LIABILITIES (Continued)**

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

**NOTE 6 - FUND BALANCES**

Fund balances, by category, at June 30, 2024 consisted of the following:

	General Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Nonspendable:						
Revolving cash fund	\$ 22,127	\$ -	\$ -	\$ -	\$ -	\$ 22,127
Stores inventory	112,374	-	-	-	55,612	167,986
Subtotal nonspendable	<u>134,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,612</u>	<u>190,113</u>
Restricted:						
Legally restricted programs	11,389,500	-	-	-	-	11,389,500
Adult education program	-	-	-	-	89,451	89,451
Child development program	-	-	-	-	776,998	776,998
Cafeteria	-	-	-	-	3,533,112	3,533,112
Capital projects	-	14,386,402	8,629,959	-	-	23,016,361
Debt service	-	-	-	10,616,987	-	10,616,987
Subtotal restricted	<u>11,389,500</u>	<u>14,386,402</u>	<u>8,629,959</u>	<u>10,616,987</u>	<u>4,399,561</u>	<u>49,422,409</u>
Committed:						
MYP Savings (25-26 & 26-27)	7,937,006					7,937,006
Facilities improvements	3,900,000					3,900,000
Deferred maintenance	1,500,000					1,500,000
Technology refresh	1,120,000					1,120,000
Textbooks and consumables	900,000					900,000
Other commitments	1,450,000	-	-	-	-	1,450,000
Subtotal committed	<u>16,807,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,807,006</u>
Assigned:						
LCAP balances carry-over	658,829	-	-	-	-	658,829
Unassigned						
Designated for economic uncertainty	4,849,779	-	-	-	-	4,849,779
Undesignated	2,415,870	-	-	-	-	2,415,870
Subtotal unassigned	<u>7,265,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,265,649</u>
Total fund balances	<u>\$ 36,255,485</u>	<u>\$ 14,386,402</u>	<u>\$ 8,629,959</u>	<u>\$ 10,616,987</u>	<u>\$ 4,455,173</u>	<u>\$ 74,344,006</u>

(Continued)

## **NOTE 7 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN**

### *General Information about the State Teachers' Retirement Plan*

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at <https://www.calstrs.com>.

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

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

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

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

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months of credited service.

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

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for any 36 consecutive months of credited service.

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 7 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)**

**Contributions:** Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and established a schedule of contribution rate increases shared among members, employers and the State of California to bring CalSTRS toward full funding by 2046. Under the CalSTRS Funding Plan, authority to adjust contribution rates annually within approved ranges was delegated to the Board of CalSTRS.

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

**Members** - Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year 2022-23.

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205 percent as per the CalSTRS Funding Plan for a total member contribution rate of 10.205 percent. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% since the last time the member contribution rate was set. Based on the June 30, 2022, valuation adopted by the CalSTRS board in May 2023, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2023.

**Employers** - Employers are required to contribute a base contribution rate set in statute at 8.25%. Pursuant to the CalSTRS Funding Plan, employers also have a supplemental contribution rate to eliminate their share of the CalSTRS unfunded actuarial obligation by 2046. The CalSTRS Funding Plan authorized the CalSTRS board to adjust the employer supplemental contribution rate up or down by a maximum of 1% for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2023, the CalSTRS board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2023-24.

The CalSTRS employer contribution rates effective for fiscal year 2023-24 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Total</u>
July 1, 2023	8.250%	10.850%	19.100%
July 1, 2024 to June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47	

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

The District contributed \$5,778,847 to the plan for the fiscal year ended June 30, 2024.

**State** - 10.828 percent of the members' calculated based on creditable compensation from two fiscal years prior.

(Continued)



NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 7 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)**

The state is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the state also has a supplemental contribution rate, which the board can increase by up to 0.5% each fiscal year to help eliminate the state's share of the CalSTRS unfunded actuarial obligation by 2046. In May 2023, the CalSTRS board voted to keep the state supplemental contribution rate at 6.311% for fiscal year 2022-23 for a total contribution rate of 10.828%.

The CalSTRS state contribution rates effective for fiscal year 2023-24 and beyond are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding<sup>(1)</sup></u>	<u>Total</u>
July 01, 2023	2.017%	6.311%	2.50%	10.828%
July 01, 2024 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

- (1) The SBMA contribution rate excludes the \$72 million that is reduced from the required contribution in accordance with Education Code section 22954.
- (2) The CalSTRS board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
- (3) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

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

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

District's proportionate share of the net pension liability	\$ 37,208,000
State's proportionate share of the net pension liability associated with the District	<u>17,828,000</u>
Total	<u>\$ 55,036,000</u>

The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2024, the District's proportion was 0.049 percent, which was a decrease of 0.004 percent from its proportion as of June 30, 2023.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 7 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN** (Continued)

For the year ended June 30, 2024, the District recognized pension expense of \$9,513,342 and revenue of \$2,676,523 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,924,000	\$ 1,991,000
Changes of assumptions	215,000	-
Net differences between projected and actual earnings on investments	159,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,041,000	5,397,000
Contributions made subsequent to measurement date	<u>5,778,847</u>	<u>-</u>
Total	<u>\$ 10,117,847</u>	<u>\$ 7,388,000</u>

\$5,778,847 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2025	\$ (2,351,900)
2026	\$ (2,654,900)
2027	\$ 2,413,600
2028	\$ (185,067)
2029	\$ (359,567)
2030	\$ 88,834

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2023 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 7 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)**

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

Valuation Date	June 30, 2022
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% purchasing power level for DB

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 7 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN** (Continued)

The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
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)

\* 20-year geometric average

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
District's proportionate share of the net pension liability	<u>\$ 62,414,000</u>	<u>\$ 37,208,000</u>	<u>\$ 16,272,000</u>

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

**NOTE 8 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B**

*General Information about the Public Employer's Retirement Fund B*

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

(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 8 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)**

The Plan was established to provide retirement, death and disability benefits to non-teaching and non-certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at: <https://www.calpers.ca.gov/docs/forms-publications/acfr-2023.pdf>.

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when district's first join the PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to \$863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2024 were as follows:

*Members* - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2022-23.

*Employers* - The employer contribution rate was 26.68 percent of applicable member earnings.

The District contributed \$2,899,594 to the plan for the fiscal year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$21,032,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2024 the District's proportion was 0.058 percent, which was a decrease of 0.006 percent from its proportion as of June 30, 2023.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 8 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B** (Continued)

For the year ended June 30, 2024, the District recognized pension expense of \$2,848,785. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 768,000	\$ 323,000
Changes of assumptions	969,000	-
Net differences between projected and actual earnings on investments	2,247,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	132,000	1,912,000
Contributions made subsequent to measurement date	<u>2,899,594</u>	<u>-</u>
Total	<u>\$ 7,015,594</u>	<u>\$ 2,235,000</u>

\$2,899,594 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2025	\$ 390,000
2026	\$ 98,000
2027	\$ 1,323,000
2028	\$ 70,000

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the expected average remaining service life of plan members, which is 3.8 years as of the June 30, 2023 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 8 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)**

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

Valuation Date	June 30, 2022
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.30% thereafter

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

All other actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Expected Real Rates of Return Years 1-10 (1, 2)</u>
Global Equity – cap-weighted	30.00%	4.54%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	.27%
Mortgage-backed Securities	5.00%	.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

(1) An expected inflation rate of 2.30% used for this period

(2) Figures are based on the 2021-22 CalPERS Asset Liability Management Study

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 8 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)**

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

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

In determining the long-term expected rate of return, CalPERS 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.

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 30,407,000	\$ 21,032,000	\$ 13,284,000

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

**NOTE 9- OTHER POSTEMPLOYMENT BENEFITS**

*General Information about the Other Postemployment Benefits Plan (OPEB)*

**Plan Description:** The District's defined benefit OPEB plan, Newark Unified School District Retiree Benefit Plan (the "Plan") is described below. The Plan is a single-employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**Benefits Provided:** The healthcare plans are provided through CalPERS Health (PEMHCA) and California's Valued Trust (CVT). CVT options include plans 1B, 2B, 3B, 5B, Wellness Plan/Rx C, Kaiser 1, 3, 5 and 6, and dental and vision. PEMHCA options include Blue Shield, Kaiser, PERSchoice and PERSCare. Classified employees and retirees have medical/Rx insurance through CVT; other groups are in PEMHCA for medical/Rx and CVT for dental/vision, except Management is in ACSIG VSP. Eligibility requirements are described below.

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(Continued)



**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Certificated employees may retire and receive District-paid contributions towards healthcare upon attainment of age 55 and 15 years of service, but not later than age 60. The District pays \$850 per year towards health insurance premiums for a retiree until age 65, at which time benefits cease except for the PEMHCA statutory minimum. Classified employees:

- If hired prior to January 1, 1977, may retire with District-paid benefits after the later of age 55 and 15 years of service. District-paid benefits in force at retirement continue until age 70.
- If hired on or after January 1, 1977, may retire with District-paid benefits upon the later of age 50 and 15 years of service, but not later than age 65. The District pays the Kaiser retiree-only premium until age 67.
- If hired on or after September 1, 2004, may retire at age 60 with single Kaiser coverage paid until age 65.

Management/Confidential/Supervisory employees whose original appointment into a Management Group position was approved by the Board before July 1, 1992, may retire and receive District-paid contributions towards healthcare upon completion of 10 cumulative years of service in a Management Group position, resignation from the District for the reason of retirement, and attainment of eligibility to retire under the provisions of PERS or STRS. District-paid benefits are limited to the least expensive health benefit plan offered that year to full time current Management Group employees with the same level of coverage (e.g., single or family), and end at age 70 except for the PEMHCA statutory minimum contribution.

Management employees hired into Classified or Certificated positions with the District prior to July 1, 1992, and promoted to Management after that date, will be entitled to benefits according to the rules of their original bargaining unit. Management employees whose original date of hire with the District was on or after July 1, 1992 are not eligible to receive District-paid retiree benefits, but are eligible to enroll in the District's plans by paying any required premiums.

Contributions: For the measurement period, the District contributed \$629,976 to the Plan, all of which was used for current premiums.

*PEMHCA Statutory Minimum Contribution* - The District's minimum contribution on behalf of all retirees covered by PEMHCA is based on PERS' "Unequal Contribution Method", equal 5% of the statutory minimum (\$151/month for 2023 and \$157/month for 2024) multiplied by the number of years the District has participated in PEMHCA. This amount is \$135.90/month for 2023 and \$149.15/month for 2024. Any retiree participating in PEMHCA but not otherwise receiving a District retiree health contribution is entitled to receive lifetime District-paid statutory minimum contributions. The District also pays a percent-of-premium administrative fee to PERS on behalf of all employees and retirees of the District covered under PEMHCA. The required contribution is based on projected pay-as-you-go financing requirements.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Employees Covered by Benefit Terms: The following is a table of plan participants included in the District's most recent actuarial valuation:

	<u>Number of Participants</u>
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	172
Active employees	<u>462</u>
	<u><u>634</u></u>

Actuarial Assumptions: The District's total OPEB liability of \$15,374,170 was measured as of June 30, 2024 based on an actuarial valuation as of July 1, 2022 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

**Economic assumptions:**

Inflation	2.50%
Salary increases	3.00%
Healthcare cost trend rates	5.50% for 2024; 5.25% for 2025-2029; 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069 and 4.00% for 2070 and later years. Medicare ages: 4.50% for 2023-2029 and 4.00% for 2030 and later years.
Discount rate	3.97%

**Non-economic assumptions:**

*Preretirement Mortality*

Certificated	CalSTRS Experience Analysis (2015-2018)
Classified	CalPERS Experience Study (2000-2019)

*Postretirement Mortality*

Certificated	CalSTRS Experience Analysis (2015-2018)
Classified	CalPERS Experience Study (2000-2019)

The actuarial assumptions used in the July 1, 2022 valuation were based on a review of plan experience during the period July 1, 2020 to June 30, 2022.

The discount rate was based on the Bond Buyer 20 Bond Index rate for 20 year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*Changes in the Total OPEB Liability*

	Total OPEB Liability
Balance at July 1, 2023	\$ 14,811,432
Changes for the year:	
Service cost	782,724
Interest	589,891
Changes in assumptions	(179,901)
Benefit payments	(629,976)
Net change	562,738
Balance at June 30, 2024	\$ 15,374,170

There were no changes between the measurement date and the year ended June 30, 2024 which had a significant effect on the District's total OPEB liability.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate: The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$ 17,164,687	\$ 15,374,170	\$ 13,900,948

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates: The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (4.50%)	Healthcare Cost Trend Rates Rate (5.50%)	1% Increase (6.50%)
Total OPEB liability	\$ 13,403,156	\$ 15,374,170	\$ 17,871,119

(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$492,009. Deferred outflows of resources and deferred inflows of resources arose from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,403,337
Changes in assumptions	<u>1,704,712</u>	<u>2,095,290</u>
Total	<u>\$ 1,704,712</u>	<u>\$ 5,498,627</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending <u>June 30,</u>	
2025	\$ (880,606)
2026	\$ (1,010,176)
2027	\$ (1,155,971)
2028	\$ (446,751)
2029	\$ (123,771)
Thereafter	\$ (176,640)

Deferred items related to changes between expected and actual experience and changes in assumptions are recognized over the average of the expected remaining service lives of all employees which is 13.1 years. Differences between projected and actual earnings on plan investments and changes in assumptions are netted and amortized over a closed 5-year period.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024

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**NOTE 10 - JOINT POWERS AUTHORITIES**

The District is a member with other school districts in Alameda County Schools Insurance Group (ACSIG), Northern California Regional Liability Excess Fund (NCR), School Employers Association of California (SEAC) and Mission Valley Regional Occupational Program (MVROP) joint powers authorities, which provide workers' compensation, excess liability, other insurance coverage for its member districts and joint occupational training services. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There have been no significant reductions in insurance coverage from the coverage in the prior year through any of these Joint Powers Authorities.

The following is a summary of audited financial information for ACSIG, NCR, and SEAC at June 30, 2023 (most recent information available) and for MVROP at June 30, 2024:

	Alameda County Schools Insurance Group	Northern California ReLIEF	School Employers Association of California	Mission Valley Regional Occupational Program
Total assets	\$ 5,374,654	\$ 81,707,224	\$ 370,512	\$ 25,424,289
Deferred outflows of resources	\$ 1,226,090	\$ -	\$ -	\$ 5,326,525
Total liabilities	\$ 1,039,910	\$ 50,359,446	\$ 76,015	\$ 14,854,542
Deferred inflows of resources	\$ 376,721	\$ -	\$ -	\$ 4,801,909
Net position	\$ 5,184,113	\$ 31,347,778	\$ 294,497	\$ 11,094,363
Total revenues	\$ 4,093,715	\$ 92,548,059	\$ 1,000,366	\$ 11,836,508
Total expenses	\$ 3,707,913	\$ 94,359,242	\$ 254,382	\$ 12,522,740
Change in net position	\$ 385,802	\$ (1,811,183)	\$ 745,984	\$ (686,232)

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

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

The District has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements of future revenue offsets subsequently determined will not have a material effect on the District's financial position or results of operations.

## **REQUIRED SUPPLEMENTARY INFORMATION**

NEWARK UNIFIED SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2024

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Revenues:				
Local Control Funding Formula (LCFF):				
State apportionment	\$ 27,476,083	\$ 21,082,359	\$ 21,085,789	\$ 3,430
Local sources	35,945,141	38,815,857	38,822,172	6,315
Total LCFF	63,421,224	59,898,216	59,907,961	9,745
Federal sources	2,312,789	3,223,303	2,054,083	(1,169,220)
Other state sources	7,941,892	9,743,353	10,013,040	269,687
Other local sources	5,351,292	9,071,353	8,785,431	(285,922)
Total revenues	79,027,197	81,936,225	80,760,515	(1,175,710)
Expenditures:				
Current:				
Certificated salaries	35,814,130	32,486,523	32,085,783	400,740
Classified salaries	10,873,156	10,904,314	10,588,699	315,615
Employee benefits	17,640,335	16,754,275	15,916,267	838,008
Books and supplies	2,068,523	3,851,406	1,942,137	1,909,269
Contract services and operating expenditures	14,864,084	23,754,403	19,175,907	4,578,496
Other outgo	979,359	979,359	971,824	7,535
Capital outlay	30,000	1,203,065	693,112	509,953
Total expenditures	82,269,587	89,933,345	81,373,729	8,559,616
Deficiency of revenues under expenditures	(3,242,390)	(7,997,120)	(613,214)	7,383,906
Other financing (uses) sources:				
Transfers in	133,819	136,400	128,694	(7,706)
Transfers out	-	-	(506)	(506)
Total other financing (uses) sources	133,819	136,400	128,188	(8,212)
Change in fund balance	(3,108,571)	(7,860,720)	(485,026)	7,375,694
Fund balances, July 1, 2023	36,740,511	36,740,511	36,740,511	-
Fund balances, June 30, 2024	\$ 33,631,940	\$ 28,879,791	\$ 36,255,485	\$ 7,375,694

See accompanying note to required supplementary information.

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL  
OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY  
Year Ended June 30, 2024

	Last 10 Fiscal Years						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total OPEB liability							
Service cost	\$ 762,141	\$ 858,131	\$ 946,188	\$ 835,893	\$ 958,145	\$ 785,043	\$ 782,724
Interest	598,076	591,158	597,217	408,739	355,317	548,007	589,891
Differences between actual and expected experience	-	(123,902)	-	(6,235,035)	-	(1,006,036)	-
Assumption changes	-	484,854	1,871,982	2,448,490	(3,552,774)	165,388	(179,901)
Benefit payments	<u>(757,120)</u>	<u>(798,155)</u>	<u>(761,054)</u>	<u>(710,347)</u>	<u>(735,366)</u>	<u>(620,181)</u>	<u>(629,976)</u>
Net change in total OPEB liability	603,097	1,012,086	2,654,333	(3,252,260)	(2,974,678)	(127,779)	562,738
Total OPEB liability, beginning of year	<u>16,896,633</u>	<u>17,499,730</u>	<u>18,511,816</u>	<u>21,166,149</u>	<u>17,913,889</u>	<u>14,939,211</u>	<u>14,811,432</u>
Total OPEB liability, end of year (a)	<u>\$ 17,499,730</u>	<u>\$ 18,511,816</u>	<u>\$ 21,166,149</u>	<u>\$ 17,913,889</u>	<u>\$ 14,939,211</u>	<u>\$ 14,811,432</u>	<u>\$ 15,374,170</u>
Covered employee payroll	\$ 41,139,526	\$ 41,347,007	\$ 40,840,924	\$ 41,230,141	\$ 42,296,205	\$ 42,899,303	\$ 44,190,776
Total OPEB liability as a percentage of covered-employee payroll	42.54%	44.77%	51.83%	43.45%	35.32%	34.53%	34.79%

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

See accompanying note to required supplementary information.



NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
Year Ended June 30, 2024

	State Teachers' Retirement Plan Last 10 Fiscal Years									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of the net pension liability	0.064%	0.066%	0.064%	0.060%	0.056%	0.056%	0.053%	0.056%	0.053%	0.049%
District's proportionate share of the net net pension liability	\$ 37,626,542	\$ 44,547,453	\$ 51,848,255	\$ 55,119,497	\$ 51,861,392	\$ 50,277,509	\$ 51,777,656	\$ 25,259,070	\$ 36,545,776	\$ 37,208,000
State's proportionate share of the net pension liability associated with the District	<u>22,356,679</u>	<u>23,560,628</u>	<u>29,520,633</u>	<u>32,608,495</u>	<u>29,693,217</u>	<u>27,429,959</u>	<u>26,691,171</u>	<u>12,709,649</u>	<u>18,302,231</u>	<u>17,828,000</u>
Total net pension liability	<u>\$ 59,983,221</u>	<u>\$ 68,108,081</u>	<u>\$ 81,368,888</u>	<u>\$ 87,727,992</u>	<u>\$ 81,554,609</u>	<u>\$ 77,707,468</u>	<u>\$ 78,468,827</u>	<u>\$ 37,968,719</u>	<u>\$ 54,848,007</u>	<u>\$ 55,036,000</u>
District's covered payroll	\$ 28,679,000	\$ 34,253,000	\$ 34,072,000	\$ 31,201,000	\$ 30,662,000	\$ 30,164,000	\$ 29,189,000	\$ 29,530,000	\$ 30,585,000	\$ 30,050,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	130.05%	152.17%	176.66%	169.14%	166.68%	177.39%	85.54%	119.49%	123.82%
Plan fiduciary net position as a percentage of the total pension liability	76.50%	74.00%	70.00%	69.50%	70.99%	72.56%	71.82%	87.21%	87.21%	80.62%
The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.										

(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
Year Ended June 30, 2024

	Public Employer's Retirement Fund B Last 10 Fiscal Years									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of the net pension liability	0.080%	0.079%	0.078%	0.076%	0.071%	0.067%	0.067%	0.069%	0.064%	0.058%
District's proportionate share of the net pension liability	\$ 9,027,264	\$ 11,675,570	\$ 15,395,737	\$ 18,257,618	\$ 19,023,505	\$ 19,642,234	\$ 20,459,348	\$ 13,938,962	\$ 22,129,351	\$ 21,032,000
District's covered payroll	\$ 8,347,000	\$ 8,778,000	\$ 9,382,000	\$ 9,648,000	\$ 9,517,000	\$ 9,354,000	\$ 9,685,000	\$ 10,019,000	\$ 9,876,000	\$ 10,099,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.15%	133.14%	164.63%	187.24%	199.89%	209.99%	211.25%	139.13%	224.07%	208.26%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%	69.80%	69.96%
The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.										

See accompanying note to required supplementary information.

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
Year Ended June 30, 2024

State Teachers' Retirement Plan  
Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 3,041,677	\$ 3,655,917	\$ 3,968,141	\$ 4,333,547	\$ 4,872,849	\$ 4,991,337	\$ 4,768,166	\$ 5,174,928	\$ 5,727,756	\$ 5,778,847
Contributions in relation to the contractually required contribution	<u>(3,041,677)</u>	<u>(3,655,917)</u>	<u>(3,968,141)</u>	<u>(4,333,547)</u>	<u>(4,872,849)</u>	<u>(4,991,337)</u>	<u>(4,768,166)</u>	<u>(5,174,928)</u>	<u>(5,727,756)</u>	<u>(5,778,847)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 34,253,000	\$ 34,072,000	\$ 31,201,000	\$ 30,662,000	\$ 30,164,000	\$ 29,189,000	\$ 29,530,000	\$ 30,585,000	\$ 30,050,000	\$ 30,256,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.72%	14.13%	16.15%	17.10% *	16.15% **	16.92%***	19.06%	19.10%

\* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percent to be paid on behalf of employers pursuant to SB 90.

\*\* This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percent to be paid on behalf of employers pursuant to SB 90.

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

(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
Year Ended June 30, 2024

Public Employer's Retirement Fund B  
Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 1,033,272	\$ 1,111,524	\$ 1,347,185	\$ 1,473,091	\$ 1,688,921	\$ 1,918,478	\$ 2,041,784	\$ 2,266,987	\$ 2,665,694	\$ 2,899,594
Contributions in relation to the contractually required contribution	<u>(1,033,272)</u>	<u>(1,111,524)</u>	<u>(1,347,185)</u>	<u>(1,473,091)</u>	<u>(1,688,921)</u>	<u>(1,918,478)</u>	<u>(2,041,784)</u>	<u>(2,266,987)</u>	<u>(2,665,694)</u>	<u>(2,899,594)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,778,000	\$ 9,382,000	\$ 9,648,000	\$ 9,517,000	\$ 9,354,000	\$ 9,685,000	\$ 10,019,000	\$ 9,876,000	\$ 10,099,000	\$ 10,868,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.96%	15.48%	18.06%	19.81%	20.38%	22.95%	26.40%	26.68%

See accompanying note to required supplementary information.

NEWARK UNIFIED SCHOOL DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2024

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**NOTE 1 - PURPOSE OF SCHEDULES**

Budgetary Comparison Schedule: The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as accounting standards generally accepted in the United States of America (GAAP).

Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability: The Schedule of Changes in Total OPEB Liability is presented to illustrate the elements of the District's total OPEB liability. There is a requirement to show information for 10 years. However, until a full 10 year trend is compiled, governments should present information for those years for which information is available. The District has no accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's total OPEB Liability.

Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's net Pension liability.

Schedule of the District's Contributions: The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions.

Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions: The discount rate used for the net OPEB liability was 3.0, 2.75, 3.69, 3.86 and 3.97 percent at the June 30, 2020, 2021, 2022, 2023 and 2024 measurement dates, respectively.

The following are the assumptions for the Public Employer's Retirement Fund B (PERF B) Plan:

<u>Assumption</u>	<u>Measurement Periods</u>								
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Inflation rate	2.30%	2.30%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Discount rate	6.90%	6.90%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

The following are the assumptions for the State Teachers' Retirement Plan:

<u>Assumption</u>	<u>Measurement Period</u>								
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

## **SUPPLEMENTARY INFORMATION**

NEWARK UNIFIED SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
ALL NON-MAJOR FUNDS  
June 30, 2024

	Adult Education <u>Fund</u>	Child Develop- ment <u>Fund</u>	Cafeteria <u>Fund</u>	Building <u>Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and investments:					
Cash in County Treasury	\$ 81,855	\$ 605,603	\$ 3,312,620	\$ 10,453	\$ 4,010,531
Cash on hand and in banks	(91)	16,815	13,134	-	29,858
Collections awaiting deposit	-	-	411,986	-	411,986
Receivables	21,942	4,931	118,372	89	145,334
Due from other funds	-	157,698	787	-	158,485
Stores inventory	-	-	55,612	-	55,612
Total assets	<u>\$ 103,706</u>	<u>\$ 785,047</u>	<u>\$ 3,912,511</u>	<u>\$ 10,542</u>	<u>\$ 4,811,806</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 1,883	\$ 82	\$ 26,981	\$ 4,000	\$ 32,946
Unearned revenue	-	-	30,472	-	30,472
Due to other funds	<u>12,372</u>	<u>7,967</u>	<u>266,334</u>	<u>6,542</u>	<u>293,215</u>
Total liabilities	<u>14,255</u>	<u>8,049</u>	<u>323,787</u>	<u>10,542</u>	<u>356,633</u>
Fund balances:					
Nonspendable	-	-	55,612	-	55,612
Restricted	<u>89,451</u>	<u>776,998</u>	<u>3,533,112</u>	<u>-</u>	<u>4,399,561</u>
Total fund balance	<u>89,451</u>	<u>776,998</u>	<u>3,588,724</u>	<u>-</u>	<u>4,455,173</u>
Total liabilities and fund balances	<u>\$ 103,706</u>	<u>\$ 785,047</u>	<u>\$ 3,912,511</u>	<u>\$ 10,542</u>	<u>\$ 4,811,806</u>

NEWARK UNIFIED SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
ALL NON-MAJOR FUNDS  
Year Ended June 30, 2024

	Adult Education <u>Fund</u>	Child Develop- ment <u>Fund</u>	Cafeteria <u>Fund</u>	Building <u>Fund</u>	<u>Total</u>
Revenues:					
Federal sources	\$ -	\$ 157,698	\$ 2,493,231	\$ -	\$ 2,650,929
Other state sources	257,825	-	1,803,013	-	2,060,838
Other local sources	<u>38,317</u>	<u>128,053</u>	<u>161,433</u>	<u>748</u>	<u>328,551</u>
Total revenues	<u>296,142</u>	<u>285,751</u>	<u>4,457,677</u>	<u>748</u>	<u>5,040,318</u>
Expenditures:					
Current:					
Certificated salaries	103,621	-	-	-	103,621
Classified salaries	64,711	61,818	1,218,341	466	1,345,336
Employee benefits	65,483	33,389	587,993	57	686,922
Books and supplies	19,517	12,436	1,388,463	-	1,420,416
Contract services and operating expenditures	35,101	36,450	145,903	7,314	224,768
Capital outlay	<u>-</u>	<u>70,492</u>	<u>-</u>	<u>6,543</u>	<u>77,035</u>
Total expenditures	<u>288,433</u>	<u>214,585</u>	<u>3,340,700</u>	<u>14,380</u>	<u>3,858,098</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,709</u>	<u>71,166</u>	<u>1,116,977</u>	<u>(13,632)</u>	<u>1,182,220</u>
Other financing (uses) sources:					
Transfers in	-	-	506	-	506
Transfers out	<u>(12,372)</u>	<u>(7,686)</u>	<u>(108,636)</u>	<u>-</u>	<u>(128,694)</u>
Total other financing (uses) sources	<u>(12,372)</u>	<u>(7,686)</u>	<u>(108,130)</u>	<u>-</u>	<u>(128,188)</u>
Net change in fund balances	(4,663)	63,480	1,008,847	(13,632)	1,054,032
Fund balance, July 1, 2023	<u>94,114</u>	<u>713,518</u>	<u>2,579,877</u>	<u>13,632</u>	<u>3,401,141</u>
Fund balance, June 30, 2024	<u>\$ 89,451</u>	<u>\$ 776,998</u>	<u>\$ 3,588,724</u>	<u>\$ -</u>	<u>\$ 4,455,173</u>



NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
June 30, 2024

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	<u>Second Period Report</u>	<u>Annual Report</u>	<u>Audited Annual Report</u>
<b>DISTRICT</b>			
Certificate Number	FFE978BF	A8791380	*
Elementary:			
Transitional Kindergarten through Third	1,451	1,608	1,458
Fourth through Sixth	988	990	990
Seventh and Eighth	647	646	646
Special Education	<u>9</u>	<u>9</u>	<u>9</u>
Total Elementary	<u>3,095</u>	<u>3,253</u>	<u>3,103</u>
Secondary:			
Ninth through Twelfth	1,423	1,413	1,413
Special Education	<u>3</u>	<u>3</u>	<u>3</u>
Total Secondary	<u>1,426</u>	<u>1,416</u>	<u>1,416</u>
District Totals	<u><u>4,521</u></u>	<u><u>4,669</u></u>	<u><u>4,519</u></u>

\* The District is currently in the process of revising the Annual Report to reflect revisions identified in Finding 2024-008. A certificate number is not currently available.

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
Year Ended June 30, 2024

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<u>Grade Level</u>	<u>Statutory Minutes Requirement</u>	<u>2023-2024 Actual Minutes</u>	<u>Number of Days</u>	<u>Status</u>
<b>DISTRICT</b>				
Kindergarten	36,000	54,988	180	In compliance
Grade 1	50,400	51,066	180	In compliance
Grade 2	50,400	51,066	180	In compliance
Grade 3	50,400	51,066	180	In compliance
Grade 4	54,000	54,516	180	In compliance
Grade 5	54,000	54,516	180	In compliance
Grade 6	54,000	61,290	180	In compliance
Grade 7	54,000	61,290	180	In compliance
Grade 8	54,000	61,290	180	In compliance
Grade 9	64,800	64,842	180	In compliance
Grade 10	64,800	64,842	180	In compliance
Grade 11	64,800	64,842	180	In compliance
Grade 12	64,800	64,842	180	In compliance

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See accompanying notes to supplementary information.

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2024

Assistance Listing (AL) <u>Number</u>	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass- Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education - Passed through California</u>			
<u>Department of Education</u>			
Title I, Part A			
84.010	Title I, Part A, Basic Grants Low-Income and Neglected	14329	\$ 462,246
84.010	Comprehensive Support and Improvement for LEAs	15438	205,155
	Subtotal Title I, Part A		<u>667,401</u>
Special Education Cluster			
84.027	IDEA Basic Local Assistance Entitlement, Part B, Sec 611	13379	1,006,686
84.027A	IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	15197	58,423
84.173	IDEA Preschool Grants, Part B, Sections 619 (Age 3-4-5)	13430	28,336
	Subtotal Special Education Cluster		<u>1,093,445</u>
84.048	Strengthening Career and Technical Education for the 21st Century (Perkins V)	14894	12,826
84.425	COVID-19 Elementary and Secondary School Emergency Relief II (ESSER II) Fund	15547	3,204
84.367	Title II, Part A, Supporting Effective Instruction Local Grants	14341	181,384
84.365	Title III, English Learner Student Program	14346	84,770
84.424	Title IV, Part A, Student Support and Academic Enrichment Grants	15396	11,054
	Total U.S. Department of Education		<u>2,054,084</u>
<u>U.S. Department of Agriculture - Passed through California</u>			
<u>Department of Education</u>			
10.555	National School Lunch Program	13391	<u>2,189,921</u>
<u>U.S. Department of Agriculture - Passed through California</u>			
<u>Department of Social Services</u>			
10.558	CACFP Claims - Centers and Family Day Care	13393	<u>106,785</u>
	Total U.S. Department of Agriculture		<u>2,296,706</u>
	Total Federal Programs		<u>\$ 4,350,790</u>

See accompanying notes to supplementary information.

NEWARK UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT  
WITH AUDITED FINANCIAL STATEMENTS  
Year Ended June 30, 2024

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There were no adjustments proposed to any funds of the District.

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See accompanying notes to supplementary information.

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
Year Ended June 30, 2024  
(UNAUDITED)

	(Budget) <u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>General Fund</u>				
Revenues and other financing sources	\$ 77,162,461	\$ 80,889,209	\$ 91,422,439	\$ 80,975,472
Expenditures	82,721,647	81,373,729	80,199,512	73,784,358
Other uses and transfers out	<u>969,359</u>	<u>506</u>	<u>-</u>	<u>-</u>
Total outgo	<u>83,691,006</u>	<u>81,374,235</u>	<u>80,199,512</u>	<u>73,784,358</u>
Change in fund balance	<u>\$ (6,528,545)</u>	<u>\$ (485,026)</u>	<u>\$ 11,222,927</u>	<u>\$ 7,191,114</u>
Ending fund balance	<u>\$ 29,726,940</u>	<u>\$ 36,255,485</u>	<u>\$ 36,740,511</u>	<u>\$ 25,517,584</u>
Available reserves	<u>\$ 4,986,181</u>	<u>\$ 7,265,649</u>	<u>\$ 7,647,057</u>	<u>\$ 15,786,932</u>
Designated for economic uncertainties	<u>\$ 4,929,084</u>	<u>\$ 4,849,779</u>	<u>\$ 7,647,057</u>	<u>\$ 15,786,932</u>
Undesignated fund balance	<u>\$ 57,097</u>	<u>\$ 2,415,870</u>	<u>\$ -</u>	<u>\$ -</u>
Available reserves as percentages of total outgo	<u>6.0%</u>	<u>8.9%</u>	<u>9.5%</u>	<u>21.4%</u>
<u>All Funds</u>				
Total long-term liabilities	<u>\$ 143,924,229</u>	<u>\$ 153,884,021</u>	<u>\$ 161,384,152</u>	<u>\$ 148,793,119</u>
Average daily attendance at P-2	<u>4,438</u>	<u>4,521</u>	<u>4,575</u>	<u>4,720</u>

The fund balance of the General Fund has increased by \$17,929,015 over the past three years. The fiscal year 2024-2025 budget projects a decrease of \$6,528,545. For a district this size, the State of California recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses. For the year ended June 30, 2024, the District has met this requirement.

The District has incurred operating surpluses in two of the past three years, and anticipates incurring an operating deficit during the fiscal year 2024-2025.

Total long-term liabilities have increased by \$5,090,902 over the past two years.

Average daily attendance has decreased by 199 over the past two years. The District anticipates a decrease of 83 ADA for the 2024-2025 fiscal year.

See accompanying notes to supplementary information.

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS  
Year Ended June 30, 2024

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Charter Schools Chartered by District

Included in District  
Financial Statements, or  
Separate Report

The District has not chartered any charter schools.

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See accompanying notes to supplementary information.

NEWARK UNIFIED SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION  
June 30, 2024

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**NOTE 1 - PURPOSE OF SCHEDULES**

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

Schedule of Instructional Time: The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District, and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

Schedule of Expenditures of Federal Awards: The Schedule of Expenditures of Federal Awards includes the federal award activity of Newark Unified School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures are recognized following the Uniform Guidance; wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed in the Uniform Guidance.

Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements: This schedule provides the information necessary to reconcile the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis - Unaudited: This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2024-2025 fiscal year, as required by the State Controller's Office.

Schedule of Charter Schools: This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

**NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM**

Education Code Section 14502 required certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2024, the District did not adopt such a program.

## OTHER INFORMATION



NEWARK UNIFIED SCHOOL DISTRICT  
ORGANIZATION  
June 30, 2024

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Newark Unified School District, a political subdivision of the State of California, was established in 1964. The District operates six elementary schools (grades TK-5), one junior high school (grades 6-8), one high school (grades 9-12), one independent study school, one continuation high school, and one adult education center. There were no changes to District boundaries for the current year.

The Board of Education at June 30, 2024 was comprised of the following members:

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Aiden Hill	President	2024
Katherine Jones	Vice President & Clerk	2026
Carina V. Plancarte	Member	2024
Phuong Nguyen	Member	2024
Nancy Thomas	Member	2026

ADMINISTRATION

Tracey B. Vackar  
Interim Superintendent

Karen Allard  
Assistant Superintendent, Educational Services

Vacant \*  
Assistant Superintendent of Business Services

Chris Williams  
Interim Assistant Superintendent of Human Resources

\*Effective August 19, 2024, Jose Quintana was appointed Assistant Superintendent of Business Services.

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND ON  
INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Board of Education  
Newark Unified School District  
Newark, California

**Report on Compliance*****Qualified Opinion on State Compliance***

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

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion on Compliance section of our report, the District complied, in all material respects, with the compliance requirements that are applicable to the laws and regulations of the state programs referred to above for the year ended June 30, 2024.

***Basis for Qualified Opinion on Compliance***

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

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

***Matters Giving Rise to Qualified Opinion on State Compliance***

As described in the accompanying Schedule of Findings and Questioned Costs as items 2024-003, 2024-004, 2024-005, 2024-006, 2024-007 and 2024-008, the District did not comply with requirements regarding Attendance, Classroom Teacher Salaries, School Accountability Report Card, Unduplicated Local Control Funding Formula Pupil Counts, After/Before School Education and Safety Program and Attendance respectively. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to State Compliance.

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(Continued)

## **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

<u>2023-24 K-12 Audit Guide Procedures</u>	<u>Procedures Performed</u>
<i>Local Education Agencies Other than Charter Schools:</i>	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	N/A, see below
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	N/A, see below
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	N/A, see below
N. Middle or Early College High Schools	Yes
O. K-3 Grade Span Adjustment	Yes

(Continued)

Q. Apprenticeship: Related and Supplemental Instruction	N/A, see below
R. Comprehensive School Safety Plan	Yes
S. District of Choice	N/A, see below
TT. Home to School Transportation Reimbursement	Yes

*School Districts, County Offices of Education, and Charter Schools:*

T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study – Course-Based	N/A, see below
Z. Immunizations	N/A, see below
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	N/A, see below
CZ. Career Technical Education Incentive Grant	N/A, see below
DZ. Expanded Learning Opportunities Program	Yes
EZ. Transitional Kindergarten	Yes

*Charter Schools:*

AA. Charter Schools - Attendance	N/A, see below
BB. Charter Schools - Mode of Instruction	N/A, see below
CC. Charter Schools - Nonclassroom-Based Instruction/Independent Study	N/A, see below
DD. Charter Schools - Determination of Funding for Nonclassroom-Based Instruction	N/A, see below
EE. Charter Schools - Annual Instructional Minutes-Classroom Based	N/A, see below
FF. Charter Schools - Charter School Facility Grant Program	N/A, see below

We did not perform any procedures related to Independent Study because the District's ADA was not material.

We did not perform any procedures related to the Early Retirement Incentive because the District did not offer a qualifying Early Retirement Incentive program in the current audit year.

We did not perform any procedures related to Juvenile Court Schools because the District does not operate any Juvenile Court Schools.

We did not perform any procedures related to Apprenticeship: Related and Supplemental Instruction because the District did not participate in this program in the current audit year.

We did not perform any procedures related to District of Choice because the District is not classified as a District of Choice in the current audit year by the California Department of Education.

We did not perform procedures related to Independent Study-Course Based because the District did not report any ADA for this program in the current audit year.

We did not perform any procedures related to the Immunizations program because all schools submitted timely immunization assessment reports to the California Department of Public Health during the current audit year.

We did not perform any procedures related to Expanded Learning Opportunities Grant (ELO-G) because the District did not report any ELO-G expenditures during the current audit year.

The District did not receive funding for the Career Technical Education Incentive Grant; therefore, we did not perform any procedures related to the Career Technical Education Incentive Grant.

We did not perform any of the testing related to charter schools, including procedures for section AA, BB, CC, DD, EE and FF in the preceding table because the District does not operate any charter schools.

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(Continued)

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.

### **Other Matters**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with compliance requirement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2024-006, 2024-007 and 2024-008, to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

### **Purpose of this Report**

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



Crowe LLP

Sacramento, California  
February 28, 2025

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Education  
Newark Unified School District  
Newark, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Newark Unified School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Newark Unified School District's basic financial statements, and have issued our report thereon dated February 28, 2025.

### Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described as finding 2024-001 in the accompanying schedule of audit findings and questioned costs, that we consider to be a significant deficiency.

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(Continued)

## Report on Compliance and Other Matters

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

## Newark Unified School District's Responses to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on Newark Unified School District's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Newark Unified School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## Purpose of this Report

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



Crowe LLP

Sacramento, California  
February 28, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
AS REQUIRED BY THE UNIFORM GUIDANCE

Board of Education  
Newark Unified School District  
Newark, California

**Report on Compliance for Major Federal Program**

***Opinion on Major Federal Program***

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

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

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

***Responsibilities of Management for Compliance***

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

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(Continued)



## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## **Report on Internal Control Over Compliance**

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

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.

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(Continued)

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

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

A handwritten signature in black ink that reads "Crowe LLP". The word "Crowe" is written in a cursive style, and "LLP" is written in a more upright, blocky cursive style.

Crowe LLP

Sacramento, California  
February 28, 2025

## **FINDINGS AND RECOMMENDATIONS**

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

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SECTION I - SUMMARY OF AUDITOR'S RESULTS

**FINANCIAL STATEMENTS**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>                    </u> Yes	<u>          X          </u> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	<u>          X          </u> Yes	<u>                    </u> None reported

Noncompliance material to financial statements noted?

<u>                    </u> Yes	<u>          X          </u> No
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**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?	<u>                    </u> Yes	<u>          X          </u> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	<u>                    </u> Yes	<u>          X          </u> None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

<u>                    </u> Yes	<u>          X          </u> No
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Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

<u>          X          </u> Yes	<u>                    </u> No
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**STATE AWARDS**

Type of auditors' report issued on compliance for state programs: Qualified

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

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SECTION II - FINANCIAL STATEMENT FINDINGS

**2024-001 SIGNIFICANT DEFICIENCY – INTERNAL CONTROL - CYBERSECURITY POLICY (30000)**

Criteria: Internal Controls are to be an integral part of any organization's financial and business policies and procedures. Internal controls consist of all the measures taken by the organization for the purpose of; (1) protecting its resources against waste, fraud, and inefficiency; (2) ensuring accuracy and reliability in accounting and operating data; (3) securing compliance with the policies of the organization; and (4) evaluating the level of performance in all organizational units of the organization.

Condition: The District has not formalized a cybersecurity policy to include District policies surrounding cybersecurity threats and risk assessment procedures.

Context: We performed internal control inquiries surrounding the cybersecurity risks associated with the District.

Effect: Internal controls policies and procedures are not properly documented.

Cause: Adequate internal control procedures have not been established and documented.

Recommendation: We recommend that the District formalize a comprehensive cybersecurity policy to include risk assessment of response to and mitigation of cybersecurity threats.

Views of Responsible Officials and Planned Corrective Action: Management concurs with findings to address the lack of a cybersecurity policy, we will form a task force to conduct a cybersecurity assessment and identify vulnerabilities within the District. Based on the assessment, we will draft a comprehensive policy that outlines risk assessment procedures and response strategies, then consult stakeholders for feedback before finalizing and obtaining approval. Upon approval, we will communicate the policy to all employees and provide necessary training. Ongoing monitoring and regular audits will ensure compliance and effectiveness.

**2024-002 – DEFICIENCY – INTERNAL CONTROL – ASSOCIATED STUDENT BODY (30000)**

Criteria: Education Code Section 48930 (and California Department of Education's "Accounting Procedures for Student Organizations Handbook") requires student body organizations to follow the regulations set by the Governing Board of the school district.

Condition:

Newark Middle School:

- Sales tally form showing value of goods sold did not agree to the cash that was turned in for deposit.
- Sales tally form not signed, indicating cash was not dual counted at the time cash was turned in for deposit.
- Application for fundraiser form was not signed by Student Council.

Newark Memorial High School:

- Fundraiser approval forms are not signed by the Principal

Context: The deficiencies listed above were identified through our walkthrough of the design effectiveness of internal controls related to Associated Student Body Funds.

Effect: ASB funds could potentially be misappropriated.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

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SECTION II - FINANCIAL STATEMENT FINDINGS

**2024-002 – DEFICIENCY – INTERNAL CONTROL – ASSOCIATED STUDENT BODY (30000)**  
(Continued)

Cause: Adequate internal control procedures have not been implemented and enforced.

Recommendation: Based on the deficiencies identified above, we recommend the following:

- Cash should be maintained in dual custody counted at the time it is turned in for deposits to ensure goods sold agrees to cash deposited. Forms should also be signed to indicate cash was counted with two individuals present.
- Application for fundraiser forms should be signed by all appropriate parties.

Views of Responsible Officials and Planned Corrective Action: Management concurs with findings to address internal control deficiencies, we will implement dual custody procedures for cash handling, ensuring that two individuals sign the sales tally form at the time of deposit. We will establish a standardized fundraiser approval process requiring signatures from both the Student Council and Principal, along with training for ASB members on compliance. Finally, we will conduct regular monitoring and quarterly reviews of ASB financial transactions to ensure adherence to the new procedures.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

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SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

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SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

**2024-003 – DEFICIENCY – ATTENDANCE (10000)**

Criteria: Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Section 401 and 421 (b) and Education Code Section 44809 - Each LEA must develop and maintain accurate and adequate records to support the attendance reported to the State.

Condition: At Newark Middle School, two students were improperly recorded as present, resulting in an overstatement of two days of attendance.

Context: We performed the audit procedures enumerated in the State of California *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the condition described above

Effect: The effect of this finding is an overstatement of 0.01 ADA.

Cause: The errors were the result of clerical errors in accounting for attendance.

Fiscal Impact: The error is below 0.50 ADA, therefore there is no fiscal impact.

Repeat Finding: No.

Recommendation: The District should enforce controls to ensure accurate accounting for attendance.

Views of Responsible Officials and Planned Corrective Action: The District agrees with the auditor's recommendations. The District will continue to provide training for staff at the school sites who are responsible for attendance reporting.

**2024-004 – DEFICIENCY – CLASSROOM TEACHER SALARIES (61000)**

Criteria: The District's expenditures related to classroom teacher salaries during the audit year, are required to meet or exceed 55% of the total current expense of education in the District's General Fund, as required by Education Code section 41372.

Condition: The total current expense of education in the General Fund for the audit year was calculated to be \$64,478,032, and the classroom teacher salaries and related benefits totaled \$35,326,310. The ratio of classroom teacher salaries to the current expense of education was calculated to be 54.56%, which is deficient by 0.44% from the requirement of 55%, or a total deficient dollar value of \$285,108.

Context: We performed the audit procedures enumerated in the State of California *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the condition described above.

Effect: The District was not in compliance with the requirements of Classroom Teacher Salaries as required by Education Code section 41372.

Cause: The District incurred increased costs in the General Fund associated with pandemic-related expenditures. These costs were funded by stimulus funds and caused the ratio to fall below the required minimum of 55%.

Fiscal Impact: Not applicable.

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(Continued)



NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

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SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

**2024-004 – DEFICIENCY – CLASSROOM TEACHER SALARIES (61000) (Continued)**

Repeat Finding: No.

Recommendation: The District's management team should implement necessary internal controls to ensure that classroom teacher salaries meet or exceed the minimum required percentage of current expense of education, in the District's General Fund.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the finding and will continue implementing necessary and additional internal controls to ensure that classroom-related expenses, 54.56% in the audit year, exceed the minimum required percentage of 55%, in future reporting periods.

**2024-005 – DEFICIENCY – SCHOOL ACCOUNTABILITY REPORT CARD (72000)**

Criteria: Education Code Section 33126(b)(8) requires that the school accountability report card shall include, but is not limited to, assessment of the following school conditions: (8) Safety, cleanliness, and adequacy of school facilities, including any needed maintenance to ensure good repair as specified in Section 17014, Section 17032.5, subdivision (a) of Section 17070.75, and subdivision (b) of Section 17089.

Condition: At two school sites selected for testing, attributes as identified on the site's school accountability report card were not consistent with the supporting documentation provided by management.

Context: We performed the audit procedures enumerated in the State of California *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and identified the condition described above.

Effect: The District is not in compliance with Education Code 33126(b)(8).

Cause: The inconsistencies were the result of clerical errors in the preparation of the school accountability report card.

Fiscal Impact: Not applicable.

Repeat Finding: Yes, see finding 2023-001.

Recommendation: Management should update or implement internal control procedures to ensure that all sites' school accountability report cards are completed appropriately and agree to the supporting information for each relevant reporting area as required by Education Code 33126(b)(8).

Views of Responsible Officials and Planned Corrective Actions: Management concurs the findings and is committed to rectifying the discrepancies in the school accountability report cards. By enhancing our internal control procedures, we will ensure accuracy and compliance moving forward. This proactive approach will not only strengthen our accountability but also foster trust within our community.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

**2024-006 – MATERIAL WEAKNESS – UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)**

Criteria: Any student who meets the English-learner criteria will be counted as ELAS-eligible. Except for directly certified and foster students identified through a statewide match, LEAs must submit the appropriate student program (SPRG) records to CALPADS in order for the students to be counted as ELAS-eligible. Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 2574(b)(3)(C), 44238.02(b)(3)(B), and 41020, Education Code.

Condition: The District was unable to provide support for a total of one student identified as an English-Learner in the District's CALPADS reporting for the 2023-2024 school year for the purposes of Unduplicated Local Control Funding Formula Pupil Counts.

Newark Unified School District					
Unduplicated pupil count based on:	Enrollment	FRPM	ELAS	Both	Total
As certified on CALPADS	4,828.00	1,612.00	328.00	701.00	2,641.00
Audit Adjustments		-	(20.50)	-	(20.50)
Adjusted Counts	4,828.00	1,612.00	307.50	701.00	2,620.50

Context: We performed the audit procedures enumerated in the State of California *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and identified the condition described above.

Effect: The District is out of compliance with state requirements for Unduplicated Local Control Funding Formula Pupil Counts.

Cause: The errors were the result of clerical errors in accounting for unduplicated pupil counts in the CALPADS reporting system.

Fiscal Impact: The District's funded Unduplicated Pupil Percentage for the 2023-24 school year was originally reported at 54.70% and the revised School District Unduplicated Pupil Percentage is reported at 54.28%; the fiscal impact is a reduction of LCFF revenues of approximately \$15,657.

Repeat Finding: No.

Recommendation: The District should ensure that all students are properly reflected in the CALPADS reporting under the appropriate status. In addition, the District shall submit a revised "School District Audit Adjustment to CALPADS Data" certification to reflect the additional reduction of 21 students.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the findings and recommendations outlined in the audit report. We have already incorporated early CALPADS data gathering processes to ensure all students are accurately reflected in our reporting. This proactive approach will help prevent similar issues in the future.

(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

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SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

**2024-007 – MATERIAL WEAKNESS – AFTER/BEFORE SCHOOL EDUCATION SAFETY PROGRAM (40000)**

Criteria: Education Code Section 8483.75(a)(4) requires districts receiving After/Before School Education and Safety Program funding should provide an amount of cash or in-kind local funds equal to not less than one-third of the total grant from the school district, governmental agencies, community organizations, or the private sector.

Condition: For the year ended June 30, 2024, the District did not contribute cash or in-kind local funds equal to not less than one-third of the total grant. The amount required for local contribution should have been not less than \$134,366.

Context: We performed the audit procedures enumerated in the State of California *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and identified the condition described above.

Effect: The District did not comply with the After and Before School Safety Program requirements of Education Code Section 8483.75(a)(4) for the year ended June 30, 2024.

Cause: The District's internal controls did not ensure that the required match was met.

Fiscal Impact: Not applicable.

Repeat Finding: No.

Recommendation: Management should implement necessary internal controls to ensure the contribution of cash or in-kind local funds equal to not less than one-third of the total grant is met each year.

Views of Responsible Officials and Planned Corrective Action: Management concurs with the findings outlined in the report. We are actively implementing internal controls to ensure that the contribution of cash or in-kind local funds equal to not less than one-third of the total grant is met each year.

**2024-008 – MATERIAL WEAKNESS – ATTENDANCE (10000)**

Criteria: Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Sections 401 and 421 (b) and Education Code Sections 44809 - Each LEA must develop and maintain accurate and adequate records to support attendance reported to the State.

Condition: The District overreported ADA for grades transitional kindergarten through third on their annual report of attendance for Birch Grove Primary School.

Context: We performed the audit procedures enumerated in the State of California *2023-24 Guide Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The ADA reported on the annual report of attendance is overstated by 150 ADA for grades transitional kindergarten through third.

Cause: The errors were the result of clerical errors in accounting for attendance.

Fiscal Impact: Not determinable.

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(Continued)

NEWARK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

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SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

**2024-008 MATERIAL WEAKNESS – ATTENDANCE (10000) (Continued)**

Repeat Finding: No.

Recommendation: The District should revise and resubmit their Annual Report of Attendance to correct the misstated ADA. Further, the District should obtain and maintain appropriate attendance records to be in compliance with attendance requirements.

Views of Responsible Officials and Planned Corrective Action: Internal staff have discussed and created a system to have a second review once the ADA has been entered into the California Department of Education software Principal Apportionment Data Collection (PADC) to ensure that the ADA entered matches the backup for the appropriate attendance reporting period before it is submitted to the CBO for final approval.

**STATUS OF PRIOR YEAR  
FINDINGS AND RECOMMENDATIONS**

NEWARK UNIFIED SCHOOL DISTRICT  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

---

**2023-001 - SCHOOL ACCOUNTABILITY REPORT CARDS (72000)**

Condition: During our testing of a representative sample of 2021-22 SARC's that were published in the 2022-23 fiscal year, we found that the information reported under the School Facility Conditions and Planned Improvements (Most Recent Year) section did not agree to the FIT forms that were provided for review. This condition was noted for three out of the four school sites selected for testing, as detailed below:

- Birch Grove Intermediate
- Newark Junior High School
- Newark Memorial High School

Additionally, information regarding the availability of sufficient textbooks and other instructional materials included in the SARC did not appear to be prepared using the current year sufficiency of instructional materials resolution and the determinations made pursuant to Education Code section 60119. In our review, it was noted that information on availability of textbooks and other instructional materials was collected in August 2021. This condition was noted for four out of the four school sites selected for testing, as detailed below:

- Birch Grove Intermediate
- Coyote Hills Elementary
- Newark Junior High School
- Newark Memorial High School

Recommendation: We recommend that the District implement procedures to ensure that all information presented on the SARC's is contemporaneous and complete. Review procedures should be implemented to ensure that SARC's are adequately supported by the appropriate documentation.

Current Status: Not implemented. See Current Year Finding 2024-005.

District Explanation if Not Implemented: See Current Year Finding 2024-005.

## APPENDIX C

### ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF NEWARK AND ALAMEDA COUNTY

*The following information concerning the City of Newark (the “City”) and the County of Alameda (the “County”) is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt (or a pledge of the full faith and credit) of the City, the County, the State of California (the “State”) or any of its political subdivisions, other than the District, and neither the City, the County, the State nor any of its political subdivisions, other than the District, is liable therefor.*

#### General

**The City.** The City covers approximately 14 square miles, and, together with the Cities of Fremont and Union City, makes up the "Tri-City Area" in the County. The City is at the edge of Silicon Valley and shares a similar economy. The City Council is composed of five Council Members. Four of the Council Members are elected to staggered four-year terms; the Mayor who also serves as the fifth Council Member is elected to serve a two-year term. There is an election in November of even numbered years for the Mayor's seat and two Council Member seats.

The area around the City has a long history as a trade and transportation hub for hundreds of years. Before European arrival, the City's area was home to the Ohlone Native Americans. The first European settlement in the area was by the Spanish missionaries of Mission San José. In 1878, land belonging to Washington Township of Alameda County was purchased by The Pacific Land Investment Company and subdivided to form the town of Newark. The City was incorporated in 1955.

**The County.** The County shares its borders with Contra Costa County to the north, San Francisco Bay to the west, Santa Clara County to the south and San Joaquin County to the east. Most of the County's population is concentrated in a highly urbanized area northern area between the San Francisco Bay and the East Bay Hills. This area includes the Cities of Fremont, Union City, Hayward, Oakland and Berkeley. The northern part of the County has direct access to San Francisco Bay and the City of San Francisco. It is highly economically diversified with residential areas, as well as traditional heavy industry, the University of California at Berkeley, the Port of Oakland, and sophisticated manufacturing, computer services and biotechnology firms. The middle of the County is also highly developed including older established residential and industrial areas. The southeastern corner of the County has seen strong growth in residential development and manufacturing. Many high-tech firms have moved from neighboring Silicon Valley in Santa Clara County to this area. The southwestern corner of the County has seen the most development in recent years due to land availability. Agriculture and the rural characteristics of this area are disappearing as the region maintains its position as the fastest growing residential, commercial and industrial part of the County.

## Population

The most recent estimate of the County's population at January 1, 2025 was 1,662,482 persons according to the State Department of Finance. The table below shows population estimates for the cities in the County and the State for the last five years, as of January 1.

**ALAMEDA COUNTY**  
**Population Estimates**  
**Calendar Years 2021 through 2025**  
**(As of January 1<sup>st</sup>)**

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Alameda	78,168	77,329	77,912	79,172	79,020
Albany	20,218	20,446	20,451	20,520	20,578
Berkeley	121,142	124,642	126,122	126,676	128,348
Dublin	73,801	73,185	73,222	73,832	74,691
Emeryville	12,727	12,546	12,801	13,509	13,471
Fremont	230,501	229,994	232,533	232,241	232,619
Hayward	162,604	160,803	162,049	161,977	162,359
Livermore	87,904	86,256	86,012	86,094	85,899
<b>Newark</b>	<b>47,545</b>	<b>47,391</b>	<b>48,165</b>	<b>48,382</b>	<b>48,886</b>
Oakland	431,073	420,963	424,172	424,235	426,457
Piedmont	11,158	10,934	10,903	10,836	10,806
Pleasanton	79,759	78,108	77,862	77,526	77,232
San Leandro	90,320	88,354	88,594	88,124	87,813
Union City	69,443	67,918	67,536	66,898	66,657
Unincorporated County	152,732	149,598	149,000	148,039	147,646
<b>County Total</b>	<b>1,669,095</b>	<b>1,648,467</b>	<b>1,657,334</b>	<b>1,658,061</b>	<b>1,662,482</b>
<b>State Total</b>	<b>39,369,530</b>	<b>39,179,680</b>	<b>39,228,444</b>	<b>39,420,663</b>	<b>39,529,101</b>

Source: State Department of Finance, Demographic Research.



## Employment and Industry

The District is included in the Oakland-Hayward-Berkeley Metropolitan Division (“MD”). The unemployment rate in the Oakland-Fremont-Berkeley MD was 4.2% in May 2025, unchanged from a revised 4.2% in April 2025, and above the year-ago estimate of 3.8%. This compares with an unadjusted unemployment rate of 4.9% for California and 4.0% for the nation during the same period. The unemployment rate was 4.1% in the County, and 4.2% in Contra Costa County.

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

### OAKLAND- HAYWARD-BERKELEY MD (Alameda and Contra Costa Counties) Civilian Labor Force, Employment and Unemployment, Unemployment by Industry (Annual Averages)

	2020	2021	2022	2023	2024
Civilian Labor Force <sup>(1)</sup>	1,425,400	1,414,000	1,432,000	1,448,500	1,448,600
Employment	1,303,300	1,329,500	1,384,800	1,392,800	1,383,700
Unemployment	122,000	84,500	47,200	55,700	64,900
Unemployment Rate	8.6%	6.0%	3.3%	3.8%	4.5%
<u>Wage and Salary Employment:</u> <sup>(2)</sup>					
Agriculture	1,500	1,700	1,900	1,800	1,500
Mining and Logging	200	200	300	300	300
Construction	71,100	74,300	75,600	75,700	74,100
Manufacturing	98,700	106,000	112,300	111,200	104,100
Wholesale Trade	42,100	41,100	41,500	41,200	40,700
Retail Trade	101,500	105,300	106,200	105,300	103,400
Transportation, Warehousing, Utilities	44,600	47,100	51,700	52,200	52,000
Information	25,600	24,700	25,000	24,200	22,400
Finance and Insurance	35,900	34,800	33,600	32,200	31,500
Real Estate and Rental and Leasing	16,800	17,200	18,400	18,500	18,400
Professional and Business Services	184,900	190,700	194,700	188,200	186,000
Educational and Health Services	191,300	198,500	205,800	216,900	229,400
Leisure and Hospitality	84,700	92,500	108,300	111,700	110,800
Other Services	33,100	35,600	39,200	41,500	42,700
Federal Government	14,200	13,400	13,100	13,200	13,300
State Government	38,200	35,900	33,100	33,500	32,300
Local Government	113,500	111,800	115,200	117,700	121,400
Total, All Industries <sup>(3)</sup>	1,097,900	1,130,800	1,175,800	1,185,100	1,184,300

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Calculations may not foot due to rounding.

Source: State of California Employment Development Department.

## Major Employers

The following table shows the major employers in the County as of June 2025, in alphabetical order without regard to the number of employees.

### ALAMEDA COUNTY Major Employers (Listed Alphabetically) As of June 2025

Employer Name	Location	Industry
Alameda County Law Enforcement	Oakland	Government Offices-County
Alameda County Sheriff's Dept	San Leandro	Government Offices-County
Alameda County Sheriff's Ofc	Oakland	Government Offices-County
Alta Bates Summit Med Ctr Alta	Berkeley	Hospitals
BART PD	Oakland	Transit Lines
California State Univ East Bay	Hayward	Schools-Universities & Colleges Academic
Cooper Vision Inc	Pleasanton	Optical Goods-Wholesale
Dell EMC	Pleasanton	Computer Storage Devices (mfrs)
East Bay Muni Utility Dist	Oakland	Water & Sewage Companies-Utility
Kaiser Permanente Oakland Med	Oakland	Hospitals
Lawrence Berkeley Lab	Berkeley	Laboratories-Research & Development
Lawrence Livermore Natl Lab	Livermore	University-College Dept/Facility/Office
Peoplesoft Inc	Pleasanton	Computer Software-Manufacturers
Ross Stores Inc	Dublin	Department Stores
San Francisco Bayarea Rapid	Oakland	Transit Lines
Stanford Health Care-Vlllycr	Livermore	Clinics
Tesla Fremont Factory	Fremont	Automobile-Manufacturers
Transportation Dept-California	Oakland	Government Offices-State
UCSF Benioff Children's Hosp	Oakland	Hospitals
University of CA Berkeley	Berkeley	Schools-Universities & Colleges Academic
University of Ca-Berkeley	Berkeley	University-College Dept/Facility/Office
University-Ca-Berkeley Dept	Berkeley	University-College Dept/Facility/Office
Valley Care Health System	Livermore	Health Services

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

## Effective Buying Income

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

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

**CITY OF NEWARK, COUNTY OF ALAMEDA, THE STATE OF CALIFORNIA  
AND THE UNITED STATES  
Median Household Effective Buying Income  
as of January 1, 2021 through 2025**

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
City of Newark	\$99,654	\$115,767	\$121,009	\$130,033	\$140,180
County of Alameda	88,389	99,940	98,721	101,689	106,127
California	67,956	77,058	77,175	80,973	82,725
United States	56,790	64,448	65,326	67,876	69,687

*Source: Claritas, LLC.*

*[Remainder of page intentionally left blank]*

## Commercial Activity

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

Total taxable sales during calendar year 2024 in the City were reported to be \$1,349,489,259 a 1.87% decrease from the total taxable sales of \$1,375,243,252 reported during calendar year 2023.

**CITY OF NEWARK**  
**Annual Taxable Transactions**  
**Number of Permits and Valuation of Taxable Transactions**  
**(Dollars in Thousands)**

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	947	\$701,924	1,541	\$1,046,845
2021	849	930,691	1,409	1,250,068
2022	854	864,181	1,436	1,563,325
2023	838	789,538	1,426	1,375,243
2024	826	923,803	1,404	1,349,489

Source: State Department of Tax and Fee Administration.

Total taxable sales during calendar year 2024 in the County were reported to be \$39,309,883,437, a 5.03% decrease from the total taxable sales of \$41,390,499,994 reported during calendar year 2023.

**ALAMEDA COUNTY**  
**Annual Taxable Transactions**  
**Number of Permits and Valuation of Taxable Transactions**  
**(Dollars in Thousands)**

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	28,831	\$19,931,259	50,461	\$32,176,002
2021	26,964	22,602,772	47,565	37,935,594
2022	27,010	23,910,667	48,059	44,323,669
2023	26,192	23,070,366	46,749	41,390,500
2024	26,239	22,708,260	47,167	39,309,883

Source: State Department of Tax and Fee Administration.

**APPENDIX D**  
**PROPOSED FORMS OF OPINIONS OF BOND COUNSEL**  
**2024 Series A Bonds**

[LETTERHEAD OF JONES HALL]

[Closing Date]

Board of Education  
Newark Unified School District  
5715 Musick Avenue  
Newark, California 94560

**OPINION:**     \$\_\_\_\_\_ Newark Unified School District  
                         General Obligation Bonds Election of 2024, Series A

Members of the Board of Education:

We have acted as bond counsel to the Newark Unified School District (the "District") in connection with the issuance by the District of \$\_\_\_\_\_ principal amount of Newark Unified School District (Alameda County, California) General Obligation Bonds Election of 2024, Series A, dated the date hereof (the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Education of the District (the "Board") on June 25, 2025 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

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

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

1. The District is duly established and validly existing as a school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution.
2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District, enforceable against the District in accordance with its terms.

3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the Board of Supervisors of the County of Alameda is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

## 2025 Refunding Bonds

[LETTERHEAD OF JONES HALL]

[Closing Date]

Board of Education  
Newark Unified School District  
5715 Musick Avenue  
Newark, California 94560

**OPINION:**     \$\_\_\_\_\_ Newark Unified School District  
                         2025 General Obligation Refunding Bonds

Members of the Board of Education:

We have acted as bond counsel to the Newark Unified School District (the "District") in connection with the issuance by the District of \$\_\_\_\_\_ principal amount of Newark Unified School District 2025 General Obligation Refunding Bonds, dated the date hereof (the "Bonds"), under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53550 and 58580 of such Code (the "Act"), and a resolution of the Board of Education of the District (the "Board") adopted on June 25, 2025 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and 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 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 County of Alameda 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

\$ \_\_\_\_\_  
NEWARK UNIFIED SCHOOL DISTRICT  
(Alameda County, California)  
General Obligation Bonds  
Election of 2024, Series A

\$ \_\_\_\_\_  
NEWARK UNIFIED SCHOOL DISTRICT  
(Alameda County, California)  
2025 General Obligation Refunding Bonds

### CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the Newark Unified School District (the “**District**”) in connection with the execution and delivery of the above-captioned bonds (the “**Bonds**”). The Bonds are being executed and delivered pursuant to resolutions adopted by the Board of Education of the District on June 25, 2025 (the “**Resolutions**”). U.S. Bank Trust Company, National Association, is initially acting as paying agent for the Bonds (the “**Paying Agent**”).

The District hereby covenants and agrees as follows:

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

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

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

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

“*Dissemination Agent*” means, initially, Fieldman, Rolapp & Associates, Inc. dba Applied Best Practices, or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

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

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

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

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

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

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

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

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

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

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

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

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information with respect to the most recently completed fiscal year or, if available at the time of filing, the then-current fiscal year:

- (i) A summary of the District's approved annual budget for the then-current fiscal year,
- (ii) Assessed value of taxable property in the District as shown on the most recent equalized assessment roll,
- (iii) Property tax levies, collections and delinquencies for the District for the most recently completed fiscal year but only if available from the County at the time of the filing of the Annual Report, and
- (iv) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the District shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

#### **Section 5. 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 Fieldman, Rolapp & Associates, Inc dba Applied Best Practices. Any Dissemination Agent may resign by providing 30 days’ written notice to the District and the Paying Agent.

**Section 9. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolutions for amendments to the Resolutions with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

**Section 10. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 11. Default.** If the District fails to comply with any provision of this Disclosure Certificate, the Participating 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 Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

**Section 12. Duties, Immunities and Liabilities of Dissemination Agent.**

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

**Section 13. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: \_\_\_\_\_, 2025

**NEWARK UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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## APPENDIX F

### DTC AND THE BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

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## **APPENDIX G**

### **ALAMEDA COUNTY INVESTMENT POLICY AND INVESTMENT REPORT**

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# **County of Alameda**

## **Investment Policy**

**Year 2025**

**Henry C. Levy**  
**Treasurer-Tax Collector**

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## **Introduction and Overview of the County of Alameda**

The County of Alameda is a political subdivision of the State of California in the San Francisco Bay Area formed in 1853. The County covers an area of approximately 821 square miles in the Bay Area of the State, and it is the 20<sup>th</sup> largest County (by population) in the United States. The City of Oakland, the County seat, is one of the most populous cities in the State.

## **Governing Authority**

The County of Alameda is governed by a five-member Board of Supervisors, each of whom is elected on a non-partisan basis from a separate district where he/she lives. Within the broad limits established by the State Constitution, State General Law, and the Alameda County Charter, the Board exercises both the legislative and the executive functions of government. The Board of Supervisors is also the governing body for a number of "special districts" within Alameda County.

## **Delegation of Authority and Investment Responsibility**

The Alameda County Board of Supervisors, by Ordinance # O-2025-1 has renewed the annual delegation of its investment authority and responsibility to invest and/or to reinvest the funds in the Alameda County treasury to the Alameda County Treasurer. Accordingly, to provide a framework for the oversight of the Treasurer's investment responsibilities and activities, the Government Code of the State of California through Section 27133 requires the Treasurer to prepare an annual investment policy that provides the specific guidelines, pursuant to which, the Treasurer should carry-out investment-related functions.

## **Policy Statement**

The purpose of this Investment Policy is to establish investment guidelines for the Treasurer, to whom the Board of Supervisors annually delegates the responsibility for the stewardship of the County's Investment Program. Each transaction and the entire portfolio must comply with applicable California Government Code, County Ordinances, and this Policy. All investment program activities will be judged by the standards of the Policy and ranking of Primary Investment Objectives. Those activities that violate its spirit and intent will be deemed to be contrary to the Policy. This Policy shall remain in effect until the Board of Supervisors approves a subsequent revision.

## **Scope**

This Investment Policy applies to all funds over which the Treasurer has been delegated the fiduciary responsibility and direct control for its management.



## **Primary Investment Objectives**

The Treasurer shall invest monies in the treasury in accordance with the following basic principles of investing, in the order of priority:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This objective shall be achieved by matching investment maturities with forecasted cash outflows and maintaining an additional liquidity buffer for unexpected expenditures.
3. **Investment Income:** The investment portfolio shall be designed with the objective of attaining a market rate of investment income throughout budgetary and economic cycles, considering the investment risk constraints of safety, while bearing in mind the cash-flow characteristics and operating cash needs of County departments, the County's various subdivisions, school districts and special districts.

## **Primary Investment Philosophy**

Securities shall generally be held until maturity, with the following exceptions:

1. A security with declining credit may be sold early to minimize loss of principal.
2. Liquidity needs of the portfolio require that the security be sold.
3. A security swap would improve the quality, yield, or target duration in the portfolio.

## **Standard of Prudence**

The standard of prudence to be used by the Treasurer shall be the Prudent Investor Standard as set forth by California Government Code, Section 53600.3 and 27000.3. The Section reads as follows: The Prudent Investor Standard states that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Treasurer, 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 Treasurer.

This standard of prudence shall be applied in the context of managing those investments that fall under the Treasurer's direct control. Investment officers acting in accordance with written



procedures and this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### **Allowable Investments**

Section 53600 et seq. of the Government Code of the State of California prescribes the statutory requirements relating to investments by local treasurers, including types of allowable investments, proportional limits by investment type relative to the size of the investment pool, maximum maturity of investments, and credit rating criteria. The term to maturity of investments in the pool shall not exceed a final maturity of 5 years from date of purchase, except when specifically authorized by a resolution of the Alameda County Board of Supervisors. Final maturity limits, investment type limits, and issuer ratings and limits are calculated/considered at time of purchase.

The investments shall conform to the legal provisions set forth in the Government Code, except that, the County further prescribes the following requirements:

(Please refer to **Attachment I - SUMMARY OF ALLOWABLE INVESTMENTS**)

#### **U.S. Treasury Obligations or backed by the full faith and credit of the United States**

Maximum Term:	5 years with 25% of total holdings allowable to 10 years
Maximum Type Allocation:	Not applicable
Maximum Issuer Concentration:	Not applicable
Minimum Issuer Rating:	Not applicable

#### **U.S. Federal Agencies**

Maximum Term:	5 years with 25% of total holdings allowable to 10 years
Maximum Type Allocation:	Not applicable
Maximum Issuer Concentration:	Not applicable
Minimum Issuer Rating:	Not applicable

#### **Money Market Mutual Funds**

Maximum Term:	1 day
Maximum Type Allocation:	20%
Minimum Fund Rating:	AAA equivalent or better by two or more Nationally Recognized Statistical Ratings Organizations (NRSRO)
Other:	Maintain a consistent net asset value (NAV) of \$1.00

#### **Commercial Paper**

Maximum Term:	270 days
Maximum Type Allocation:	25%
Maximum Issuer Concentration:	10% in aggregate with corporate notes/bonds and CDs
Minimum Issuer Rating:	A-1, P-1, F-1 equivalent or better by a NRSRO



Other: Issuer must meet the following criteria: Is organized and operating in the United States as a general corporation, has total assets in excess of \$500 million, has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO, or; is organized within the United States as a special purpose corporation, trust, or limited liability company, and has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

### **Negotiable Certificates of Deposit**

Maximum Term: 1 year  
 Maximum Type Allocation 30%  
 Maximum Issuer Concentration: 10% in aggregate with corporate notes/bonds and CP  
 Minimum Issuer Rating: A-1, P-1, F-1 equivalent or better by a NRSRO  
 Other: Issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank

### **Medium-Term Corporate Notes**

Maximum Term: 5 years  
 Maximum Type Allocation 30%  
 Maximum Issuer Concentration: 10% in aggregate with CDs and CP  
 Minimum Issuer Rating: A category, equivalent or better  
 Other: Issued by corporations organized and operating within the United States, depository institutions licensed by the United States, or any state and operating within the United States

### **Asset-Backed Securities**

Maximum Term: 5 years  
 Maximum Type Allocation 20%  
 Maximum Issuer Concentration: 5%  
 Minimum Issuer Rating: AAA equivalent by a NRSRO  
 Other: Equipment lease-backed certificates, consumer receivable pass-through certificates or consumer receivable-backed bonds are eligible for purchase.

### **State and Local Government Obligations**

Maximum Term: 5 years  
 Maximum Type Allocation 20%  
 Maximum Issuer Concentration: 5%  
 Minimum Issuer Rating: A equivalent or better by one NRSRO



Other: Issued by State and local governments in the United States.

### **Repurchase Agreements**

Maximum Term: 180 days  
 Maximum Type Allocation: 20%  
 Maximum Issuer Concentration: Not applicable  
 Minimum Issuer Rating: Not applicable  
 Collateral: 102%, by Treasury or Agency securities with a final maturity of 5 years or less, marked-to-market daily.

Other: Counter-party requirements: A financial institution that will deliver the securities versus payment, either to the Treasurer's custodian bank or to a third-party custodian.

### **Reverse Repurchase Agreements**

Maximum Term: 180 days  
 Maximum Type Allocation: 20%  
 Maximum Issuer Concentration: Not applicable  
 Minimum Issuer Rating: Not applicable

Other: Borrowing for leveraging purposes shall conform in all aspects to the governing provisions of the Government Code Section 53601, et. seq. Reverse repurchase agreements which have been entered for purposes of either raising temporary cash needs or for the purpose of leveraging to attain favorable investment spreads, must be approved by the Board of Supervisors, pursuant to Government Code guidelines.

### **Banker's Acceptances**

Maximum Term: 180 days  
 Maximum Type Allocation: 30%  
 Maximum Issuer Concentration: 10%  
 Minimum Issuer Rating: A-1, P-1, F-1 equivalent or better by a NRSRO  
 Other: Drawn on and accepted by a commercial bank

### **Supranationals**

Maximum Term: 5 years  
 Maximum Type Allocation: 30%  
 Maximum Issuer Concentration: 15%  
 Minimum Issuer Rating: AA equivalent or better by a NRSRO  
 Other: Purchase of U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank of Reconstruction and Development (IBRD), International Finance Corporation (IFC),



or Inter-American Development Bank (IADB) that are eligible for purchase or sale in the United States.

#### **Local Agency Investment Fund (LAIF)**

Maximum Term:	1 day
Maximum Type Allocation	Current State limit
Minimum Issuer Rating:	Not applicable

#### **CalTRUST (Joint Powers Authority Investment Trust for California Public Agencies)**

Maximum Term:	1 day
Maximum Type Allocation	Twice the limit of LAIF
Minimum Issuer Rating:	Not applicable

#### **CAMP (Joint Powers Authority created to provide a statewide local government investment pool)**

Maximum Term:	1 day
Maximum Type Allocation	Twice the limit of LAIF
Minimum Issuer Rating:	Not applicable

#### **Collateralized/FDIC Insured Time Deposits**

Maximum Term:	5 years
Maximum Type Allocation	30%
Maximum Issuer Concentration:	FDIC limit
Minimum Issuer Rating:	Not applicable
Other:	The Treasurer may place interest-bearing time deposits with banks and or credit unions located within the State of California, collateralized in accordance with requirements of the Government Code. Further, pursuant to the requirement of Government Code Section 53635.2, to be eligible as a depository of local agency monies, the depository institution must have a CRA (Community Reinvestment Act) rating of "Satisfactory" or better in its most recent evaluation by FFIEC. The bank may use a private sector entity to help place deposits with banks or credit union located in the United States.

#### **Collateralized Money Market Bank Accounts**

Maximum Term:	1 day
Maximum Type Allocation	30%
Maximum Issuer Concentration:	20%
Minimum Issuer Rating:	Not applicable
Other:	The Treasurer may deposit funds in interest-bearing collateralized money market bank accounts in banks or credit unions that qualify under the eligibility requirements



required for collateralized/FDIC insured time deposits. Deposits in money market bank accounts are made to provide better short-term yield and over-night liquidity.

### **Other Investments**

Any other legally permitted investments by specific authorizing resolutions of the Alameda County Board of Supervisors shall be eligible investments.

### **Credit Rating Information**

Credit rating requirements for eligible securities referred-to in this policy shall mean the numeric, alpha, and/or alpha-numeric designations assigned by the following National Recognized Statistical Rating Organizations (NRSRO) rating agencies:

- Moody's Investor Service
- Standard & Poor's Rating Services
- Fitch IBCA, Inc.
- Thompson Bank Watch

A list of possible ratings for Standard and Poor's, Moody's and Fitch are in **Attachment II - RATINGS INTERPRETATION**

### **Socially Responsible Investment Objectives**

In addition to and subordinate to the objectives set forth in the County's Primary Investment Objectives, the Treasurer seeks to implement a policy of responsible investment, which is a strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions. Investments will be made with responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to other investment opportunities available at the same time.

The Treasurer will actively incorporate ESG factors in its investment analysis and decision-making process and will work to enhance its effectiveness in implementing the principles of responsible investing.

Within the guidance for responsible investing, the Treasurer will consider additional socially responsible and impact investing criteria. Such criteria shall be consistent with values promulgated by the County of Alameda.

### **Securities Lending**

Pursuant to Section 53601 (j) (3) of the Government Code, the Treasurer may engage in securities lending through a third-party custodian and lending administrator. Revenues derived from securities lending will be considered incremental investment income to be shared among participating funds in the investment pool.



## **Prohibited Investments and Transactions**

The following are prohibited investments and transactions:

- Range notes
- Inverse floating rate securities
- Step-down securities
- Short selling
- Any security that could result in zero interest accrual if held to maturity

## **Diversification Parameters**

The investment program shall follow the following diversification parameters:

- Issuer: No more 10% in aggregate corporate exposure (CD, CP, Corporate Notes)
- Floating Rate, Structured Notes, and Other Derivative Securities: No more than 15%

## **Maturity Parameters**

The investment program shall follow the following maturity parameters:

- Weighted Average Maturity no greater than 3 years (using stated final maturity)
- At least 10% of the County Investment Pool maturing within 90 days

## **Investment Procedures**

The Treasurer has written procedures for the operation of the investment program. The procedures include such items as delegation of duties/authority, reconciliation, trade settlement, investment strategy/selection, compliance monitoring, reporting, and internal controls.

## **Performance Information**

The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the County. The County's investment strategy is conservative and is reflected in its general "hold to maturity" philosophy. Given this strategy, the Treasurer shall develop an appropriate custom benchmark for investment considerations which shall reflect the prominent and persistent characteristics of the portfolio over time. The benchmark will be adjusted periodically when material changes take place regarding asset allocation and/or duration.

## **Directed Investments and Withdrawal Policy**

### **School Districts and Community College Districts**





Pursuant to Education Code section 15146(g), at no time shall bond proceeds be withdrawn by the school districts or community college districts for investment outside the county treasury.

### **Special Districts**

Self-directed investments made by any special district, including deposits by same districts into the State's Local Agency Investment Fund (LAIF) are considered withdrawal of funds from the County treasury. Each special district withdrawing funds for the purpose of investing outside of the Treasurer's investment pool may only do so once each month, upon a 3-day written notice to the Treasurer in an amount not exceeding \$20,000,000. Such withdrawal is hereafter referred to as a "Permissible Withdrawal". Permissible withdrawals are further subject to the following requirements:

- Each special district wishing to invest bond proceeds and/or bond funds outside of the Treasurer's investment pool, must notify the Treasurer no later than on the day of the bond closing, so that the Treasurer could place such bond proceeds in short-term investment/s whose maturity would coincide with the settlement/purchase date of the directed investment.
- Securities representing district- directed investments shall be held solely for the purpose of safekeeping by the County Treasurer at the County's custodial bank.
- Directed investments shall be the direct responsibility of each respective district with respect to their accounting and accountability.

### **Other Provisions**

Further, the Treasurer sets forth the following:

1. The Treasurer shall maintain sufficient funds in the County Treasury, to meet the estimated normal daily operating cash demands of the County and investment pool participants by investing funds to maturities that anticipate major cash needs. Investments shall, whenever possible, be made in securities that have active secondary or resale markets to provide maximum portfolio liquidity.
2. The Treasurer's investment pool practices a "buy and hold" strategy, thus, funds are invested in securities that mature on dates coincident with the anticipated operating cash requirements of all participating entities. Consequently, withdrawal of funds for purposes other than to pay operating expenditures is unanticipated and could risk the pool's liquidity and stability. Nevertheless, subject to the **Directed Investments and Withdrawal Policy**, the Treasurer may liquidate securities to meet unanticipated cash withdrawals or disbursements made by the County or any pool participant, whether the purpose of such withdrawal or disbursement is to make payment for a legitimate obligation or to pull out funds to reinvest outside the Treasurer's pool. Except for permissible withdrawals as described in the previous section, in the event the Treasurer is obligated to liquidate investments in an adverse market due to a withdrawal for the purpose of investing funds outside of the Treasurer's investment pool, the resulting loss, if any, shall be borne by the



withdrawing district alone. Losses due to the sale of securities to meet unanticipated cash needs other than for investing funds outside the Treasurer's pool shall be considered as a normal cost of providing unanticipated liquidity needs.

3. The Treasurer shall hold all securities including collateral on repurchase agreements, in safekeeping with the County's custodial bank or with a national bank located in a Federal Reserve City which has provided the County with a safekeeping agreement.
4. Pursuant to Government Code Section 53684(a) and unless otherwise provided by law, if the treasurer of any local agency, or other official responsible for the funds of the local agency, determines that the local agency has excess funds which are not required for immediate use, the treasurer or other official may, upon the adoption of a resolution by the legislative or governing body of the local agency authorizing the investment of funds pursuant to this section and with the consent of the County Treasurer, deposit the excess funds in the county treasury for the purpose of investment by the county treasurer pursuant to Section 53601 or 53635, or Section 20822 of the Revenue and Taxation Code after signing an Investment Management Agreement.

### **Investment Reporting and Review**

The Treasurer shall submit a report on the monthly transactions and the status of the investment pool to the Alameda County Board of Supervisors, the Treasurer's Oversight Committee and the participating districts. The investment report must include the book and market value of securities held, income received, book yield, duration, liquidity profile, and investment policy compliance.

### **Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the Treasurer's investment pool.

Further, any securities broker or dealer who has made a political contribution to the Treasurer, any member of the Board of Supervisors, or any candidate for those offices, in an amount that exceeds the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board within any consecutive 48-month period following January 1, 1996, shall be disqualified from transacting securities trades (purchase, sale and/or exchange) with the Treasurer.



## **Internal Controls**

The Treasurer shall employ internal controls designed to prevent losses of public funds arising from fraud, employee error, misrepresentations by third parties, or imprudent actions by employees and officers of County.

## **Internal and External Audit**

The custodian/safekeeping account, investment transactions, and records shall be audited at least quarterly by internal auditors independent of the Treasurer and/or by outside independent auditors and the audit results reported to the members of the Treasury Oversight Committee, Board of Supervisors, or the Auditor-Controller. Pursuant to the Treasury Oversight Committee mandate, the investment pool shall be audited annually by an independent auditor and the results reported to the members of the Treasury Oversight Committee, the Board of Supervisors, the Grand Jury, the Auditor-Controller, and all participating entities in the investment pool as governed by state law.

## **Safekeeping and Custody**

The following process shall be maintained for safekeeping and custody of securities:

1. All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the Alameda County's safekeeping institution prior to the release of funds.
2. All marketable securities except for money market funds registered in the County's name shall be deposited for safekeeping with banks contracted to provide the Treasurer with custodial security clearance services. Securities are **NOT** to be held in investment firm/broker-dealer account.

## **Authorized Financial Institutions, Depositories, and Broker/Dealers**

The Treasurer shall maintain a list of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of broker/dealers that are approved to conduct investment security transactions with the Treasurer. These may include primary dealers, regional broker/dealers, minority-owned broker/dealers and direct issuers of securities.

All financial institutions and depositories, including broker-dealers, must provide certification of having read and understood and agreeing to comply with the Treasurer's investment policy on an annual basis.

All broker/dealers who desire to become qualified for investment transactions must supply the following (as appropriate):

1. Audited financial statements
2. Proof of FINRA registration



3. Proof of state registration
4. Completed broker/dealer questionnaire
5. Certification of having read and understood and agreeing to comply with the Treasurer's investment policy

### **Allocation of Investment Income and Costs**

The Treasurer shall account for investment income to be apportioned based on average daily cash balances of participating funds during the quarterly allocation period. Government Code Section 27013 permits the Treasurer to charge the cost of the treasury operations and administration to the investment income prior to distribution. The cost of operating the County treasury which includes tax and revenue receipt processing, county-wide central cashing and banking, investment services, management, operations, safekeeping and accounting, daily redemption of county warrants/checks and other direct and indirect treasury operations costs, shall be netted on a quarterly basis against the un-apportioned income prior to its allocation to the pool participants. The treasury operations costs are determined each fiscal year as part of the budgeting process, during which the departmental budget is allocated among the various functioning units of the Treasurer-Tax Collector's department.

### **Treasury Oversight Committee**

The Treasury Oversight Committee shall meet at least once annually, preferably in May. The responsibilities of the Treasury Oversight Committee are:

1. To ensure that an annual audit of the investment portfolio is performed;
2. To review and monitor the Treasurer's Annual Investment Policy before it is submitted to the Board of Supervisors for authorization; and
3. To ensure that the Treasurer's investments conform to the requirements of the annual investment policy.

### **Limit on Receipt of Honoraria, Gifts and Gratuities**

No individual responsible for the management of the County's investment portfolio or any member of the Treasury Oversight Committee shall accept honoraria, gifts or gratuities from any advisor, broker, dealer, banker or other person with whom the county treasury conducts business, consistent with the state law.

### **Business Continuity**

The Treasurer has developed a Business Continuity Plan describing the Treasurer's anticipated response to a range of events that could significantly disrupt its business. Because the timing and impact of disasters, emergencies and other events is unpredictable, flexibility is necessary when responding to actual disruptions as they occur. With that in mind, the goal of the Plan is to resume operations as quickly and smoothly as possible.



The Plan for responding to a significant business disruption addresses safeguarding of employees' lives and County property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all the Treasurer's books and records, and allowing the continued ability to manage the investment program and transact business.

### **Investment Policy Adoption**

The Treasurer shall submit the County's Investment Policy to the Board of Supervisors for annual adoption by resolution. The policy shall be reviewed annually by the Treasury Oversight Committee and any modifications made thereto must be authorized by the Board of Supervisors.

### **Conclusion**

Any provision in this, the investment policy of Alameda County, which may later be disallowed by the governing sections of the Government Code of the State of California, shall also be so disallowed. Conversely, any new permissive provisions under the governing sections of the Government Code shall be allowed without necessarily amending the investment policy during the year that the law takes effect. However, such new provision shall be adopted by policy in the next annual investment policy. This investment policy shall be in effect until revised or replaced by the investment policy of the following year.



## **SUMMARY OF ALLOWABLE INVESTMENTS**

<b>AUTHORIZED INVESTMENTS</b>	<b>MAXIMUM % HOLDINGS</b>	<b>PURCHASE RESTRICTIONS</b>	<b>MAXIMUM MATURITY</b>	<b>CREDIT QUALITY</b>
US Treasury Obligations	100%	N/A	5 years with 25% allowed to 10 years	N/A
Federal Agencies	100%	Max issuer 100%	5 years with 25% allowed to 10 years	N/A
Money-Market Mutual Funds	20%	Max 10% issuer, must maintain constant NAV	Daily Liquidity	AAA rated from at least 2 NRSROs
Commercial Paper	25%	Max issuer 10%, combined with corporates and CP	270 days	A-1 equivalent or better by 2 NRSROs
Negotiable CDs	30%	Max issuer 10%, combined with corporates and CP	1 year	A-1 equivalent or better by 2 NRSROs
Medium Term Corporate Notes	30%	Max issuer 10%, combined with corporates and CP	5 years	A equivalent or better by 2 NRSROs
Asset-Backed Securities	20%	Max issuer 5%, equipment leased-backed certificate, consumer receivable pass-throughs, consumer receivables-backed bonds	5 years	AA equivalent or better by 1 NRSRO
State and Local Government Bonds	20%	Max issuer 5%	5 years	A equivalent or better by 1 NRSROs
Repurchase Agreements (REPO)	20%	Collateral to be US Government or Federal Agency with max maturity of 5 years. 102% of funds borrowed and marked-to-market daily	180 days	N/A
Reverse Repurchase Agreements (Reverse REPO)	20%	Prior approval of the Board of Supervisors	180 days	N/A
Banker's Acceptances	30%	Drawn on and accepted by a commercial bank	180 days	A-1 equivalent or better by 2 NRSROs
Supranational	30%	Max 15% issuer, Senior unsecured unsubordinated or guaranteed by IBRD, IFC, or IADB	5 years	AA equivalent or better by 2 NRSROs
LAIF	State Limit	Per LAIF	Daily Liquidity	N/A
CalTRUST	2X LAIF	Per CalTRUST	Daily Liquidity	N/A
CAMP	2X LAIF	Per CAMP	Daily Liquidity	N/A
Collateralized/FDIC Insured Time Deposits	30%	Refer to page 8	5 years	N/A
Collateralized Money Market Bank Accounts	30%	Refer to page 8	Daily Liquidity	N/A



## Attachment II

**RATINGS INTERPRETATION**

LONG TERM DEBT RATINGS			
MOODY'S	S&P	FITCH	RATINGS INTERPRETATION FOR CREDIT
Aaa	AAA	AAA	STRONGEST QUALITY
Aa1	AA+	AA+	STRONG QUALITY
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	GOOD QUALITY
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	MEDIUM QUALITY
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	SPECULATIVE
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	LOW
B2	B	B	
B3	B-	B-	
Caa	CCC+	CCC	POOR
-	CCC	-	HIGHLY SPECULATIVE TO DEFAULT
-	CCC-	-	
Ca	CC	CCC	
C	-	-	
-	-	DDD	
-	-	DD	
-	D	D	

SHORT TERM DEBT RATINGS			
MOODY'S	S&P	FITCH	RATINGS INTERPRETATION FOR CREDIT
P-1	A-1+	F1+	STRONGEST QUALITY
	A-1	F1	STRONG QUALITY
P-2	A-2	F2	GOOD QUALITY
P-3	A-3	F3	MEDIUM QUALITY





## TREASURER - TAX COLLECTOR

HENRY C. LEVY  
TREASURER - TAX COLLECTOR

April 22, 2025

The Honorable Board of Supervisors  
County of Alameda  
1221 Oak Street, 5<sup>th</sup> Floor  
Oakland, CA 94612

**SUBJECT: INVESTMENT REPORT – MARCH 2025**

Dear Board Members:

**RECOMMENDATIONS:**

Accept the Treasurer-Tax Collector's March 2025 Investment Report.

**DISCUSSION/SUMMARY:**

In accordance with the Treasurer's investment policy, submitted herewith is a report of the cash pool investments for the month of March 2025. Enclosed with this report is a detailed composition of all outstanding investments by securities category as of March 31, 2025. This report reflects the market value and cost of purchase. All investments in the Treasurer's investment portfolio conform to the statutory requirements of Government Code Section 53601 et. seq., authorities delegated by the County Board of Supervisors and the Treasurer's investment policy.

**As of March 31, 2025**

Treasurer's Investment Pool – Book Value	\$ 10,609,071,976
Treasurer's Investment Pool – Market Value	10,645,984,179
Total Cash in Bank	56,030,466
Total interest received during the month	22,918,111
Average Maturity of the portfolio	858 days
Annualized cash basis rate of return for the month	2.52%

**Liquidity Summary of the Portfolio as of March 31, 2025**

Maturity	Amount	Percentage Held
1 to 90 days	\$ 1,868,850,681	17.62%
91 to 365 days	1,381,956,212	13.03%
2 years	1,518,263,112	14.31%
3 years	1,057,975,800	9.97%
4 years	2,803,673,876	26.43%
5+ years	1,978,352,295	18.65%
<b>Total</b>	<b>\$10,609,071,976</b>	<b>100.00%</b>



## Conclusion

Based on investment activity during the month of March 2025, the Treasurer expects to meet all operating cash needs for the pool participants within the next six months from the portfolio's most liquid assets and current revenues. For your review, a copy of the Investment Status Report and transaction details for the month of March 2025 is attached and on file with the Office of the Clerk of the Board of Supervisors.

## Vision 2026 Goal:

The Investment Report meets the 10x goal of Accessible Infrastructure in support of our shared vision of Prosperous and Vibrant Economy.

Very truly yours,

A handwritten signature in black ink, appearing to read "H. C. Levy". The signature is fluid and cursive, with the first name "Henry" and the last name "Levy" clearly distinguishable.

Henry C. Levy  
Treasurer – Tax Collector

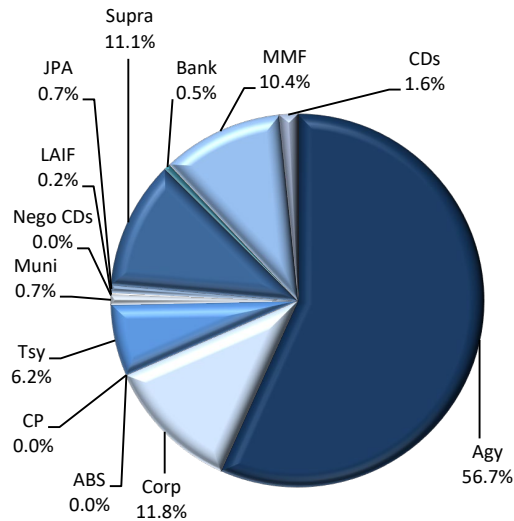
CC: Susan Muranishi, County Administrator  
Melissa Wilk, Auditor-Controller  
School District and Special District Participants  
Members of the Treasury Oversight Committee

# Portfolio Summary

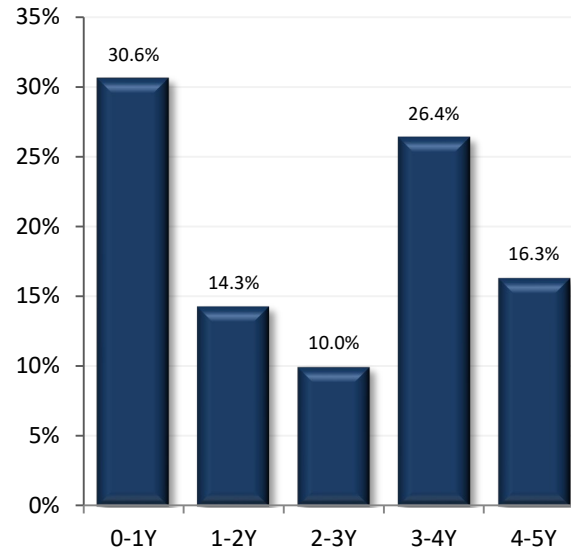
County of Alameda

3/31/2025

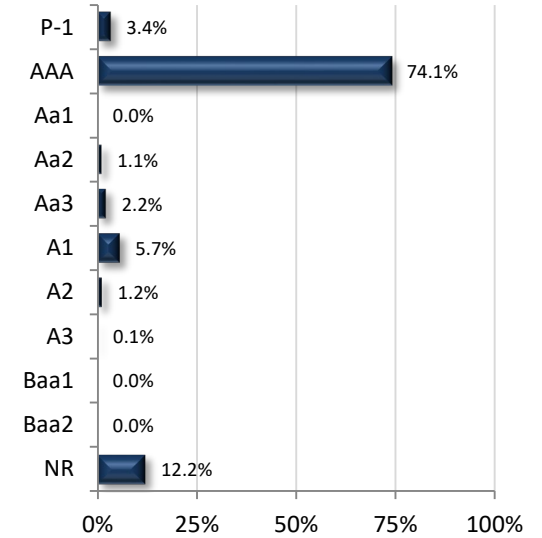
## SECTOR ALLOCATION



## MATURITY DISTRIBUTION



## CREDIT QUALITY (MOODY'S)



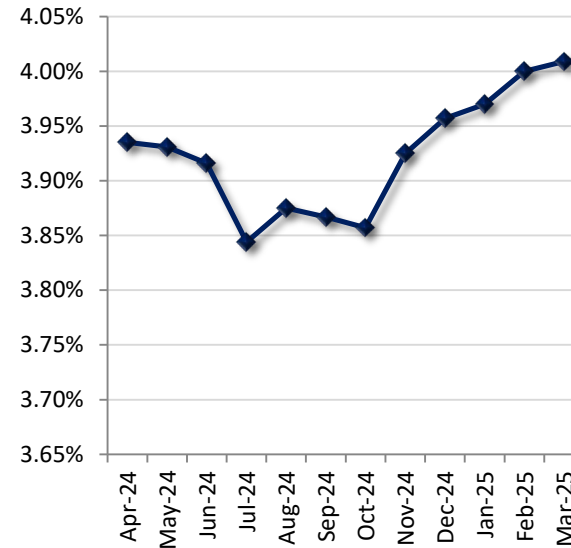
Per Book Value

## ACCOUNT SUMMARY

	3/31/25	2/28/25
Market Value	\$10,645,984,179	\$10,883,748,672
Book Value*	\$10,609,071,976	\$10,864,964,205
Unrealized G/L	\$36,912,203	\$18,784,467
Par Value	\$10,741,110,000	\$10,996,610,000
Net Asset Value	\$100.348	\$100.173
Book Yield	4.01%	4.00%
Years to Maturity	2.35	2.34
Effective Duration	1.84	1.90

\*Book Value is not Amortized

## PORTFOLIO BOOK YIELD HISTORY



NR: Not Rated

## TOP ISSUERS

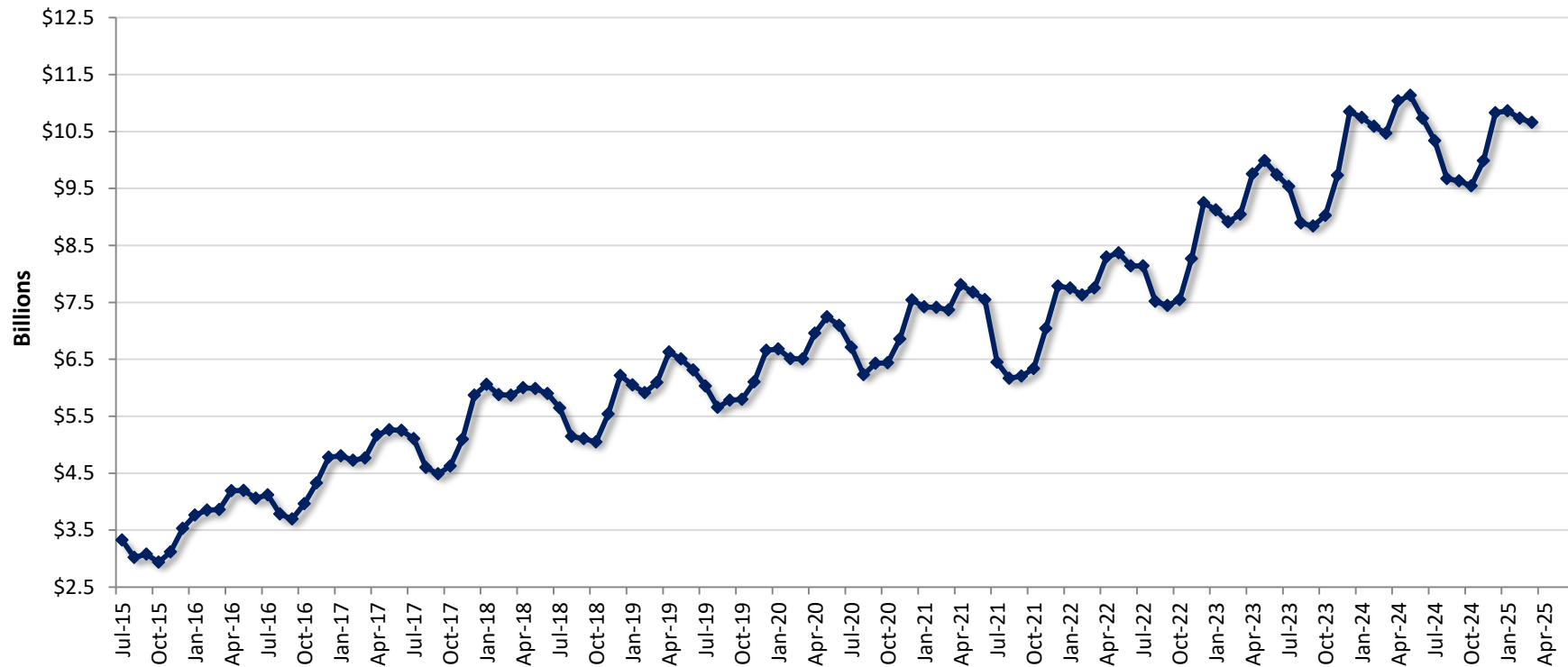
Issuer	% Portfolio
Federal Home Loan Bank	32.7%
Farmer Mac	9.8%
U.S. Treasury	6.2%
Federal National Mtg Assn	6.1%
International Bank Recon & D	6.0%
State Street Institutional US	4.6%
Federal Farm Credit Bank	4.3%
Federated Fund 117	4.0%
Federal Home Loan Mtg Corp	3.8%
IFCDN	3.4%
Western Asset Govt 4512	2.1%
InterAmerican Development Bank	1.7%
Amazon	1.2%
Apple Inc.	1.1%
J.P. Morgan	1.1%

Per Book Value

Item / Sector	Parameters	In Compliance	
Weighted Average Maturity	Maximum WAM of 3.0 years	Yes	2.35 yrs
U.S. Treasury and Federal Agency Obligations	No sector limit; no issuer limit; max maturity 5 years	Yes	63.0%
Debt Issued by State of CA and Local Agencies within the State	20% limit; 5% issuer limit; Minimum rating of A by at least one NRSRO; max maturity 5 years	Yes	0.7%
LAIF	Maximum amount permitted by LAIF (currently \$75 million limit)	Yes	\$22 Mil
Joint Powers Authority (CAMP)	Max Limit: Twice the limit of LAIF deposits (currently \$150 million limit)	Yes	\$25 Mil
Joint Powers Authority (CalTrust)	Max Limit: Twice the limit of LAIF deposits (currently \$150 million limit)	Yes	\$50 Mil
Money Market Mutual Funds	20% limit; 10% per fund limit; SEC registered with stable NAV; Rated AA+ or equivalent by at least two of the three rating agencies or meet advisor requirements	Yes	10.4%
Commercial Paper (Includes Asset Backed)	25% sector limit; 10% combined issuer limit; Max maturity of 270 days; Rated A-1, P-1, or F-1; Total assets over \$500mm; Asset Backed CP Must have program-wide credit enhancements	Yes	0.0%
Negotiable CDs	30% limit; 10% combined issuer limit; Minimum rating of A by rating agency if issued by domestic bank; Minimum rating of AA if a U.S. branch of a foreign bank; Max maturity of 1 year	Yes	0.0%
Collateralized/FDIC - Insured Time Deposits	Time deposits with banks and savings and loans associations located with the State, collateralized according to Government code	Yes	1.6%
Collateralized Money Market Bank Accounts	Deposit funds in interest-bearing active collateralized money market bank accounts	Yes	0.5%
Medium-Term Notes	30% limit; 10% combined issuer limit, Max maturity 5 years; Minimum rating of A or better by two NRSRO's	Yes	11.8%
Asset-Backed Securities	20% limit; 5% issuer limit; Max maturity of 5 years; Minimum rating of AA or better by rating agency	Yes	0.0%
Repurchase Agreement	20% limit; Max maturity of 180 days; Must have 102% collateral; Collateral of agency and treasuries with final maturity not to exceed 5 years	Yes	0.0%
Supranationals	30% limit; 15% issuer limit; Only IBRD, IFC, IADB; Max Maturity 5 years; Minimum rating of AA by a rating agency; max maturity of 5 years	Yes	11.1%
Floaters, Structured Notes, Derivatives	15% limit for treasuries, agencies, and munis	Yes	0.0%

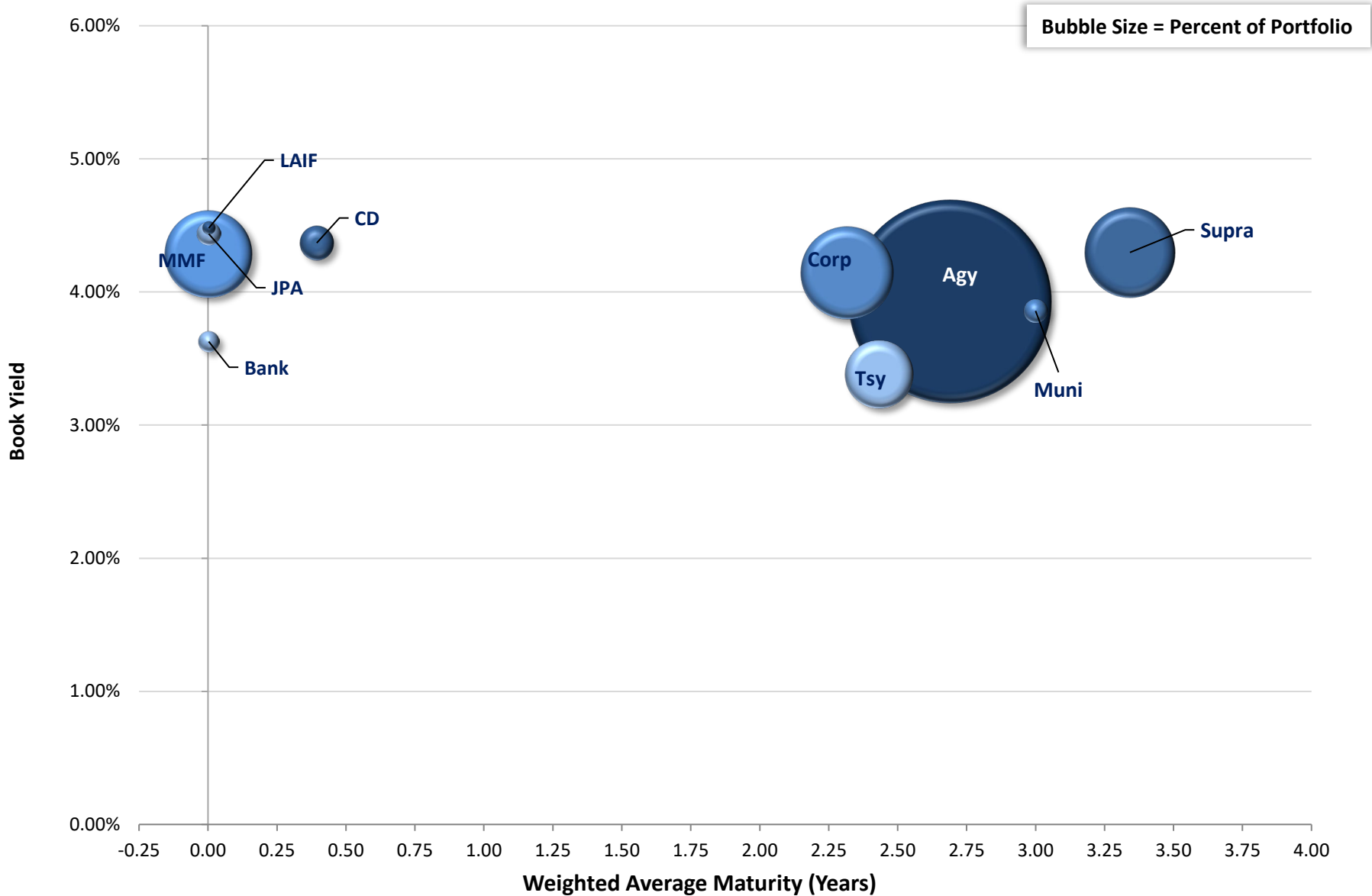
# Historical Book Values 3/31/2025

County of Alameda



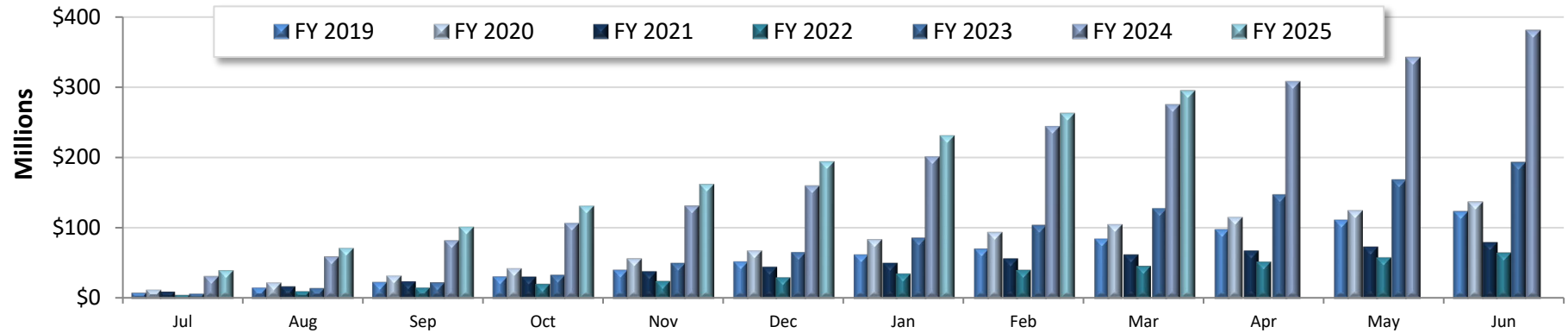
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Fiscal Year 2016</b>	\$3.325	\$3.023	\$3.078	\$2.936	\$3.117	\$3.530	\$3.747	\$3.852	\$3.862	\$4.195	\$4.199	\$4.060
<b>Fiscal Year 2017</b>	\$4.120	\$3.786	\$3.698	\$3.962	\$4.328	\$4.781	\$4.807	\$4.726	\$4.767	\$5.174	\$5.263	\$5.253
<b>Fiscal Year 2018</b>	\$5.107	\$4.600	\$4.490	\$4.625	\$5.096	\$5.818	\$6.011	\$5.881	\$5.868	\$6.002	\$5.984	\$5.901
<b>Fiscal Year 2019</b>	\$5.648	\$5.146	\$5.108	\$5.047	\$5.540	\$6.217	\$6.047	\$5.912	\$6.093	\$6.626	\$6.507	\$6.311
<b>Fiscal Year 2020</b>	\$6.029	\$5.655	\$5.782	\$5.797	\$6.103	\$6.658	\$6.682	\$6.513	\$6.507	\$6.958	\$7.246	\$7.096
<b>Fiscal Year 2021</b>	\$6.711	\$6.231	\$6.426	\$6.439	\$6.857	\$7.543	\$7.422	\$7.412	\$7.369	\$7.811	\$7.680	\$7.546
<b>Fiscal Year 2022</b>	\$6.449	\$6.168	\$6.204	\$6.335	\$7.041	\$7.786	\$7.749	\$7.630	\$7.753	\$8.296	\$8.370	\$8.141
<b>Fiscal Year 2023</b>	\$8.142	\$7.519	\$7.446	\$7.549	\$8.265	\$9.247	\$9.120	\$8.912	\$9.045	\$9.752	\$9.988	\$9.740
<b>Fiscal Year 2024</b>	\$9.536	\$8.892	\$8.841	\$9.024	\$9.731	\$10.849	\$10.745	\$10.588	\$10.470	\$11.035	\$11.135	\$10.733
<b>Fiscal Year 2025</b>	\$10.337	\$9.672	\$9.630	\$9.547	\$9.987	\$10.830	\$10.863	\$10.731	\$10.658			

Figures in Billions, Average Daily Balance



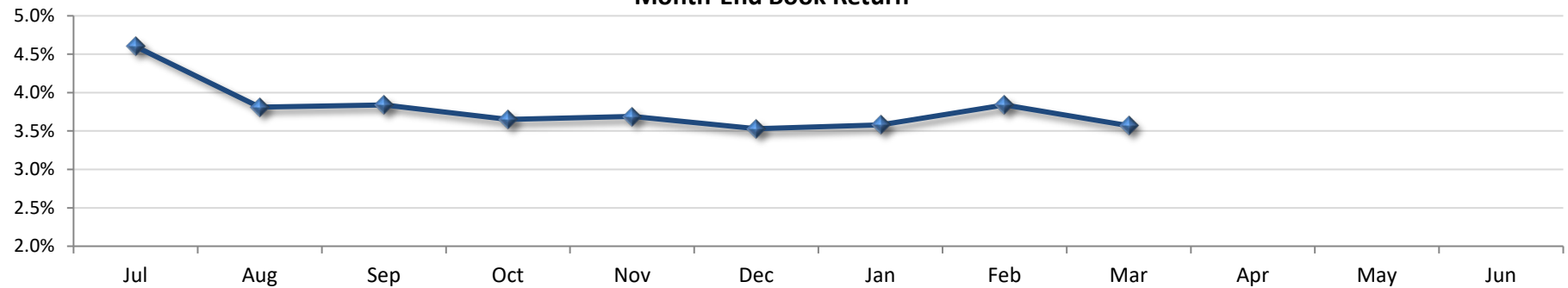
\*Note: Excludes Cash Balance

Fiscal Year-to-Date Earnings

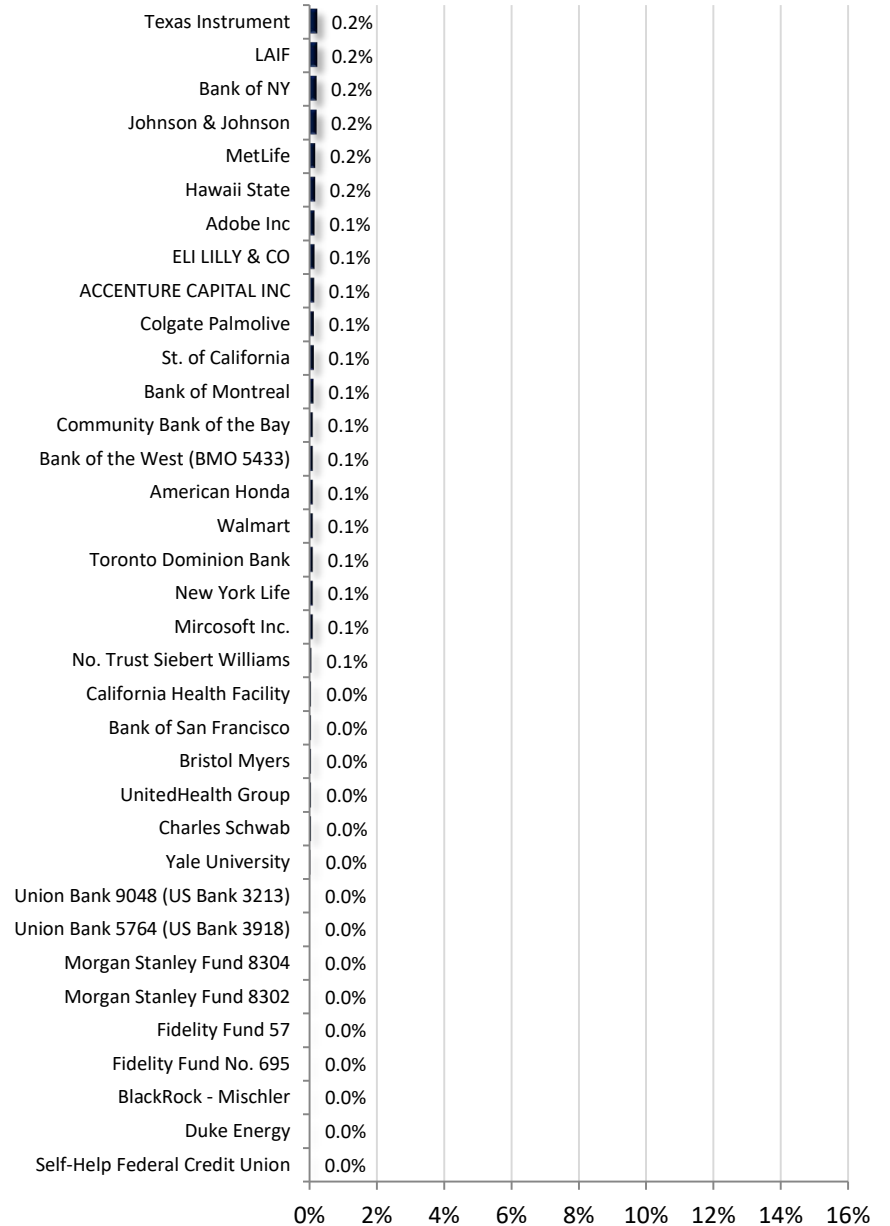
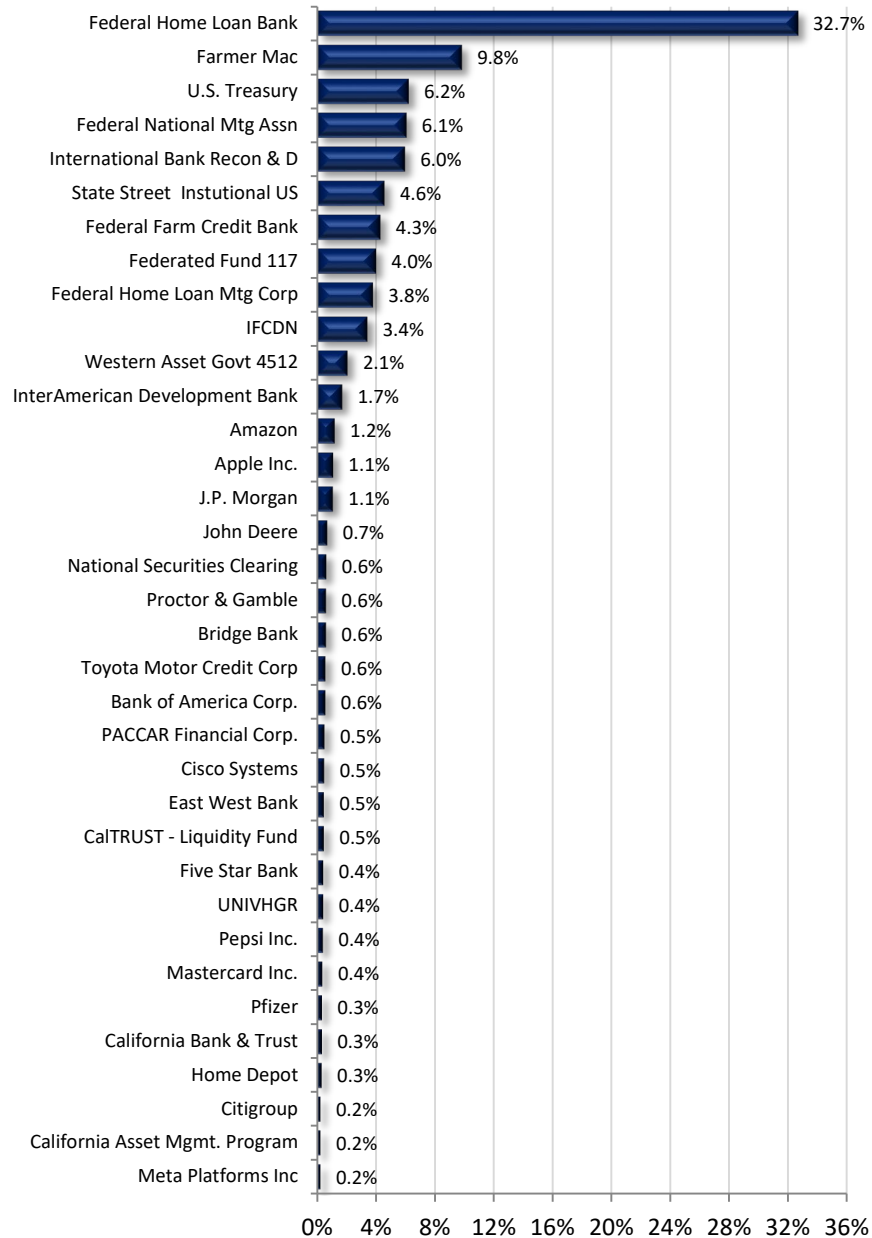


FYTD	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Return
FY 2019	\$8.4	\$15.8	\$23.5	\$31.1	\$40.7	\$52.6	\$62.1	\$70.3	\$84.4	\$97.7	\$110.6	\$123.0	2.29%
FY 2020	\$12.7	\$22.7	\$32.4	\$42.8	\$56.2	\$67.5	\$83.2	\$93.3	\$104.2	\$114.2	\$123.6	\$135.9	1.56%
FY 2021	\$9.9	\$17.5	\$24.4	\$31.0	\$38.5	\$44.5	\$50.1	\$56.3	\$61.7	\$67.1	\$72.6	\$78.7	0.95%
FY 2022	\$5.3	\$10.2	\$15.4	\$20.3	\$24.5	\$29.3	\$34.3	\$39.5	\$45.0	\$50.9	\$56.8	\$63.4	1.18%
FY 2023	\$7.1	\$14.9	\$23.2	\$33.8	\$50.4	\$65.6	\$86.0	\$103.7	\$127.1	\$146.8	\$167.5	\$192.1	2.20%
FY 2024	\$32.0	\$59.7	\$82.7	\$107.2	\$131.8	\$160.3	\$201.6	\$244.3	\$275.2	\$307.9	\$341.9	\$380.1	3.74%
FY 2025	\$40.4	\$71.7	\$101.7	\$131.5	\$162.0	\$194.2	\$230.5	\$262.3	\$294.3				

Month-End Book Return



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Month-End Book Rtn	4.60%	3.81%	3.84%	3.65%	3.69%	3.53%	3.58%	3.84%	3.57%			



**Alameda County Investment Pool  
Portfolio Management  
Portfolio Summary  
March 31, 2025**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Days to Maturity</b>	<b>YTM 365 Equiv.</b>
Non-Negotiable CDs	165,230,000.00	165,230,000.00	165,230,000.00	1.56	144	4.369
Local Agency Investment Funds	22,000,000.00	22,000,000.00	22,000,000.00	0.21	1	4.480
Joint Powers Authority	75,000,000.00	75,000,000.00	75,000,000.00	0.71	1	4.437
Money Market Mutual Funds	1,107,000,000.00	1,107,000,000.00	1,107,000,000.00	10.43	1	4.284
Money Market Bank Accounts	57,000,000.00	57,000,000.00	57,000,000.00	0.54	1	3.627
Corporate Notes	1,263,862,000.00	1,255,325,027.82	1,246,726,061.65	11.75	845	4.145
Washington Supranational Obligation	1,195,762,000.00	1,189,160,059.82	1,177,690,126.53	11.10	1,220	4.297
Agency Bullets (Aaa/AA+)	1,092,628,000.00	1,091,926,720.53	1,084,676,790.55	10.22	768	3.995
Treasury Notes and Bonds	675,000,000.00	660,814,000.00	661,431,640.81	6.23	888	3.382
Agency Callables (Aaa/AA+)	5,005,993,000.00	4,942,999,572.92	4,933,784,201.71	46.51	1,029	3.917
Municipal Bonds	81,635,000.00	79,528,798.10	78,533,154.60	0.74	1,095	3.858
	<b>10,741,110,000.00</b>	<b>10,645,984,179.19</b>	<b>10,609,071,975.85</b>	<b>100.00%</b>	<b>858</b>	<b>4.009</b>

**Investments**

<b>Total Earnings</b>	<b>March 31 Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year	32,304,700.91	294,343,049.65
<b>Average Daily Balance</b>	<b>10,658,391,875.77</b>	<b>10,248,827,380.21</b>
<b>Effective Rate of Return</b>	<b>3.57%</b>	<b>3.83%</b>

Henry C. Levy, Treasurer - Tax Collector

**Reporting period 03/01/2025-03/31/2025**

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
<b>Non-Negotiable CDs</b>											
SYS13342	13342	Bank of San Francisco		08/02/2024	5,000,000.00	5,000,000.00	5,000,000.00	4.850	4.917	125	08/04/2025
SYS13369	13369	Bridge Bank		10/03/2024	35,000,000.00	35,000,000.00	35,000,000.00	4.250	4.309	185	10/03/2025
SYS13474	13474	Bridge Bank		03/25/2025	30,000,000.00	30,000,000.00	30,000,000.00	4.250	4.309	358	03/25/2026
SYS13443	13443	California Bank & Trust		12/23/2024	25,000,000.00	25,000,000.00	25,000,000.00	4.300	4.360	59	05/30/2025
SYS13456	13456	California Bank & Trust		01/23/2025	10,000,000.00	10,000,000.00	10,000,000.00	4.300	4.360	22	04/23/2025
SYS13417	13417	Community Bank of the Bay		12/06/2024	10,000,000.00	10,000,000.00	10,000,000.00	4.250	4.309	71	06/11/2025
SYS13418	13418	East West Bank		12/06/2024	50,000,000.00	50,000,000.00	50,000,000.00	4.350	4.410	69	06/09/2025
SYS13468	13468	Self-Help Federal Credit Union		03/13/2025	230,000.00	230,000.00	230,000.00	4.000	4.056	346	03/13/2026
<b>Subtotal and Average</b>			<b>165,230,000.00</b>		<b>165,230,000.00</b>	<b>165,230,000.00</b>	<b>165,230,000.00</b>		<b>4.369</b>	<b>144</b>	
<b>Local Agency Investment Funds</b>											
SYS10285	10285	LAIF		07/01/2018	22,000,000.00	22,000,000.00	22,000,000.00	4.480	4.480	1	
<b>Subtotal and Average</b>			<b>22,000,000.00</b>		<b>22,000,000.00</b>	<b>22,000,000.00</b>	<b>22,000,000.00</b>		<b>4.480</b>	<b>1</b>	
<b>Joint Powers Authority</b>											
SYS10470	10470	California Asset Mgmt. Program		07/01/2018	25,000,000.00	25,000,000.00	25,000,000.00	4.470	4.470	1	
SYS12895	12895	CalTRUST - Liquidity Fund		12/09/2022	50,000,000.00	50,000,000.00	50,000,000.00	4.420	4.420	1	
SYS10472	10472	CalTrust - Short Term Fund		07/01/2018	0.00	0.00	0.00	4.410	4.410	1	
<b>Subtotal and Average</b>			<b>75,000,000.00</b>		<b>75,000,000.00</b>	<b>75,000,000.00</b>	<b>75,000,000.00</b>		<b>4.437</b>	<b>1</b>	
<b>Money Market Mutual Funds</b>											
09250C721	12656	BlackRock - Mischler		03/03/2022	1,000,000.00	1,000,000.00	1,000,000.00	4.180	4.180	1	
608919718	11093	Federated Fund 117		07/01/2018	426,000,000.00	426,000,000.00	426,000,000.00	4.270	4.270	1	
316175504	10274	Fidelity Fund No. 695		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	4.200	4.200	1	
316175108	11090	Fidelity Fund 57		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	4.240	4.240	1	
61747C707	10280	Morgan Stanley Fund 8302		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	4.270	4.270	1	
61747C582	11089	Morgan Stanley Fund 8304		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	4.210	4.210	1	
665279840	12588	No. Trust Siebert Williams		12/06/2021	6,000,000.00	6,000,000.00	6,000,000.00	4.250	4.250	1	
SYS12009	12009	State Street Institutional US		02/11/2020	450,000,000.00	450,000,000.00	450,000,000.00	4.300	4.300	1	
52470G791	10318	Western Asset Govt 4512		07/01/2018	220,000,000.00	220,000,000.00	220,000,000.00	4.280	4.280	1	
<b>Subtotal and Average</b>			<b>1,162,548,387.10</b>		<b>1,107,000,000.00</b>	<b>1,107,000,000.00</b>	<b>1,107,000,000.00</b>		<b>4.284</b>	<b>1</b>	
<b>Money Market Bank Accounts</b>											
SYS12169	12169	Five Star Bank		11/12/2019	45,000,000.00	45,000,000.00	45,000,000.00	4.333	4.333	1	
SYS12601	12601	Bank of the West (BMO 5433)		12/22/2021	10,000,000.00	10,000,000.00	10,000,000.00	1.160	1.160	1	

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
<b>Money Market Bank Accounts</b>											
SYS10286	10286	California Bank & Trust		07/01/2018	0.00	0.00	0.00	0.400	0.400	1	
SYS10290	10290	Union Bank 5764 (US Bank 3918)		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	0.090	0.090	1	
SYS10291	10291	Union Bank 9048 (US Bank 3213)		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	0.090	0.090	1	
<b>Subtotal and Average</b>			<b>57,000,000.00</b>		<b>57,000,000.00</b>	<b>57,000,000.00</b>	<b>57,000,000.00</b>		<b>3.627</b>	<b>1</b>	
<b>Corporate Notes</b>											
037833DT4	12133	Apple Inc.		05/11/2020	5,000,000.00	4,980,800.00	4,991,050.00	1.125	1.162	40	05/11/2025
037833DX5	12200	Apple Inc.		08/20/2020	5,000,000.00	4,925,950.00	4,988,200.00	0.550	0.598	141	08/20/2025
037833DX5	12201	Apple Inc.		08/20/2020	5,000,000.00	4,925,950.00	4,988,200.00	0.550	0.598	141	08/20/2025
037833EB2	12387	Apple Inc.		02/08/2021	20,000,000.00	19,405,000.00	19,955,000.00	0.746	0.792	313	02/08/2026
037833DB3	12935	Apple Inc.		02/07/2023	21,646,000.00	21,046,405.80	20,561,557.05	2.900	4.106	894	09/12/2027
037833ES5	13029	Apple Inc.		05/10/2023	10,000,000.00	10,000,100.00	10,000,000.00	4.421	4.421	402	05/08/2026
037833ET3	13030	Apple Inc.		05/10/2023	15,000,000.00	14,994,300.00	14,971,050.00	4.000	4.043	1,135	05/10/2028
037833EC0	13185	Apple Inc.		11/15/2023	10,000,000.00	9,221,900.00	8,566,870.20	1.200	5.000	1,043	02/08/2028
037833CJ7	13211	Apple Inc.		12/12/2023	11,409,000.00	11,259,770.28	10,984,813.38	3.350	4.627	679	02/09/2027
037833ES5	13422	Apple Inc.		12/11/2024	15,835,000.00	15,835,158.35	15,899,172.66	4.421	4.418	402	05/08/2026
00440KAB9	13446	ACCENTURE CAPITAL INC		01/06/2025	13,548,000.00	13,356,702.24	13,294,923.36	4.050	4.739	1,647	10/04/2029
00724PAH2	13455	Adobe Inc		01/17/2025	15,000,000.00	15,219,150.00	14,992,050.00	4.750	4.769	1,021	01/17/2028
023135BQ8	12162	Amazon		06/10/2020	5,000,000.00	4,969,100.00	4,995,350.00	0.800	0.819	63	06/03/2025
023135BQ8	12163	Amazon		06/10/2020	5,000,000.00	4,969,100.00	4,993,750.00	0.800	0.826	63	06/03/2025
023135BQ8	12166	Amazon		06/11/2020	10,000,000.00	9,938,200.00	9,990,700.00	0.800	0.819	63	06/03/2025
023135BX3	12443	Amazon		05/12/2021	10,000,000.00	9,665,800.00	9,956,800.00	1.000	1.089	406	05/12/2026
023135CF1	12686	Amazon		04/13/2022	7,000,000.00	6,882,470.00	6,985,580.00	3.300	3.345	742	04/13/2027
023135CE4	12688	Amazon		04/13/2022	13,000,000.00	12,993,110.00	12,979,330.00	3.000	3.050	12	04/13/2025
023135CN4	12883	Amazon		12/01/2022	15,000,000.00	15,049,200.00	14,999,100.00	4.600	4.602	244	12/01/2025
023135BC9	13213	Amazon		12/13/2023	16,158,000.00	15,800,423.46	15,299,687.04	3.150	4.734	873	08/22/2027
023135BX3	13214	Amazon		12/13/2023	17,622,000.00	17,033,072.76	16,082,894.52	1.000	4.879	406	05/12/2026
023135BC9	13275	Amazon		02/28/2024	18,000,000.00	17,601,660.00	17,081,460.00	3.150	4.757	873	08/22/2027
023135BC9	13332	Amazon		06/26/2024	15,000,000.00	14,668,050.00	14,289,939.00	3.150	4.783	873	08/22/2027
06048WM31	12453	Bank of America Corp.		05/28/2021	10,000,000.00	9,631,500.00	10,000,000.00	1.250	1.250	422	05/28/2026
06048WM64	12482	Bank of America Corp.		07/07/2021	10,000,000.00	9,611,200.00	9,975,000.00	1.200	1.252	450	06/25/2026
06048WN63	12530	Bank of America Corp.		10/08/2021	4,898,000.00	4,680,039.00	4,844,122.00	1.150	1.382	527	09/10/2026
06055JHY8	13441	Bank of America Corp.		12/23/2024	25,000,000.00	25,027,750.00	25,000,000.00	4.800	4.800	1,179	06/23/2028
06055JKP3	13472	Bank of America Corp.		03/21/2025	10,000,000.00	10,001,900.00	10,000,000.00	4.450	4.451	415	05/21/2026
06406RAD9	13349	Bank of NY		08/29/2024	10,000,000.00	9,796,300.00	9,775,400.00	3.250	4.132	775	05/16/2027
06406RAF4	13353	Bank of NY		09/06/2024	11,000,000.00	10,751,290.00	10,756,102.72	3.400	4.105	1,033	01/29/2028

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to 365 Maturity	Maturity Date
<b>Corporate Notes</b>											
06368FAC3	12509	Bank of Montreal		09/15/2021	6,000,000.00	5,732,340.00	5,989,860.00	1.250	1.285	532	09/15/2026
06368D3S1	12746	Bank of Montreal		06/07/2022	6,000,000.00	5,991,240.00	5,998,620.00	3.700	3.708	67	06/07/2025
110122DN5	12302	Bristol Myers		11/13/2020	5,000,000.00	4,893,700.00	4,991,900.00	0.750	0.783	226	11/13/2025
17275RBR2	13269	Cisco Systems		02/26/2024	4,000,000.00	4,071,400.00	3,998,600.00	4.850	4.858	1,427	02/26/2029
17275RBP6	13271	Cisco Systems		02/26/2024	10,000,000.00	10,050,100.00	9,996,200.00	4.900	4.920	331	02/26/2026
17275RBR2	13272	Cisco Systems		02/26/2024	15,000,000.00	15,267,750.00	14,994,750.00	4.850	4.858	1,427	02/26/2029
17275RBQ4	13273	Cisco Systems		02/26/2024	20,000,000.00	20,240,600.00	19,974,000.00	4.800	4.847	696	02/26/2027
17275RBW1	13463	Cisco Systems		02/24/2025	2,500,000.00	2,521,150.00	2,497,300.00	4.550	4.589	1,059	02/24/2028
17291LUB9	13348	Citigroup		08/19/2024	25,000,000.00	24,832,500.00	25,000,000.00	4.450	4.450	870	08/19/2027
194162AM5	12777	Colgate Palmolive		08/09/2022	3,000,000.00	2,984,250.00	2,997,240.00	3.100	3.114	136	08/15/2025
194162AR4	12950	Colgate Palmolive		03/01/2023	5,000,000.00	5,090,900.00	4,994,900.00	4.600	4.623	1,065	03/01/2028
194162AQ6	12951	Colgate Palmolive		03/01/2023	5,000,000.00	5,027,550.00	4,994,200.00	4.800	4.842	335	03/02/2026
24422EWA3	12623	John Deere		01/10/2022	5,000,000.00	4,786,350.00	4,997,150.00	1.700	1.712	650	01/11/2027
24422EWX3	13051	John Deere		06/08/2023	5,000,000.00	5,029,400.00	4,997,100.00	4.750	4.771	433	06/08/2026
24422EWW5	13052	John Deere		06/08/2023	5,000,000.00	5,004,650.00	4,997,200.00	4.950	4.980	66	06/06/2025
24422EWW7	13124	John Deere		09/13/2023	10,000,000.00	10,198,600.00	9,950,400.00	4.900	5.025	1,067	03/03/2028
24422EXB0	13125	John Deere		09/14/2023	17,000,000.00	17,344,080.00	16,900,890.00	4.950	5.086	1,200	07/14/2028
24422EWF2	13279	John Deere		03/06/2024	9,000,000.00	8,980,020.00	8,827,200.00	3.400	4.999	66	06/06/2025
24422EWF2	13284	John Deere		03/15/2024	18,415,000.00	18,374,118.70	18,046,700.00	3.400	5.100	66	06/06/2025
24422EXV6	13352	John Deere		09/06/2024	5,000,000.00	5,003,500.00	4,999,300.00	4.200	4.207	835	07/15/2027
26442UAT1	13467	Duke Energy		03/06/2025	1,000,000.00	1,003,450.00	999,430.00	4.350	4.380	704	03/06/2027
437076CH3	13274	Home Depot		02/28/2024	20,220,000.00	18,450,143.40	17,613,844.20	1.500	4.679	1,263	09/15/2028
437076DB5	13328	Home Depot		06/25/2024	5,000,000.00	5,070,300.00	4,983,450.00	4.875	4.995	815	06/25/2027
437076DC3	13329	Home Depot		06/25/2024	5,000,000.00	5,061,300.00	4,967,750.00	4.750	4.897	1,546	06/25/2029
437076DC3	13438	Home Depot		12/20/2024	6,422,000.00	6,500,733.72	6,420,073.40	4.750	4.757	1,546	06/25/2029
02665WFD8	13281	American Honda		03/13/2024	10,000,000.00	10,077,600.00	9,994,500.00	4.900	4.920	710	03/12/2027
478160DG6	13461	Johnson & Johnson		02/20/2025	15,000,000.00	15,126,300.00	15,000,000.00	4.500	4.499	699	03/01/2027
478160DH4	13462	Johnson & Johnson		02/20/2025	5,000,000.00	5,055,000.00	4,997,100.00	4.550	4.570	1,065	03/01/2028
48128G3N8	12454	J.P. Morgan		05/28/2021	5,000,000.00	4,720,550.00	5,000,000.00	1.200	1.200	422	05/28/2026
48128G3V0	12459	J.P. Morgan		06/11/2021	10,000,000.00	9,622,500.00	10,000,000.00	1.150	1.150	436	06/11/2026
48128G4R8	12486	J.P. Morgan		08/17/2021	10,000,000.00	9,531,100.00	9,990,000.00	1.150	1.171	503	08/17/2026
48130CDU6	13188	J.P. Morgan		11/17/2023	20,000,000.00	20,139,000.00	20,000,000.00	6.050	6.050	1,326	11/17/2028
48133WY44	13205	J.P. Morgan		12/11/2023	25,000,000.00	24,925,150.00	25,000,000.00	5.300	5.300	1,350	12/11/2028
48130CGA7	13247	J.P. Morgan		01/26/2024	25,000,000.00	25,127,750.00	25,000,000.00	5.100	5.102	1,396	01/26/2029
48130CJG1	13283	J.P. Morgan		03/15/2024	20,000,000.00	20,269,000.00	20,000,000.00	5.100	5.100	1,444	03/15/2029
532457CK2	13259	ELI LILLY & CO		02/12/2024	10,000,000.00	10,082,200.00	9,993,361.00	4.500	4.515	1,410	02/09/2029

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<b>Corporate Notes</b>											
532457CK2	13260	ELI LILLY & CO		02/12/2024	5,000,000.00	5,041,100.00	4,995,997.50	4.500	4.518	1,410	02/09/2029
57636QAW4	12960	Mastercard Inc.		03/09/2023	10,000,000.00	10,186,700.00	9,990,300.00	4.875	4.897	1,073	03/09/2028
57636QBA1	13351	Mastercard Inc.		09/05/2024	5,000,000.00	4,990,300.00	4,997,250.00	4.100	4.119	1,019	01/15/2028
57636QBA1	13373	Mastercard Inc.		10/09/2024	13,940,000.00	13,912,956.40	13,929,545.00	4.100	4.125	1,019	01/15/2028
57636QAM6	13447	Mastercard Inc.		01/06/2025	11,000,000.00	10,443,070.00	10,287,728.61	2.950	4.666	1,522	06/01/2029
59217GCK3	13140	MetLife		09/27/2023	10,000,000.00	9,665,300.00	9,064,200.00	3.000	5.660	901	09/19/2027
59217GFR5	13278	MetLife		02/29/2024	7,873,000.00	7,945,589.06	7,762,778.00	4.850	5.178	1,378	01/08/2029
30303M8S4	13347	Meta Platforms Inc		08/15/2024	25,000,000.00	24,994,750.00	24,924,000.00	4.300	4.368	1,597	08/15/2029
594918BY9	12932	Mircosoft Inc.		02/06/2023	5,000,000.00	4,935,700.00	4,867,300.00	3.300	4.025	676	02/06/2027
594918BY9	12933	Mircosoft Inc.		02/06/2023	5,000,000.00	4,935,700.00	4,863,500.00	3.300	4.046	676	02/06/2027
637639AH8	13139	National Securities Clearing		09/27/2023	5,085,000.00	5,183,750.70	5,008,979.25	5.100	5.506	964	11/21/2027
637639AK1	13300	National Securities Clearing		04/15/2024	25,700,000.00	26,053,889.00	25,590,004.00	5.000	5.115	1,155	05/30/2028
637639AK1	13313	National Securities Clearing		05/10/2024	15,085,000.00	15,292,720.45	15,056,036.80	5.000	5.052	1,155	05/30/2028
637639AM7	13330	National Securities Clearing		06/26/2024	12,000,000.00	12,190,200.00	11,978,400.00	4.900	4.941	1,547	06/26/2029
637639AL9	13331	National Securities Clearing		06/26/2024	10,000,000.00	10,111,600.00	9,999,400.00	5.150	5.153	451	06/26/2026
64952WFF5	13261	New York Life		02/12/2024	10,000,000.00	10,055,900.00	9,956,100.00	4.700	4.800	1,399	01/29/2029
69371RS49	12981	PACCAR Financial Corp.		03/30/2023	17,000,000.00	17,025,500.00	16,988,610.00	4.450	4.474	363	03/30/2026
69371RS56	13108	PACCAR Financial Corp.		08/10/2023	3,000,000.00	3,032,100.00	2,998,500.00	5.050	5.068	496	08/10/2026
69371RS80	13253	PACCAR Financial Corp.		01/31/2024	10,000,000.00	10,066,200.00	9,983,700.00	4.600	4.660	1,401	01/31/2029
69371RT22	13314	PACCAR Financial Corp.		05/13/2024	7,000,000.00	7,106,680.00	6,994,610.00	5.000	5.028	772	05/13/2027
69371RT30	13344	PACCAR Financial Corp.		08/06/2024	7,000,000.00	7,042,280.00	6,990,690.00	4.450	4.498	857	08/06/2027
69371RT63	13465	PACCAR Financial Corp.		03/03/2025	10,000,000.00	10,076,100.00	9,993,900.00	4.550	4.572	1,067	03/03/2028
713448FQ6	12942	Pepsi Inc.		02/15/2023	3,000,000.00	3,006,240.00	2,998,260.00	4.550	4.571	318	02/13/2026
713448FW3	13178	Pepsi Inc.		11/10/2023	9,000,000.00	9,123,840.00	8,997,570.00	5.125	5.135	588	11/10/2026
713448FV5	13179	Pepsi Inc.		11/10/2023	5,000,000.00	5,028,050.00	4,996,650.00	5.250	5.286	223	11/10/2025
713448DY1	13263	Pepsi Inc.		02/13/2024	19,617,000.00	19,070,274.21	18,585,930.48	3.000	4.570	927	10/15/2027
713448GD4	13459	Pepsi Inc.		02/07/2025	3,000,000.00	3,015,840.00	2,999,940.00	4.400	4.401	677	02/07/2027
713448GA0	13460	Pepsi Inc.		02/07/2025	4,000,000.00	4,025,800.00	3,998,320.00	4.450	4.465	1,042	02/07/2028
717081EX7	12151	Pfizer		05/28/2020	5,000,000.00	4,970,750.00	4,968,800.00	0.800	0.928	57	05/28/2025
716973AA0	13039	Pfizer		05/19/2023	10,000,000.00	10,002,500.00	9,994,300.00	4.650	4.680	48	05/19/2025
716973AB8	13040	Pfizer		05/19/2023	7,000,000.00	7,011,270.00	6,991,810.00	4.450	4.492	413	05/19/2026
716973AC6	13129	Pfizer		09/21/2023	14,086,000.00	14,119,947.26	13,689,760.82	4.450	5.135	1,144	05/19/2028
742718FL8	12280	Proctor & Gamble		10/29/2020	5,000,000.00	4,893,250.00	4,991,900.00	0.550	0.583	211	10/29/2025
742718FL8	12633	Proctor & Gamble		01/31/2022	8,752,000.00	8,565,144.80	8,392,292.80	0.550	1.687	211	10/29/2025
742718FV6	12637	Proctor & Gamble		02/01/2022	20,000,000.00	19,269,000.00	19,971,600.00	1.900	1.930	671	02/01/2027
742718FY0	12923	Proctor & Gamble		01/26/2023	3,000,000.00	2,994,930.00	2,997,990.00	4.100	4.124	300	01/26/2026

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Corporate Notes											
742718FZ7	12924	Proctor & Gamble		01/26/2023	4,000,000.00	4,002,200.00	3,995,880.00	3.950	3.973	1,030	01/26/2028
742718GF0	13249	Proctor & Gamble		01/29/2024	25,000,000.00	25,212,250.00	24,989,000.00	4.350	4.360	1,399	01/29/2029
808513BR5	12445	Charles Schwab		05/13/2021	4,000,000.00	3,861,880.00	3,990,720.00	1.150	1.198	407	05/13/2026
808513BY0	12655	Charles Schwab		03/03/2022	1,000,000.00	964,800.00	998,920.00	2.450	2.473	701	03/03/2027
857449AE2	13400	State Street Institutional US		11/25/2024	12,000,000.00	12,113,640.00	12,000,000.00	4.782	4.788	1,697	11/23/2029
857449AC6	13401	State Street Institutional US		11/25/2024	15,000,000.00	15,091,950.00	15,000,000.00	4.594	4.594	603	11/25/2026
857449AE2	13437	State Street Instutional US		12/20/2024	10,000,000.00	10,094,700.00	9,982,208.33	4.782	4.899	1,697	11/23/2029
89114QCP1	12365	Toronto Dominion Bank		01/06/2021	10,000,000.00	9,725,500.00	9,985,300.00	0.750	0.780	280	01/06/2026
89236TGX7	12081	Toyota Motor Credit Corp		04/01/2020	6,000,000.00	6,000,000.00	5,988,960.00	3.000	3.040	0	04/01/2025
89236TKC8	12758	Toyota Motor Credit Corp		06/30/2022	10,000,000.00	9,986,200.00	9,990,500.00	3.950	3.984	90	06/30/2025
89236TKJ3	13043	Toyota Motor Credit Corp		05/25/2023	11,180,000.00	11,234,670.20	11,142,435.20	4.550	4.635	902	09/20/2027
89236TLN3	13240	Toyota Motor Credit Corp		01/22/2024	10,000,000.00	10,045,000.00	10,000,000.00	5.000	5.000	1,392	01/22/2029
89236TMF9	13316	Toyota Motor Credit Corp		05/16/2024	7,000,000.00	7,125,930.00	6,985,020.00	5.050	5.099	1,506	05/16/2029
89236TMD4	13317	Toyota Motor Credit Corp		05/16/2024	7,000,000.00	7,063,000.00	6,995,450.00	5.200	5.235	409	05/15/2026
89236TMS1	13375	Toyota Motor Credit Corp		10/11/2024	10,000,000.00	10,003,600.00	10,025,866.33	4.350	4.261	920	10/08/2027
882508BK9	12507	Texas Instrument		09/15/2021	3,000,000.00	2,873,580.00	3,000,000.00	1.125	1.125	532	09/15/2026
882508BC7	13276	Texas Instrument		02/28/2024	20,871,000.00	20,222,538.03	19,576,998.00	2.900	4.755	946	11/03/2027
91324PFF4	13341	UnitedHealth Group		07/25/2024	5,000,000.00	5,033,250.00	4,991,600.00	4.750	4.841	470	07/15/2026
931142ER0	12512	Walmart		09/17/2021	3,000,000.00	2,872,920.00	2,994,330.00	1.050	1.089	534	09/17/2026
931142EW9	12800	Walmart		09/09/2022	7,000,000.00	6,989,850.00	6,995,100.00	3.900	3.925	161	09/09/2025
98459LAA1	12160	Yale University		06/09/2020	3,000,000.00	2,995,020.00	3,000,000.00	0.873	0.873	14	04/15/2025
Subtotal and Average			1,264,209,106.24		1,263,862,000.00	1,255,325,027.82	1,246,726,061.65		4.145	845	
Washington Supranational Obligation											
45818WDA1	12412	InterAmerican Development Bank		03/11/2021	18,000,000.00	17,474,940.00	17,952,714.00	0.800	0.854	337	03/04/2026
45818WEP7	13060	InterAmerican Development Bank		06/15/2023	9,500,000.00	9,474,350.00	9,419,250.00	4.300	4.492	1,171	06/15/2028
45818WER3	13104	InterAmerican Development Bank		08/04/2023	50,000,000.00	50,034,000.00	49,224,000.00	4.050	4.400	1,213	07/27/2028
4581X0EM6	13208	InterAmerican Development Bank		12/12/2023	25,000,000.00	25,157,500.00	24,978,750.00	4.375	4.406	671	02/01/2027
45818WEW2	13242	InterAmerican Development Bank		01/22/2024	22,765,000.00	22,718,559.40	22,647,171.55	4.010	4.126	1,381	01/11/2029
45818WEZ5	13248	InterAmerican Development Bank		01/29/2024	15,000,000.00	15,037,800.00	14,985,906.30	4.125	4.146	1,399	01/29/2029
45818WFT8	13451	InterAmerican Development Bank		01/10/2025	42,460,000.00	42,573,792.80	42,460,000.00	5.000	5.000	1,567	07/16/2029
459058JL8	12277	International Bank Recon & D		10/28/2020	15,000,000.00	14,679,750.00	14,983,050.00	0.500	0.523	210	10/28/2025
459058JE4	12358	International Bank Recon & D		12/23/2020	10,000,000.00	9,870,100.00	9,984,000.00	0.375	0.410	118	07/28/2025
459058JS3	12390	International Bank Recon & D		02/10/2021	15,000,000.00	14,536,350.00	15,000,000.00	0.650	0.650	315	02/10/2026
45905U5Y6	12400	International Bank Recon & D		02/18/2021	9,500,000.00	9,222,505.00	9,492,875.00	0.600	0.615	323	02/18/2026
45905U5Y6	12401	International Bank Recon & D		02/18/2021	10,000,000.00	9,707,900.00	10,000,000.00	0.600	0.600	323	02/18/2026

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Washington Supranational Obligation											
45906M2L4	12414	International Bank Recon & D		03/12/2021	15,000,000.00	14,513,700.00	14,857,500.00	0.650	0.846	329	02/24/2026
45906M4E8	13065	International Bank Recon & D		06/26/2023	10,000,000.00	10,007,700.00	10,000,000.00	4.500	4.500	1,182	06/26/2028
45906M4E8	13096	International Bank Recon & D		07/28/2023	25,000,000.00	25,019,250.00	24,723,803.75	4.500	4.754	1,182	06/26/2028
45906M4E8	13109	International Bank Recon & D		08/17/2023	25,000,000.00	25,019,250.00	24,655,781.75	4.500	4.820	1,182	06/26/2028
459058KW2	13133	International Bank Recon & D		09/26/2023	20,000,000.00	20,394,400.00	19,995,000.00	4.625	4.624	1,218	08/01/2028
459058KT9	13172	International Bank Recon & D		11/08/2023	30,000,000.00	29,553,900.00	28,516,800.00	3.500	4.688	1,198	07/12/2028
459058JN4	13183	International Bank Recon & D		11/14/2023	20,000,000.00	18,393,800.00	17,050,000.00	0.750	4.823	967	11/24/2027
459058JZ7	13184	International Bank Recon & D		11/14/2023	25,000,000.00	22,705,750.00	21,069,750.00	1.125	4.811	1,261	09/13/2028
45905U5Z3	13196	International Bank Recon & D		11/24/2023	5,000,000.00	4,853,450.00	4,650,850.00	2.250	4.827	580	11/02/2026
459058KT9	13210	International Bank Recon & D		12/12/2023	50,000,000.00	49,256,500.00	48,149,137.00	3.500	4.400	1,198	07/12/2028
45906M4N8	13228	International Bank Recon & D		12/21/2023	50,000,000.00	49,655,750.00	50,000,000.00	4.430	4.430	1,192	07/06/2028
45906M4P3	13235	International Bank Recon & D		01/19/2024	15,000,000.00	15,296,850.00	14,992,500.00	4.875	4.886	1,382	01/12/2029
45906M4R9	13246	International Bank Recon & D		01/26/2024	25,000,000.00	25,236,225.00	25,000,000.00	4.650	4.650	1,396	01/26/2029
45906M4X6	13264	International Bank Recon & D		02/16/2024	50,000,000.00	50,849,500.00	50,000,000.00	4.650	4.650	1,417	02/16/2029
45906M4Y4	13266	International Bank Recon & D		02/22/2024	50,000,000.00	50,849,500.00	50,000,000.00	4.910	4.910	1,422	02/21/2029
45906M5H0	13306	International Bank Recon & D		04/24/2024	20,000,000.00	20,119,800.00	20,000,000.00	5.170	5.173	1,484	04/24/2029
45906M5Q0	13350	International Bank Recon & D		09/04/2024	15,000,000.00	14,997,600.00	14,998,500.00	4.570	4.572	1,617	09/04/2029
45906M5K3	13393	International Bank Recon & D		11/07/2024	5,000,000.00	5,014,700.00	5,063,993.06	4.750	4.232	1,581	07/30/2029
45906M5K3	13394	International Bank Recon & D		11/07/2024	46,541,000.00	46,677,830.54	47,136,660.16	4.750	4.232	1,581	07/30/2029
459058JX2	13428	International Bank Recon & D		12/17/2024	25,000,000.00	24,018,500.00	23,710,000.00	0.875	4.292	470	07/15/2026
459058JZ7	13431	International Bank Recon & D		12/18/2024	39,996,000.00	36,325,567.08	35,656,833.96	1.125	4.299	1,261	09/13/2028
459058KT9	13435	International Bank Recon & D		12/19/2024	25,000,000.00	24,628,250.00	24,357,500.00	3.500	4.285	1,198	07/12/2028
45950VPX8	12446	IFCDN		05/14/2021	10,000,000.00	9,651,900.00	10,000,000.00	0.860	0.860	408	05/14/2026
45950KDD9	13081	IFCDN		07/13/2023	20,000,000.00	20,316,200.00	19,977,800.00	4.500	4.525	1,199	07/13/2028
45950VSP2	13207	IFCDN		12/12/2023	50,000,000.00	51,604,500.00	50,000,000.00	5.100	5.100	1,168	06/12/2028
45950VSX5	13265	IFCDN		02/21/2024	50,000,000.00	50,399,500.00	50,000,000.00	4.910	4.910	1,422	02/21/2029
45950VTD8	13296	IFCDN		04/11/2024	50,000,000.00	50,364,500.00	50,000,000.00	4.640	4.640	1,471	04/11/2029
45950VTE6	13297	IFCDN		04/12/2024	50,000,000.00	50,291,000.00	50,000,000.00	4.890	4.890	1,472	04/12/2029
45950VTJ5	13305	IFCDN		04/23/2024	50,000,000.00	50,468,000.00	50,000,000.00	5.160	5.231	1,301	10/23/2028
45950VUB0	13399	IFCDN		11/20/2024	50,000,000.00	50,030,100.00	50,000,000.00	4.600	4.188	1,694	11/20/2029
45950VUF1	13454	IFCDN		01/17/2025	32,000,000.00	32,159,040.00	32,000,000.00	4.640	4.640	1,203	07/17/2028
Subtotal and Average			1,177,736,089.68		1,195,762,000.00	1,189,160,059.82	1,177,690,126.53		4.297	1,220	
Agency Bullets (Aaa/AA+)											
31422X3F7	13047	Farmer Mac		06/01/2023	15,000,000.00	15,010,050.00	14,913,900.00	4.125	4.331	426	06/01/2026
31422X4P4	13074	Farmer Mac		07/03/2023	10,000,000.00	10,090,500.00	10,000,000.00	4.380	4.380	822	07/02/2027

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<b>Agency Bullets (Aaa/AA+)</b>											
31422X4S8	13075	Farmer Mac		07/03/2023	15,000,000.00	15,021,900.00	15,000,000.00	5.000	5.000	90	06/30/2025
31422X5V0	13107	Farmer Mac		08/07/2023	15,000,000.00	15,206,400.00	15,000,000.00	4.430	4.430	1,224	08/07/2028
31422X6X5	13121	Farmer Mac		09/08/2023	25,000,000.00	25,109,750.00	25,000,000.00	5.100	5.100	1,256	09/08/2028
31424WAE2	13144	Farmer Mac		09/29/2023	15,000,000.00	15,190,350.00	14,979,900.00	5.020	5.073	489	08/03/2026
31424WAZ5	13159	Farmer Mac		10/20/2023	25,000,000.00	25,820,500.00	25,000,000.00	5.000	5.000	1,298	10/20/2028
31424WDD1	13206	Farmer Mac		12/11/2023	20,000,000.00	20,082,200.00	20,000,000.00	4.650	4.651	1,259	09/11/2028
31424WDG4	13219	Farmer Mac		12/15/2023	25,000,000.00	25,093,750.00	25,000,000.00	4.800	4.800	1,354	12/15/2028
31424WDN9	13231	Farmer Mac		12/22/2023	50,000,000.00	49,582,100.00	50,000,000.00	4.300	4.301	1,270	09/22/2028
31424WDZ2	13233	Farmer Mac		12/29/2023	25,000,000.00	25,016,750.00	25,000,000.00	4.350	4.350	1,185	06/29/2028
31424WFA5	13239	Farmer Mac		01/22/2024	25,000,000.00	24,999,250.00	25,000,000.00	4.600	4.600	1,392	01/22/2029
31424WFB3	13245	Farmer Mac		01/26/2024	25,000,000.00	24,934,500.00	25,000,000.00	4.550	4.550	1,577	07/26/2029
31424WJN3	13322	Farmer Mac		05/28/2024	25,000,000.00	25,229,000.00	25,000,000.00	5.000	5.001	1,921	07/05/2030
31424WKM3	13333	Farmer Mac		06/28/2024	20,000,000.00	20,048,600.00	20,000,000.00	4.670	4.670	1,907	06/21/2030
31424WQM7	13391	Farmer Mac		11/05/2024	25,000,000.00	25,048,750.00	25,000,000.00	4.400	4.400	1,679	11/05/2029
3133ELZM9	12140	Federal Farm Credit Bank		05/15/2020	25,000,000.00	24,886,250.00	24,953,225.00	0.500	0.538	43	05/14/2025
3133EPCX1	12961	Federal Farm Credit Bank		03/10/2023	10,000,000.00	10,118,500.00	9,991,900.00	4.375	4.393	1,074	03/10/2028
3133EPGS8	13009	Federal Farm Credit Bank		04/24/2023	15,000,000.00	14,995,050.00	14,998,650.00	4.250	4.257	114	07/24/2025
3133EPJX4	13035	Federal Farm Credit Bank		05/17/2023	10,000,000.00	9,955,400.00	9,938,639.90	3.625	1.215	322	02/17/2026
3133EPKA2	13037	Federal Farm Credit Bank		05/18/2023	15,000,000.00	14,980,350.00	14,992,695.00	4.000	4.025	139	08/18/2025
3133EPLC7	13045	Federal Farm Credit Bank		05/26/2023	10,000,000.00	9,999,200.00	9,990,800.00	4.125	4.163	331	02/26/2026
3133EPLD5	13046	Federal Farm Credit Bank		05/30/2023	10,000,000.00	9,972,000.00	9,982,500.00	3.875	3.914	1,155	05/30/2028
3133EPME2	13050	Federal Farm Credit Bank		06/08/2023	15,000,000.00	14,955,600.00	14,966,850.00	3.875	3.924	1,164	06/08/2028
3133EPMV4	13058	Federal Farm Credit Bank		06/15/2023	10,000,000.00	10,035,200.00	9,992,100.00	4.125	4.147	805	06/15/2027
3133EPNG6	13063	Federal Farm Credit Bank		06/23/2023	25,000,000.00	25,124,000.00	24,986,750.00	4.375	4.394	448	06/23/2026
3133EPPE9	13077	Federal Farm Credit Bank		07/06/2023	15,000,000.00	15,062,850.00	14,978,310.90	4.375	4.427	461	07/06/2026
3133EPQC2	13087	Federal Farm Credit Bank		07/26/2023	16,985,000.00	17,108,141.25	16,949,798.08	4.625	4.700	472	07/17/2026
3133EPRS6	13093	Federal Farm Credit Bank		07/28/2023	20,000,000.00	20,033,800.00	19,952,975.40	4.875	5.000	118	07/28/2025
3133EPWK7	13131	Federal Farm Credit Bank		09/22/2023	25,000,000.00	25,405,750.00	24,853,107.52	4.500	4.633	1,270	09/22/2028
3133EPYK5	13150	Federal Farm Credit Bank		10/10/2023	10,000,000.00	10,044,000.00	10,000,000.00	5.125	5.125	192	10/10/2025
3133EPYK5	13151	Federal Farm Credit Bank		10/10/2023	20,000,000.00	20,088,000.00	20,000,000.00	5.125	5.125	192	10/10/2025
3133EPX91	13244	Federal Farm Credit Bank		01/25/2024	25,000,000.00	25,061,000.00	24,970,350.00	4.125	4.167	664	01/25/2027
3133EP2T1	13258	Federal Farm Credit Bank		02/12/2024	20,000,000.00	20,051,000.00	19,952,600.00	4.125	4.210	682	02/12/2027
3133ELV92	13262	Federal Farm Credit Bank		02/12/2024	10,000,000.00	9,306,800.00	8,901,400.00	0.770	4.237	840	07/20/2027
3130AK5E2	12220	Federal Home Loan Bank		09/11/2020	2,000,000.00	1,966,600.00	1,994,000.00	0.375	0.436	156	09/04/2025
3130AQF65	12600	Federal Home Loan Bank		12/22/2021	25,000,000.00	23,857,500.00	24,925,261.75	1.250	1.311	629	12/21/2025
3130AWER7	13054	Federal Home Loan Bank		06/12/2023	9,000,000.00	9,004,320.00	8,992,530.00	4.625	4.670	66	06/06/2025

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<b>Agency Bullets (Aaa/AA+)</b>											
3130AWER7	13055	Federal Home Loan Bank		06/12/2023	17,000,000.00	17,008,160.00	16,985,890.00	4.625	4.670	66	06/06/2025
3130AWC24	13064	Federal Home Loan Bank		06/23/2023	15,000,000.00	15,037,500.00	14,959,800.00	4.000	4.059	1,165	06/09/2028
3130AWC24	13068	Federal Home Loan Bank		06/28/2023	9,025,000.00	9,047,562.50	8,981,409.25	4.000	4.108	1,165	06/09/2028
3130AWN63	13082	Federal Home Loan Bank		07/14/2023	10,000,000.00	10,018,700.00	9,973,400.00	4.000	4.060	1,186	06/30/2028
3130AWN63	13083	Federal Home Loan Bank		07/14/2023	20,000,000.00	20,037,400.00	19,946,800.00	4.000	4.060	1,186	06/30/2028
3130AWTQ3	13142	Federal Home Loan Bank		09/28/2023	16,600,000.00	16,745,582.00	16,427,526.00	4.625	5.003	528	09/11/2026
3130AXU63	13189	Federal Home Loan Bank		11/17/2023	20,000,000.00	20,196,200.00	19,964,600.00	4.625	4.689	595	11/17/2026
3130AXU63	13190	Federal Home Loan Bank		11/17/2023	30,000,000.00	30,294,300.00	29,907,883.47	4.625	4.736	595	11/17/2026
3130AYPN0	13250	Federal Home Loan Bank		01/29/2024	25,000,000.00	25,112,750.00	24,943,750.00	4.125	4.207	654	01/15/2027
3130AYPN0	13251	Federal Home Loan Bank		01/29/2024	50,000,000.00	50,225,500.00	49,887,500.00	4.125	4.207	654	01/15/2027
3130B2PJ8	13356	Federal Home Loan Bank		09/13/2024	15,000,000.00	14,927,550.00	14,980,050.00	3.625	3.691	521	09/04/2026
3130B3A29	13374	Federal Home Loan Bank		10/11/2024	25,000,000.00	25,009,250.00	24,994,750.00	4.000	4.011	556	10/09/2026
3137EAEU9	12195	Federal Home Loan Mtg Corp		07/23/2020	10,000,000.00	9,881,900.00	9,950,200.00	0.375	0.727	111	07/21/2025
3137EAEX3	12405	Federal Home Loan Mtg Corp		02/26/2021	15,000,000.00	14,721,000.00	14,747,400.00	0.375	0.750	175	09/23/2025
3137EAEX3	13004	Federal Home Loan Mtg Corp		04/21/2023	25,000,000.00	24,535,000.00	22,833,314.75	0.375	4.174	175	09/23/2025
3134GW5P7	13036	Federal Home Loan Mtg Corp		05/17/2023	34,018,000.00	33,327,774.78	31,171,163.53	0.600	4.240	209	10/27/2025
3135G04Z3	12171	Federal National Mtg Assn		06/19/2020	20,000,000.00	19,836,200.00	19,958,600.00	0.500	0.542	77	06/17/2025
3135G04Z3	12172	Federal National Mtg Assn		06/19/2020	15,000,000.00	14,877,150.00	14,968,950.00	0.500	0.542	77	06/17/2025
3135G06G3	12299	Federal National Mtg Assn		11/12/2020	18,000,000.00	17,591,580.00	17,935,560.00	0.500	0.573	220	11/07/2025
<b>Subtotal and Average</b>			<b>1,084,676,790.55</b>		<b>1,092,628,000.00</b>	<b>1,091,926,720.53</b>	<b>1,084,676,790.55</b>		<b>3.995</b>	<b>768</b>	
<b>Treasury Notes and Bonds</b>											
91282CBQ3	12409	U.S. Treasury		03/01/2021	25,000,000.00	24,198,000.00	24,630,859.38	0.500	0.802	333	02/28/2026
91282CCZ2	12520	U.S. Treasury		09/30/2021	50,000,000.00	47,779,500.00	49,666,015.64	0.875	1.012	547	09/30/2026
91282CAT8	12522	U.S. Treasury		09/30/2021	50,000,000.00	48,878,000.00	48,865,234.39	0.250	0.816	213	10/31/2025
91282CFB2	13378	U.S. Treasury		10/16/2024	100,000,000.00	97,465,000.00	97,035,156.00	2.750	3.880	851	07/31/2027
91282CLK5	13379	U.S. Treasury		10/16/2024	100,000,000.00	98,746,000.00	99,000,000.00	3.625	3.851	1,613	08/31/2029
9128284V9	13380	U.S. Treasury		10/16/2024	100,000,000.00	96,773,000.00	96,500,000.00	2.875	3.866	1,232	08/15/2028
91282CLG4	13381	U.S. Treasury		10/16/2024	100,000,000.00	99,668,000.00	99,679,688.00	3.750	3.869	866	08/15/2027
91282CLP4	13388	U.S. Treasury		10/30/2024	50,000,000.00	49,668,000.00	49,392,578.00	3.500	4.164	547	09/30/2026
91282CLG4	13389	U.S. Treasury		10/30/2024	50,000,000.00	49,834,000.00	49,507,812.50	3.750	4.125	866	08/15/2027
91282CCW9	13432	U.S. Treasury		12/18/2024	50,000,000.00	47,804,500.00	47,154,296.90	0.750	4.258	517	08/31/2026
<b>Subtotal and Average</b>			<b>661,571,218.97</b>		<b>675,000,000.00</b>	<b>660,814,000.00</b>	<b>661,431,640.81</b>		<b>3.382</b>	<b>888</b>	

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<b>Agency Callables (Aaa/AA+)</b>											
31422XXL1	12698	Farmer Mac		04/28/2022	25,000,000.00	24,885,000.00	25,000,000.00	3.050	3.051	118	07/28/2025
31422XXG2	12700	Farmer Mac		04/26/2022	15,000,000.00	14,704,950.00	15,000,000.00	3.100	3.100	755	04/26/2027
31422X3A8	13038	Farmer Mac		05/19/2023	25,000,000.00	24,999,000.00	25,000,000.00	4.250	4.250	1,144	05/19/2028
31422X4B5	13061	Farmer Mac		06/16/2023	15,000,000.00	14,981,100.00	15,000,000.00	4.850	4.850	1,172	06/16/2028
31422X5E8	13091	Farmer Mac		07/28/2023	15,000,000.00	14,995,200.00	15,000,000.00	5.000	5.001	1,186	06/30/2028
31422X6C1	13110	Farmer Mac		08/18/2023	25,000,000.00	25,071,825.00	25,000,000.00	5.150	5.150	1,235	08/18/2028
31422X6P2	13120	Farmer Mac		09/05/2023	15,000,000.00	15,012,000.00	15,000,000.00	5.250	5.252	1,161	06/05/2028
31424WAQ5	13152	Farmer Mac		10/12/2023	20,000,000.00	20,004,400.00	20,000,000.00	5.600	5.604	1,275	09/27/2028
31424WBX9	13180	Farmer Mac		11/13/2023	20,000,000.00	20,053,600.00	20,000,000.00	5.200	5.200	1,322	11/13/2028
31424WDC3	13209	Farmer Mac		12/12/2023	50,000,000.00	50,133,000.00	50,000,000.00	4.700	4.700	1,168	06/12/2028
31424WDF6	13225	Farmer Mac		12/20/2023	25,000,000.00	25,039,500.00	25,000,000.00	5.125	5.125	1,359	12/20/2028
31424WHF2	13303	Farmer Mac		04/18/2024	50,000,000.00	50,248,000.00	50,000,000.00	5.125	5.127	1,539	06/18/2029
31424WJE3	13315	Farmer Mac		05/14/2024	25,000,000.00	25,176,250.00	25,000,000.00	5.140	5.140	1,688	11/14/2029
31424WLS9	13338	Farmer Mac		07/24/2024	25,000,000.00	24,968,500.00	25,000,000.00	4.500	4.500	2,124	01/24/2031
31424WPD8	13361	Farmer Mac		09/24/2024	25,000,000.00	24,625,000.00	25,000,000.00	4.040	4.040	2,002	09/24/2030
31424WPG1	13366	Farmer Mac		10/02/2024	25,000,000.00	24,659,750.00	25,000,000.00	4.020	4.021	1,737	01/02/2030
31424WQK1	13386	Farmer Mac		10/25/2024	25,000,000.00	24,905,750.00	25,000,000.00	4.190	4.190	1,668	10/25/2029
31424WRB0	13398	Farmer Mac		11/19/2024	50,000,000.00	50,357,500.00	50,000,000.00	4.550	4.550	1,693	11/19/2029
31424WRR5	13412	Farmer Mac		12/05/2024	25,000,000.00	25,056,750.00	25,000,000.00	4.550	4.550	1,161	06/05/2028
31424WRR5	13413	Farmer Mac		12/05/2024	50,000,000.00	50,113,500.00	50,000,000.00	4.550	4.550	1,161	06/05/2028
31424WNX6	13423	Farmer Mac		12/11/2024	10,093,000.00	9,928,887.82	9,958,775.82	3.970	4.280	1,631	09/18/2029
31424WSS2	13442	Farmer Mac		12/23/2024	50,000,000.00	49,949,500.00	50,000,000.00	4.500	4.502	1,270	09/22/2028
31424WTP7	13452	Farmer Mac		01/15/2025	25,000,000.00	25,043,250.00	25,000,000.00	4.400	4.400	835	07/15/2027
31424WVU3	13464	Farmer Mac		02/28/2025	25,000,000.00	25,060,000.00	25,000,000.00	4.600	4.600	1,245	08/28/2028
31424WXC1	13473	Farmer Mac		03/21/2025	25,000,000.00	25,041,500.00	25,000,000.00	4.350	4.339	1,269	09/21/2028
3133EMYD8	12441	Federal Farm Credit Bank		05/06/2021	15,000,000.00	14,709,600.00	15,000,000.00	0.850	0.850	216	11/03/2025
3133EMZS4	12447	Federal Farm Credit Bank		05/18/2021	10,000,000.00	9,651,900.00	10,000,000.00	0.900	0.900	412	05/18/2026
3133ENHW3	12603	Federal Farm Credit Bank		12/23/2021	25,000,000.00	24,815,250.00	25,000,000.00	1.170	1.170	83	06/23/2025
3133EMYD8	12987	Federal Farm Credit Bank		04/14/2023	6,260,000.00	6,138,806.40	5,758,448.80	0.850	4.192	216	11/03/2025
3133EMQ62	13294	Federal Farm Credit Bank		04/08/2024	25,000,000.00	24,031,500.00	23,004,000.00	0.990	4.751	468	07/13/2026
3133ENYM6	13312	Federal Farm Credit Bank		04/30/2024	17,625,000.00	17,369,261.25	16,854,787.50	3.780	4.969	1,164	06/08/2028
3133EM5P3	13318	Federal Farm Credit Bank		05/17/2024	25,000,000.00	22,808,250.00	21,795,904.00	1.300	4.589	1,268	09/20/2028
3133EK4C7	13426	Federal Farm Credit Bank		12/13/2024	37,960,000.00	34,917,506.00	34,564,182.76	2.170	4.282	1,672	10/29/2029
3130AKN85	12367	Federal Home Loan Bank		01/20/2021	20,000,000.00	19,425,000.00	19,974,000.00	0.550	0.576	294	01/20/2026
3130AKVY9	12373	Federal Home Loan Bank		01/29/2021	10,000,000.00	9,702,200.00	10,000,000.00	0.520	0.520	303	01/29/2026
3130AKVN3	12374	Federal Home Loan Bank		01/29/2021	5,000,000.00	4,851,100.00	5,000,000.00	0.520	0.520	303	01/29/2026

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<b>Agency Callables (Aaa/AA+)</b>											
3130AKUS3	12377	Federal Home Loan Bank		01/29/2021	15,450,000.00	14,988,817.50	15,442,275.00	0.500	0.510	302	01/28/2026
3130AKMD5	12378	Federal Home Loan Bank		01/29/2021	4,980,000.00	4,832,193.60	4,976,324.76	0.500	0.515	300	01/26/2026
3130AKXB7	12391	Federal Home Loan Bank		02/11/2021	10,000,000.00	9,696,500.00	10,000,000.00	0.580	0.580	316	02/11/2026
3130AKXB7	12392	Federal Home Loan Bank		02/11/2021	20,000,000.00	19,393,000.00	20,000,000.00	0.580	0.580	316	02/11/2026
3130AKWA0	12393	Federal Home Loan Bank		02/12/2021	13,000,000.00	12,598,430.00	12,979,200.00	0.520	0.552	317	02/12/2026
3130AKXQ4	12394	Federal Home Loan Bank		02/12/2021	15,000,000.00	14,550,750.00	15,000,000.00	0.600	0.600	317	02/12/2026
3130AKVR4	12395	Federal Home Loan Bank		02/12/2021	20,000,000.00	19,409,000.00	20,000,000.00	0.550	0.550	317	02/12/2026
3130AL3S1	12397	Federal Home Loan Bank		02/17/2021	10,000,000.00	9,699,900.00	10,000,000.00	0.625	0.625	322	02/17/2026
3130ALEM2	12403	Federal Home Loan Bank		02/25/2021	15,000,000.00	14,552,700.00	15,000,000.00	0.790	0.790	330	02/25/2026
3130AKZ25	12406	Federal Home Loan Bank		02/26/2021	10,000,000.00	9,693,000.00	10,000,000.00	0.650	0.650	331	02/26/2026
3130ALGJ7	12419	Federal Home Loan Bank		03/23/2021	20,000,000.00	19,386,000.00	20,000,000.00	1.000	1.000	356	03/23/2026
3130ALGJ7	12420	Federal Home Loan Bank		03/23/2021	9,250,000.00	8,966,025.00	9,250,000.00	1.000	1.000	356	03/23/2026
3130AMAG7	12437	Federal Home Loan Bank		04/29/2021	10,000,000.00	9,673,800.00	10,000,000.00	1.050	1.050	393	04/29/2026
3130AMU75	12476	Federal Home Loan Bank		06/30/2021	10,000,000.00	9,625,100.00	10,000,000.00	1.000	1.000	451	06/26/2026
3130ANSC5	12494	Federal Home Loan Bank		08/30/2021	15,000,000.00	14,371,350.00	15,000,000.00	1.000	1.000	512	08/26/2026
3130ANWJ5	12497	Federal Home Loan Bank		08/30/2021	25,000,000.00	24,826,000.00	25,000,000.00	0.720	0.720	70	06/10/2025
3130ANU32	12516	Federal Home Loan Bank		09/22/2021	10,000,000.00	9,569,400.00	9,995,000.00	1.000	1.010	539	09/22/2026
3130APDL6	12521	Federal Home Loan Bank		09/30/2021	15,000,000.00	14,870,250.00	15,000,000.00	0.800	0.800	90	06/30/2025
3130APNH4	12561	Federal Home Loan Bank		11/18/2021	10,000,000.00	9,808,400.00	10,000,000.00	1.200	1.200	231	11/18/2025
3130APQG3	12562	Federal Home Loan Bank		11/18/2021	20,000,000.00	19,616,800.00	20,000,000.00	1.200	1.200	231	11/18/2025
3130APVJ1	12571	Federal Home Loan Bank		11/23/2021	15,000,000.00	14,394,450.00	15,000,000.00	1.500	1.500	601	11/23/2026
3130APWE1	12582	Federal Home Loan Bank		11/30/2021	15,000,000.00	14,392,800.00	15,000,000.00	1.500	1.500	603	11/25/2026
3130APW43	12585	Federal Home Loan Bank		12/02/2021	8,125,000.00	7,791,550.00	8,123,375.00	1.500	1.504	610	12/02/2026
3130APW84	12586	Federal Home Loan Bank		12/03/2021	10,000,000.00	9,589,000.00	9,997,500.00	1.500	1.505	611	12/03/2026
3130APXT7	12594	Federal Home Loan Bank		12/17/2021	10,000,000.00	9,595,800.00	10,000,000.00	1.600	1.600	625	12/17/2026
3130AQ2Z5	12607	Federal Home Loan Bank		12/27/2021	25,000,000.00	24,348,500.00	25,000,000.00	1.500	1.500	360	03/27/2026
3130AQ7M9	12608	Federal Home Loan Bank		12/27/2021	25,000,000.00	24,806,750.00	25,000,000.00	1.250	1.250	87	06/27/2025
3130AQDQ3	12614	Federal Home Loan Bank		12/30/2021	15,000,000.00	14,881,500.00	15,000,000.00	1.220	1.220	90	06/30/2025
3130AQ5S8	12615	Federal Home Loan Bank		12/30/2021	25,000,000.00	24,804,250.00	25,000,000.00	1.250	1.250	90	06/30/2025
3130AQM83	12632	Federal Home Loan Bank		01/28/2022	4,185,000.00	4,049,657.10	4,164,261.00	1.600	1.716	482	07/27/2026
3130AQUT8	12645	Federal Home Loan Bank		02/17/2022	10,000,000.00	9,631,000.00	10,000,000.00	2.010	2.010	687	02/17/2027
3130AQUY7	12648	Federal Home Loan Bank		02/25/2022	10,000,000.00	9,647,500.00	10,000,000.00	2.050	2.050	695	02/25/2027
3130ARGC9	12667	Federal Home Loan Bank		03/25/2022	10,000,000.00	9,736,200.00	10,000,000.00	2.550	2.550	723	03/25/2027
3130ARAE1	12670	Federal Home Loan Bank		03/25/2022	25,000,000.00	24,871,750.00	25,000,000.00	2.100	2.100	85	06/25/2025
3130ARFQ9	12671	Federal Home Loan Bank		04/05/2022	25,000,000.00	24,296,000.00	25,000,000.00	2.610	2.610	734	04/05/2027
3130ARFG1	12675	Federal Home Loan Bank		03/30/2022	10,000,000.00	9,708,000.00	10,000,000.00	2.400	2.400	723	03/25/2027

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<b>Agency Callables (Aaa/AA+)</b>											
3130ARJW2	12677	Federal Home Loan Bank		04/22/2022	15,000,000.00	14,987,850.00	15,000,000.00	3.000	3.000	21	04/22/2025
3130ARL33	12682	Federal Home Loan Bank		04/21/2022	20,000,000.00	19,897,600.00	20,000,000.00	3.000	3.001	142	08/21/2025
3130ARDV0	12691	Federal Home Loan Bank		04/08/2022	10,000,000.00	9,793,900.00	10,000,000.00	3.000	3.000	723	03/25/2027
3130ARPZ8	12697	Federal Home Loan Bank		04/28/2022	25,000,000.00	24,895,750.00	25,000,000.00	3.150	3.151	118	07/28/2025
3130ARUV1	12706	Federal Home Loan Bank		04/27/2022	25,000,000.00	24,829,750.00	25,000,000.00	3.100	3.100	209	10/27/2025
3130ASZD4	12787	Federal Home Loan Bank		08/30/2022	15,000,000.00	14,990,400.00	14,998,500.00	4.130	4.134	149	08/28/2025
3130ASYZ6	12789	Federal Home Loan Bank		08/30/2022	25,000,000.00	24,949,000.00	25,000,000.00	4.000	4.000	149	08/28/2025
3130ASYR4	12806	Federal Home Loan Bank		09/27/2022	25,000,000.00	24,963,500.00	24,610,000.00	4.000	4.576	149	08/28/2025
3130AQZT3	12993	Federal Home Loan Bank		04/18/2023	8,395,000.00	8,194,779.25	7,943,181.10	2.750	4.266	706	03/08/2027
3130ANED8	12994	Federal Home Loan Bank		04/19/2023	18,850,000.00	18,110,137.50	16,998,741.50	1.000	4.246	482	07/27/2026
3130AMU75	13021	Federal Home Loan Bank		05/02/2023	5,000,000.00	4,812,550.00	4,538,600.00	1.000	4.155	451	06/26/2026
3130AL5A8	13022	Federal Home Loan Bank		05/02/2023	16,225,000.00	15,324,025.75	14,407,637.75	0.900	4.100	696	02/26/2027
3130ARTJ0	13069	Federal Home Loan Bank		06/29/2023	5,000,000.00	4,977,100.00	4,815,500.00	3.000	4.883	115	07/25/2025
3130ANLF5	13177	Federal Home Loan Bank		11/09/2023	10,000,000.00	9,343,700.00	8,729,200.00	1.050	4.752	875	08/24/2027
3130ASZD4	13181	Federal Home Loan Bank		11/13/2023	25,000,000.00	24,984,000.00	24,486,600.00	4.130	5.343	149	08/28/2025
3130AXSN9	13182	Federal Home Loan Bank		11/14/2023	25,000,000.00	25,075,750.00	25,000,000.00	5.000	5.000	1,323	11/14/2028
3130ANYN4	13191	Federal Home Loan Bank		11/20/2023	10,000,000.00	9,556,600.00	8,995,000.00	1.000	4.801	547	09/30/2026
3130AWS92	13193	Federal Home Loan Bank		11/20/2023	21,295,000.00	21,342,700.80	21,243,226.96	4.875	5.016	164	09/12/2025
3130AXW38	13197	Federal Home Loan Bank		11/28/2023	25,000,000.00	25,033,750.00	25,000,000.00	5.185	5.187	1,245	08/28/2028
3130AXWN4	13199	Federal Home Loan Bank		11/30/2023	25,000,000.00	24,988,750.00	25,000,000.00	5.280	5.280	1,155	05/30/2028
3130AXY51	13200	Federal Home Loan Bank		12/06/2023	20,000,000.00	20,009,800.00	20,000,000.00	5.100	5.100	1,345	12/06/2028
3130AXY85	13203	Federal Home Loan Bank		12/08/2023	25,000,000.00	25,067,750.00	25,000,000.00	4.750	4.750	1,347	12/08/2028
3130AXZY7	13212	Federal Home Loan Bank		12/13/2023	25,000,000.00	24,989,000.00	25,000,000.00	5.000	5.000	1,169	06/13/2028
3130AP4Z5	13218	Federal Home Loan Bank		12/14/2023	23,780,000.00	22,708,235.40	21,565,606.40	0.900	4.482	547	09/30/2026
3130AY7G5	13221	Federal Home Loan Bank		12/19/2023	25,000,000.00	25,007,500.00	25,000,000.00	4.710	4.712	1,267	09/19/2028
3130AY7H3	13222	Federal Home Loan Bank		12/19/2023	50,000,000.00	50,039,500.00	50,000,000.00	4.350	4.351	1,269	09/21/2028
3130AQUT8	13223	Federal Home Loan Bank		12/19/2023	15,000,000.00	14,446,500.00	13,985,250.00	2.010	4.322	687	02/17/2027
3130ALGL2	13224	Federal Home Loan Bank		12/19/2023	50,000,000.00	47,378,000.00	45,186,000.00	1.115	4.385	696	02/26/2027
3130ANMH0	13227	Federal Home Loan Bank		12/20/2023	15,000,000.00	14,402,250.00	13,750,650.00	1.100	4.446	506	08/20/2026
3130AYB62	13229	Federal Home Loan Bank		12/21/2023	25,000,000.00	25,022,750.00	25,000,000.00	4.800	4.800	1,176	06/20/2028
3130AMZZ8	13236	Federal Home Loan Bank		01/19/2024	25,000,000.00	23,531,000.00	22,620,250.00	1.220	4.216	820	06/30/2027
3130AYLJ3	13238	Federal Home Loan Bank		01/19/2024	50,000,000.00	50,023,000.00	50,000,000.00	4.350	4.350	1,389	01/19/2029
3130AYMA1	13241	Federal Home Loan Bank		01/22/2024	50,000,000.00	49,894,000.00	50,000,000.00	4.250	4.250	1,392	01/22/2029
3130AYQT6	13252	Federal Home Loan Bank		01/30/2024	50,000,000.00	50,285,500.00	50,000,000.00	5.190	5.261	3,226	01/30/2034
3130AYV60	13254	Federal Home Loan Bank		02/07/2024	50,000,000.00	50,242,000.00	50,000,000.00	4.655	4.238	1,408	02/07/2029
3130AYV52	13255	Federal Home Loan Bank		02/09/2024	50,000,000.00	50,132,500.00	50,000,000.00	4.390	4.000	1,410	02/09/2029

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<b>Agency Callables (Aaa/AA+)</b>											
3130AYWC6	13256	Federal Home Loan Bank		02/09/2024	50,000,000.00	50,199,000.00	50,000,000.00	4.400	4.020	1,591	08/09/2029
3130B04Z9	13267	Federal Home Loan Bank		02/22/2024	50,000,000.00	50,077,000.00	50,000,000.00	5.060	5.060	1,057	02/22/2028
3130B05B1	13268	Federal Home Loan Bank		02/26/2024	50,000,000.00	49,980,500.00	50,000,000.00	5.010	5.010	877	08/26/2027
3130B0BS7	13280	Federal Home Loan Bank		03/08/2024	25,000,000.00	25,168,250.00	25,000,000.00	4.600	4.246	1,802	03/08/2030
3130B0PR4	13292	Federal Home Loan Bank		04/02/2024	15,000,000.00	15,010,500.00	15,000,000.00	5.000	5.000	1,280	10/02/2028
3130B0R84	13293	Federal Home Loan Bank		04/05/2024	50,000,000.00	50,185,000.00	50,000,000.00	4.860	4.927	1,283	10/05/2028
3130B0TW9	13295	Federal Home Loan Bank		04/10/2024	50,000,000.00	50,205,500.00	49,990,000.00	5.050	5.125	1,561	07/10/2029
3130B0T41	13298	Federal Home Loan Bank		04/12/2024	50,000,000.00	50,536,000.00	50,000,000.00	4.715	4.780	1,655	10/12/2029
3130B0VY2	13299	Federal Home Loan Bank		04/12/2024	50,000,000.00	50,455,000.00	50,000,000.00	5.000	5.070	1,563	07/12/2029
3130B0W54	13301	Federal Home Loan Bank		04/16/2024	25,000,000.00	25,226,000.00	25,000,000.00	5.000	5.070	1,567	07/16/2029
3130B15H6	13307	Federal Home Loan Bank		04/29/2024	25,000,000.00	25,272,000.00	25,000,000.00	5.000	5.000	1,672	10/29/2029
3130B16X0	13308	Federal Home Loan Bank		04/30/2024	25,000,000.00	25,205,500.00	25,000,000.00	5.125	5.197	1,581	07/30/2029
3130B16R3	13309	Federal Home Loan Bank		04/30/2024	25,000,000.00	25,239,000.00	25,000,000.00	5.120	5.192	1,581	07/30/2029
3130ALCE2	13310	Federal Home Loan Bank		04/30/2024	10,000,000.00	9,447,100.00	8,963,000.00	0.920	4.899	696	02/26/2027
3130ALED2	13311	Federal Home Loan Bank		04/30/2024	15,000,000.00	14,211,300.00	13,489,500.00	1.020	4.890	694	02/24/2027
3130B1GA9	13319	Federal Home Loan Bank		05/21/2024	25,000,000.00	25,145,000.00	25,000,000.00	5.030	5.101	1,603	08/21/2029
3130B1GD3	13320	Federal Home Loan Bank		05/22/2024	25,000,000.00	25,233,750.00	24,997,500.00	4.770	4.367	1,665	10/22/2029
3130AQLD3	13321	Federal Home Loan Bank		05/22/2024	22,000,000.00	21,120,880.00	20,358,800.00	1.750	4.743	667	01/28/2027
3130B1KC0	13323	Federal Home Loan Bank		05/28/2024	20,000,000.00	19,990,200.00	20,000,000.00	5.250	5.250	422	05/28/2026
3130B1V38	13335	Federal Home Loan Bank		07/02/2024	20,000,000.00	20,070,600.00	20,000,000.00	4.900	4.900	1,196	07/10/2028
3130B2LP8	13354	Federal Home Loan Bank		09/10/2024	20,000,000.00	20,001,400.00	19,978,000.00	5.000	5.025	1,623	09/10/2029
3130B2MQ5	13355	Federal Home Loan Bank		09/11/2024	25,000,000.00	24,678,750.00	25,000,000.00	4.100	4.100	1,989	09/11/2030
3130B2SX4	13357	Federal Home Loan Bank		09/20/2024	25,000,000.00	24,585,250.00	25,000,000.00	4.020	4.068	1,996	09/18/2030
3130B2VR3	13362	Federal Home Loan Bank		09/25/2024	25,000,000.00	24,575,000.00	25,000,000.00	4.000	4.001	1,911	06/25/2030
3130B2Y25	13365	Federal Home Loan Bank		09/30/2024	10,000,000.00	9,938,200.00	10,000,000.00	4.000	4.000	904	09/22/2027
3130B2ZM0	13370	Federal Home Loan Bank		10/04/2024	10,000,000.00	9,863,300.00	10,000,000.00	4.050	4.050	1,645	10/02/2029
3130B35B5	13372	Federal Home Loan Bank		10/08/2024	25,000,000.00	24,698,000.00	25,000,000.00	4.000	4.000	1,648	10/05/2029
3130B3BQ5	13376	Federal Home Loan Bank		10/15/2024	25,000,000.00	24,860,000.00	25,000,000.00	4.120	4.120	1,658	10/15/2029
3130B3BP7	13377	Federal Home Loan Bank		10/16/2024	50,000,000.00	49,923,000.00	50,000,000.00	4.310	4.311	1,567	07/16/2029
3130B35P4	13382	Federal Home Loan Bank		10/16/2024	25,000,000.00	24,757,250.00	25,000,000.00	4.030	4.030	1,659	10/16/2029
3130B3DT7	13383	Federal Home Loan Bank		10/21/2024	25,000,000.00	24,981,250.00	25,000,000.00	4.760	4.821	1,569	07/18/2029
3130B3E66	13385	Federal Home Loan Bank		10/23/2024	25,000,000.00	24,837,500.00	25,000,000.00	4.200	4.201	1,939	07/23/2030
3130B3G31	13387	Federal Home Loan Bank		10/30/2024	50,000,000.00	50,004,000.00	50,000,000.00	4.265	4.320	1,581	07/30/2029
3130B3JF1	13390	Federal Home Loan Bank		10/30/2024	25,000,000.00	25,008,500.00	25,000,000.00	4.380	4.382	1,210	07/24/2028
3130B3MX8	13392	Federal Home Loan Bank		11/07/2024	50,000,000.00	50,036,000.00	50,000,000.00	4.510	4.510	1,681	11/07/2029
3130B3MR1	13395	Federal Home Loan Bank		11/08/2024	50,000,000.00	50,382,500.00	50,000,000.00	4.485	4.485	1,680	11/06/2029

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<b>Agency Callables (Aaa/AA+)</b>											
3130B3MW0	13396	Federal Home Loan Bank		11/13/2024	50,000,000.00	50,076,000.00	50,000,000.00	4.500	4.500	1,687	11/13/2029
3130B3Q22	13397	Federal Home Loan Bank		11/14/2024	50,000,000.00	50,491,000.00	50,000,000.00	4.500	4.500	1,687	11/13/2029
3130ALGL2	13406	Federal Home Loan Bank		12/04/2024	49,145,000.00	46,567,836.20	45,883,185.90	1.115	4.269	696	02/26/2027
3130ALCE2	13407	Federal Home Loan Bank		12/04/2024	17,945,000.00	16,952,820.95	16,680,396.65	0.920	4.269	696	02/26/2027
3130AL5A8	13408	Federal Home Loan Bank		12/04/2024	55,355,000.00	52,281,136.85	51,430,797.70	0.900	4.269	696	02/26/2027
3130ALED2	13409	Federal Home Loan Bank		12/04/2024	12,670,000.00	12,003,811.40	11,805,830.74	1.020	4.269	694	02/24/2027
3130AL2X1	13410	Federal Home Loan Bank		12/04/2024	37,230,000.00	35,139,535.50	34,580,256.76	0.850	4.269	687	02/17/2027
3130AKYH3	13411	Federal Home Loan Bank		12/04/2024	59,175,000.00	55,862,383.50	54,974,478.01	0.830	4.269	680	02/10/2027
3130B3XT5	13414	Federal Home Loan Bank		12/06/2024	50,000,000.00	49,913,000.00	50,000,000.00	4.500	4.502	1,070	03/06/2028
3130APHL2	13415	Federal Home Loan Bank		12/06/2024	11,125,000.00	10,220,982.50	10,076,561.46	1.500	4.239	1,291	10/13/2028
3130AN2H2	13416	Federal Home Loan Bank		12/06/2024	12,755,000.00	12,280,896.65	12,136,892.70	1.050	4.281	455	06/30/2026
3130B42L4	13419	Federal Home Loan Bank		12/10/2024	20,000,000.00	19,988,600.00	20,000,000.00	4.400	4.402	892	09/10/2027
3130ALGR9	13420	Federal Home Loan Bank		12/10/2024	26,740,000.00	25,964,540.00	25,668,234.06	0.850	4.280	331	02/26/2026
3130B43P4	13427	Federal Home Loan Bank		12/16/2024	50,000,000.00	49,920,000.00	50,000,000.00	4.500	4.554	898	09/16/2027
3130B4CZ2	13436	Federal Home Loan Bank		12/20/2024	50,000,000.00	50,162,500.00	50,000,000.00	4.750	4.750	1,533	06/12/2029
3130B4HA2	13448	Federal Home Loan Bank		01/07/2025	10,000,000.00	10,000,700.00	10,000,000.00	4.500	4.500	462	07/07/2026
3130B4JJ1	13449	Federal Home Loan Bank		01/08/2025	50,000,000.00	49,956,000.00	50,000,000.00	4.370	4.373	311	02/06/2026
3130B4SM4	13457	Federal Home Loan Bank		01/30/2025	10,000,000.00	10,017,700.00	10,000,000.00	4.450	4.450	850	07/30/2027
3130B5K64	13469	Federal Home Loan Bank		03/14/2025	15,000,000.00	15,022,800.00	14,984,700.00	4.000	4.054	708	03/10/2027
3130B5K64	13470	Federal Home Loan Bank		03/14/2025	10,000,000.00	10,015,200.00	9,989,800.00	4.000	4.054	708	03/10/2027
3130B5KS6	13471	Federal Home Loan Bank		03/18/2025	25,000,000.00	25,023,000.00	25,000,000.00	4.270	4.270	1,266	09/18/2028
3134GVWR5	12144	Federal Home Loan Mtg Corp		05/22/2020	25,000,000.00	24,869,750.00	25,000,000.00	0.625	0.625	51	05/22/2025
3134GWND4	12199	Federal Home Loan Mtg Corp		08/12/2020	15,000,000.00	14,795,700.00	15,000,000.00	0.600	0.600	133	08/12/2025
3134GXB5	12319	Federal Home Loan Mtg Corp		11/25/2020	15,000,000.00	14,671,500.00	15,000,000.00	0.600	0.600	225	11/12/2025
3134GXHD9	12359	Federal Home Loan Mtg Corp		12/23/2020	10,000,000.00	9,753,100.00	10,000,000.00	0.700	0.700	266	12/23/2025
3134GXL44	12779	Federal Home Loan Mtg Corp		08/12/2022	15,000,000.00	14,966,850.00	15,000,000.00	4.000	4.000	133	08/12/2025
3134GXR63	12786	Federal Home Loan Mtg Corp		08/29/2022	20,000,000.00	19,972,000.00	20,000,000.00	4.050	4.050	149	08/28/2025
3134GXW34	12792	Federal Home Loan Mtg Corp		08/30/2022	20,000,000.00	19,980,200.00	20,000,000.00	4.250	4.250	149	08/28/2025
3134GXY65	12804	Federal Home Loan Mtg Corp		09/16/2022	15,000,000.00	14,988,300.00	15,000,000.00	4.250	4.250	349	03/16/2026
3134GX6A7	12827	Federal Home Loan Mtg Corp		10/25/2022	15,000,000.00	15,005,850.00	15,000,000.00	5.000	5.000	24	04/25/2025
3134GXR63	12918	Federal Home Loan Mtg Corp		01/20/2023	10,000,000.00	9,986,000.00	9,871,600.00	4.050	4.577	149	08/28/2025
3134GXRG1	12930	Federal Home Loan Mtg Corp		01/31/2023	5,000,000.00	4,992,300.00	4,852,500.00	3.050	4.422	41	05/12/2025
3134GW6C5	12988	Federal Home Loan Mtg Corp		04/14/2023	13,955,000.00	13,271,623.65	12,485,538.50	0.800	4.022	575	10/28/2026
3134GWZG4	12989	Federal Home Loan Mtg Corp		04/14/2023	13,000,000.00	12,744,940.00	11,889,800.00	0.600	4.212	202	10/20/2025
3134GXR63	12991	Federal Home Loan Mtg Corp		04/17/2023	5,000,000.00	4,993,000.00	4,942,500.00	4.050	4.567	149	08/28/2025
3134GW5R3	12992	Federal Home Loan Mtg Corp		04/17/2023	11,935,000.00	11,684,484.35	10,894,268.00	0.650	4.329	209	10/27/2025

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to 365 Maturity	Maturity Date
<b>Agency Callables (Aaa/AA+)</b>											
3134GXS47	13097	Federal Home Loan Mtg Corp		07/28/2023	7,000,000.00	6,989,150.00	6,863,500.00	4.200	5.198	149	08/28/2025
3134HACR2	13343	Federal Home Loan Mtg Corp		08/06/2024	15,000,000.00	14,850,600.00	14,812,500.00	4.125	4.406	1,588	08/06/2029
3134HANY5	13363	Federal Home Loan Mtg Corp		09/27/2024	25,000,000.00	24,365,000.00	24,742,500.00	3.625	3.865	1,548	06/27/2029
3134GXHY3	13421	Federal Home Loan Mtg Corp		12/10/2024	4,000,000.00	3,839,800.00	3,794,229.60	0.750	4.244	448	06/23/2026
3134GWYB6	13439	Federal Home Loan Mtg Corp		12/20/2024	43,300,000.00	40,049,469.00	39,333,875.88	0.900	4.464	925	10/13/2027
3134HAW33	13458	Federal Home Loan Mtg Corp		02/03/2025	20,000,000.00	20,040,400.00	20,105,555.56	4.750	4.749	1,722	12/18/2029
3134HBDW8	13475	Federal Home Loan Mtg Corp		03/27/2025	10,000,000.00	9,982,900.00	9,992,000.00	4.300	4.325	1,275	09/27/2028
3136G4XV0	12181	Federal National Mtg Assn		06/30/2020	15,000,000.00	14,868,750.00	15,000,000.00	0.730	0.730	90	06/30/2025
3136G4ZJ5	12184	Federal National Mtg Assn		07/21/2020	10,000,000.00	9,887,000.00	10,000,000.00	0.625	0.625	111	07/21/2025
3136G4A86	12185	Federal National Mtg Assn		07/21/2020	8,000,000.00	7,906,560.00	7,984,000.00	0.500	0.541	111	07/21/2025
3135G05X7	12209	Federal National Mtg Assn		08/27/2020	15,000,000.00	14,769,450.00	14,929,800.00	0.375	0.470	146	08/25/2025
3135G05X7	12210	Federal National Mtg Assn		08/27/2020	10,000,000.00	9,846,300.00	9,953,200.00	0.375	0.470	146	08/25/2025
3136G42F9	12211	Federal National Mtg Assn		08/27/2020	10,000,000.00	9,851,900.00	10,000,000.00	0.625	0.625	148	08/27/2025
3136G44U4	12265	Federal National Mtg Assn		10/20/2020	10,000,000.00	9,794,100.00	10,000,000.00	0.500	0.500	202	10/20/2025
3135G06C2	12278	Federal National Mtg Assn		10/29/2020	15,000,000.00	14,690,550.00	15,000,000.00	0.600	0.600	211	10/29/2025
3135GA2Z3	12304	Federal National Mtg Assn		11/17/2020	10,000,000.00	9,774,700.00	9,995,000.00	0.560	0.570	230	11/17/2025
3135GAA76	12343	Federal National Mtg Assn		12/09/2020	20,000,000.00	19,855,400.00	20,000,000.00	0.540	0.540	69	06/09/2025
3135GABT7	12355	Federal National Mtg Assn		12/16/2020	20,000,000.00	19,839,200.00	20,000,000.00	0.500	0.500	76	06/16/2025
3135GA7L9	12356	Federal National Mtg Assn		12/16/2020	20,000,000.00	19,839,200.00	20,000,000.00	0.500	0.500	76	06/16/2025
3135G06V0	12849	Federal National Mtg Assn		11/16/2022	20,000,000.00	19,969,400.00	19,672,460.00	4.125	4.758	149	08/28/2025
3135GAJN2	13160	Federal National Mtg Assn		10/20/2023	5,000,000.00	5,001,100.00	4,890,000.00	4.500	5.365	479	07/24/2026
3135GAU58	13345	Federal National Mtg Assn		08/14/2024	15,000,000.00	14,760,600.00	14,775,000.00	3.620	4.030	1,231	08/14/2028
3135GAVP3	13364	Federal National Mtg Assn		09/30/2024	25,000,000.00	24,365,000.00	24,715,000.00	3.625	3.892	1,548	06/27/2029
3136GA2E8	13403	Federal National Mtg Assn		12/02/2024	50,000,000.00	50,109,500.00	50,000,000.00	4.470	4.472	1,249	09/01/2028
3136GA3C1	13425	Federal National Mtg Assn		12/13/2024	50,000,000.00	49,910,000.00	50,000,000.00	4.700	4.700	1,169	06/13/2028
3136GA3V9	13429	Federal National Mtg Assn		12/18/2024	50,000,000.00	50,068,000.00	50,000,000.00	4.550	4.550	1,172	06/16/2028
3136GA3Y3	13430	Federal National Mtg Assn		12/18/2024	50,000,000.00	50,099,500.00	50,000,000.00	4.480	4.482	1,266	09/18/2028
3136G4X99	13440	Federal National Mtg Assn		12/20/2024	52,780,000.00	48,830,472.60	47,865,812.54	0.740	4.464	876	08/25/2027
3136GA4K2	13444	Federal National Mtg Assn		12/24/2024	50,000,000.00	50,167,500.00	50,000,000.00	4.550	4.552	1,270	09/22/2028
3136GA4H9	13445	Federal National Mtg Assn		12/30/2024	10,000,000.00	10,051,900.00	10,000,000.00	4.700	4.700	1,553	07/02/2029
3136G43D3	13450	Federal National Mtg Assn		01/08/2025	37,410,000.00	33,539,561.40	32,723,649.30	0.810	4.511	1,273	09/25/2028
3136GA6J3	13453	Federal National Mtg Assn		01/16/2025	25,000,000.00	25,105,500.00	25,000,000.00	4.680	4.682	1,294	10/16/2028
<b>Subtotal and Average</b>			<b>4,909,887,128.64</b>		<b>5,005,993,000.00</b>	<b>4,942,999,572.92</b>	<b>4,933,784,201.71</b>		<b>3.917</b>	<b>1,029</b>	

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**Alameda County Investment Pool**  
**Portfolio Management**  
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
<b>Municipal Bonds</b>											
13063DC48	13155	St. of California		10/16/2023	14,060,000.00	13,148,209.00	12,242,604.40	1.700	5.090	1,036	02/01/2028
13032UC22	12693	California Health Facility		04/07/2022	2,715,000.00	2,708,592.60	2,715,000.00	2.991	2.992	61	06/01/2025
13032UC30	12694	California Health Facility		04/07/2022	2,500,000.00	2,467,025.00	2,500,000.00	3.044	3.045	426	06/01/2026
419792P67	13433	Hawaii State		12/18/2024	6,425,000.00	6,425,899.50	6,425,000.00	4.237	4.239	1,279	10/01/2028
419792P59	13434	Hawaii State		12/18/2024	10,000,000.00	10,005,000.00	10,000,000.00	4.187	4.189	913	10/01/2027
91412HGE7	12262	UNIVHGR		10/19/2020	9,580,000.00	9,538,806.00	9,661,525.80	0.883	0.694	44	05/15/2025
91412HFG3	13404	UNIVHGR		12/03/2024	4,015,000.00	3,891,338.00	3,863,714.80	3.349	4.263	1,552	07/01/2029
91412HFG3	13405	UNIVHGR		12/03/2024	32,340,000.00	31,343,928.00	31,125,309.60	3.349	4.260	1,552	07/01/2029
<b>Subtotal and Average</b>			<b>78,533,154.60</b>		<b>81,635,000.00</b>	<b>79,528,798.10</b>	<b>78,533,154.60</b>		<b>3.858</b>	<b>1,095</b>	
<b>Total and Average</b>			<b>10,658,391,875.77</b>		<b>10,741,110,000.00</b>	<b>10,645,984,179.19</b>	<b>10,609,071,975.85</b>		<b>4.009</b>	<b>858</b>	

**Alameda County Investment Pool**  
**Transaction Activity Report**  
**March 1, 2025 - March 31, 2025**  
**Sorted by Fund - Transaction Date**  
**All Funds**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
13465	100	69371RT63	Purchase	03/03/2025	03/03/2028	J.P. Morgan	PACCAR Financial	9,993,900.00			-9,993,900.00
12655	100	808513BY0	Interest	03/03/2025	03/03/2027	Wells Fargo Bank	Charles Schwab			12,250.00	12,250.00
12950	100	194162AR4	Interest	03/03/2025	03/01/2028	Siebert Williams Sha	Colgate Palmolive			115,000.00	115,000.00
12951	100	194162AQ6	Interest	03/03/2025	03/02/2026	Siebert Williams Sha	Colgate Palmolive			120,000.00	120,000.00
13124	100	24422EWV7	Interest	03/03/2025	03/03/2028	TD Securities LLC	John Deere			245,000.00	245,000.00
13369	100	SYS13369	Interest	03/03/2025	10/03/2025	Bridge Bank	Bridge Bank			114,109.63	114,109.63
13403	100	3136GA2E8	Interest	03/03/2025	09/01/2028	Blaylock Robert Vans	Federal National Mtg			552,541.65	552,541.65
13418	100	SYS13418	Interest	03/03/2025	06/09/2025	East West Bank	East West Bank			169,166.62	169,166.62
12895	100	SYS12895	Interest	03/03/2025		CalTrust	CalTRUST - Liquidity			168,791.75	168,791.75
12220	100	3130AK5E2	Interest	03/04/2025	09/04/2025	Wells Fargo Bank	Federal Home Loan			3,750.00	3,750.00
12412	100	45818WDA1	Interest	03/04/2025	03/04/2026	Wells Fargo Bank	InterAmerican Develo			72,000.00	72,000.00
13350	100	45906M5Q0	Interest	03/04/2025	09/04/2029	US BANK	International Bank R			342,750.00	342,750.00
13356	100	3130B2PJ8	Interest	03/04/2025	09/04/2026	Blaylock Robert Vans	Federal Home Loan			258,281.25	258,281.25
13467	100	26442UAT1	Purchase	03/06/2025	03/06/2027	Blaylock Robert Vans	Duke Energy	999,430.00			-999,430.00
13414	100	3130B3XT5	Interest	03/06/2025	03/06/2028	Piper Jaffary	Federal Home Loan			562,500.00	562,500.00
12530	100	06048WN63	Interest	03/10/2025	09/10/2026	Oppenheimer Inc.	Bank of America Corp			28,163.50	28,163.50
12635	100	89788JAA7	Interest	03/10/2025	03/10/2025	Union Bank of Califo	Truist Bank			75,000.00	75,000.00
12800	100	931142EW9	Interest	03/10/2025	09/09/2025	Barclays Capital	Walmart			136,500.00	136,500.00
12960	100	57636QAW4	Interest	03/10/2025	03/09/2028	J.P. Morgan	Mastercard Inc.			243,750.00	243,750.00
12961	100	3133EPCX1	Interest	03/10/2025	03/10/2028	Union Bank of Califo	Federal Farm Credit			218,750.00	218,750.00
12993	100	3130AQZT3	Interest	03/10/2025	03/08/2027	Wells Fargo Bank	Federal Home Loan			115,431.25	115,431.25
13121	100	31422X6X5	Interest	03/10/2025	09/08/2028	Oppenheimer Inc.	Farmer Mac			637,500.00	637,500.00
13280	100	3130B0BS7	Interest	03/10/2025	03/08/2030	Piper Jaffary	Federal Home Loan			1,150,000.00	1,150,000.00
13354	100	3130B2LP8	Interest	03/10/2025	09/10/2029	TD Securities LLC	Federal Home Loan			500,000.00	500,000.00
13419	100	3130B42L4	Interest	03/10/2025	09/10/2027	Piper Jaffary	Federal Home Loan			220,000.00	220,000.00
13142	100	3130AWTQ3	Interest	03/11/2025	09/11/2026	J.P. Morgan	Federal Home Loan			383,875.00	383,875.00
13206	100	31424WDD1	Interest	03/11/2025	09/11/2028	Academy Securities	Farmer Mac			465,000.00	465,000.00
13355	100	3130B2MQ5	Interest	03/11/2025	09/11/2030	Blaylock Robert Vans	Federal Home Loan			512,500.00	512,500.00
12935	100	037833DB3	Interest	03/12/2025	09/12/2027	TD Securities LLC	Apple Inc.			313,867.00	313,867.00
13193	100	3130AWS92	Interest	03/12/2025	09/12/2025	Wells Fargo Bank	Federal Home Loan			519,065.63	519,065.63
13281	100	02665WFD8	Interest	03/12/2025	03/12/2027	TD Securities LLC	American Honda			245,000.00	245,000.00
13468	100	SYS13468	Purchase	03/13/2025	03/13/2026	Self-Help Federal Cr	Self-Help Federal Cr	230,000.00			-230,000.00
13282	100	SYS13282	Redemption	03/13/2025	03/13/2025	Self-Help Federal Cr	Self-Help Federal Cr		230,000.00		230,000.00
13184	100	459058JZ7	Interest	03/13/2025	09/13/2028	Bank of Montreal	International Bank R			140,750.00	140,750.00
13282	100	SYS13282	Interest	03/13/2025	03/13/2025	Self-Help Federal Cr	Self-Help Federal Cr			793.50	793.50

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Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
13431	100	459058JZ7	Interest	03/13/2025	09/13/2028	Wells Fargo Bank	International Bank R			225,177.48	<b>225,177.48</b>
13431	100	459058JZ7	Accr Int	03/13/2025	09/13/2028	Wells Fargo Bank	International Bank R		118,738.13	-118,738.13	<b>0.00</b>
13469	100	3130B5K64	Purchase	03/14/2025	03/10/2027	Siebert Williams Sha	Federal Home Loan	14,984,700.00			<b>-14,984,700.00</b>
13470	100	3130B5K64	Purchase	03/14/2025	03/10/2027	Academy Securities	Federal Home Loan	9,989,800.00			<b>-9,989,800.00</b>
12507	100	882508BK9	Interest	03/17/2025	09/15/2026	J.P. Morgan	Texas Instrument			16,875.00	<b>16,875.00</b>
12509	100	06368FAC3	Interest	03/17/2025	09/15/2026	Bank of Montreal	Bank of Montreal			37,500.00	<b>37,500.00</b>
12512	100	931142ER0	Interest	03/17/2025	09/17/2026	Wells Fargo Bank	Walmart			15,750.00	<b>15,750.00</b>
12804	100	3134GXY65	Interest	03/17/2025	03/16/2026	Cantor Fitzgerald	Federal Home Loan			318,750.00	<b>318,750.00</b>
13274	100	437076CH3	Interest	03/17/2025	09/15/2028	US BANK	Home Depot			151,650.00	<b>151,650.00</b>
13283	100	48130CJG1	Interest	03/17/2025	03/15/2029	Oppenheimer Inc.	J.P. Morgan			510,000.00	<b>510,000.00</b>
13471	100	3130B5KS6	Purchase	03/18/2025	09/18/2028	Piper Jaffary	Federal Home Loan	25,000,000.00			<b>-25,000,000.00</b>
13423	100	31424WNX6	Interest	03/18/2025	09/18/2029	KINGSWOOD	Farmer Mac			200,346.05	<b>200,346.05</b>
13423	100	31424WNX6	Accr Int	03/18/2025	09/18/2029	KINGSWOOD	Farmer Mac		92,381.79	-92,381.79	<b>0.00</b>
13430	100	3136GA3Y3	Interest	03/18/2025	09/18/2028	Blaylock Robert Vans	Federal National Mtg			560,000.00	<b>560,000.00</b>
12045	100	713448EQ7	Redemption	03/19/2025	03/19/2025	Citigroup	Pepsi Inc.		2,500,000.00		<b>2,500,000.00</b>
12047	100	713448EQ7	Redemption	03/19/2025	03/19/2025	Union Bank of Califo	Pepsi Inc.		5,000,000.00		<b>5,000,000.00</b>
12051	100	713448EQ7	Redemption	03/19/2025	03/19/2025	Union Bank of Califo	Pepsi Inc.		5,000,000.00		<b>5,000,000.00</b>
12045	100	713448EQ7	Interest	03/19/2025	03/19/2025	Citigroup	Pepsi Inc.			28,125.00	<b>28,125.00</b>
12047	100	713448EQ7	Interest	03/19/2025	03/19/2025	Union Bank of Califo	Pepsi Inc.			56,250.00	<b>56,250.00</b>
12051	100	713448EQ7	Interest	03/19/2025	03/19/2025	Union Bank of Califo	Pepsi Inc.			56,250.00	<b>56,250.00</b>
13140	100	59217GCK3	Interest	03/19/2025	09/19/2027	Raymond James	MetLife			150,000.00	<b>150,000.00</b>
13221	100	3130AY7G5	Interest	03/19/2025	09/19/2028	Academy Securities	Federal Home Loan			588,750.00	<b>588,750.00</b>
13043	100	89236TKJ3	Interest	03/20/2025	09/20/2027	RBC Capital Markets	Toyota Motor Credit			254,345.00	<b>254,345.00</b>
13318	100	3133EM5P3	Interest	03/20/2025	09/20/2028	Stifel Nicolaus & Co	Federal Farm Credit			162,500.00	<b>162,500.00</b>
13472	100	06055JKP3	Purchase	03/21/2025	05/21/2026	Oppenheimer Inc.	Bank of America Corp	10,000,000.00			<b>-10,000,000.00</b>
13473	100	31424WXC1	Purchase	03/21/2025	09/21/2028	Oppenheimer Inc.	Farmer Mac	25,000,000.00			<b>-25,000,000.00</b>
12066	100	254687FN1	Redemption	03/24/2025	03/24/2025	Citigroup	Disney		5,000,000.00		<b>5,000,000.00</b>
12066	100	254687FN1	Interest	03/24/2025	03/24/2025	Citigroup	Disney			83,750.00	<b>83,750.00</b>
12405	100	3137EAEX3	Interest	03/24/2025	09/23/2025	Key Bank	Federal Home Loan			28,125.00	<b>28,125.00</b>
12419	100	3130ALGJ7	Interest	03/24/2025	03/23/2026	Piper Jaffary	Federal Home Loan			100,000.00	<b>100,000.00</b>
12420	100	3130ALGJ7	Interest	03/24/2025	03/23/2026	RBC Capital Markets	Federal Home Loan			46,250.00	<b>46,250.00</b>
12516	100	3130ANU32	Interest	03/24/2025	09/22/2026	CastleOak Securities	Federal Home Loan			50,000.00	<b>50,000.00</b>
13004	100	3137EAEX3	Interest	03/24/2025	09/23/2025	Wells Fargo Bank	Federal Home Loan			46,875.00	<b>46,875.00</b>
13131	100	3133EPWK7	Interest	03/24/2025	09/22/2028	Barclays Capital	Federal Farm Credit			562,500.00	<b>562,500.00</b>
13231	100	31424WDN9	Interest	03/24/2025	09/22/2028	Oppenheimer Inc.	Farmer Mac			1,075,000.00	<b>1,075,000.00</b>
13361	100	31424WPD8	Interest	03/24/2025	09/24/2030	Oppenheimer Inc.	Farmer Mac			505,000.00	<b>505,000.00</b>
13365	100	3130B2Y25	Interest	03/24/2025	09/22/2027	Stifel Nicolaus & Co	Federal Home Loan			191,111.11	<b>191,111.11</b>
13442	100	31424WSS2	Interest	03/24/2025	09/22/2028	Oppenheimer Inc.	Farmer Mac			556,250.00	<b>556,250.00</b>
13444	100	3136GA4K2	Interest	03/24/2025	09/22/2028	Blaylock Robert Vans	Federal National Mtg			556,111.10	<b>556,111.10</b>
13474	100	SYS13474	Purchase	03/25/2025	03/25/2026	Bridge Bank	Bridge Bank	30,000,000.00			<b>-30,000,000.00</b>
12674	100	3130ARC41	Redemption	03/25/2025	03/25/2025	Oppenheimer Inc.	Federal Home Loan		15,000,000.00		<b>15,000,000.00</b>

Portfolio POOL

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**Alameda County Investment Pool  
Transaction Activity Report  
Sorted by Fund - Transaction Date**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
13286	100	SYS13286	Redemption	03/25/2025	03/25/2025	Bridge Bank	Bridge Bank		30,000,000.00		30,000,000.00
12667	100	3130ARGC9	Interest	03/25/2025	03/25/2027	TD Securities LLC	Federal Home Loan			127,500.00	127,500.00
12670	100	3130ARAE1	Interest	03/25/2025	06/25/2025	Castleoak Securities	Federal Home Loan			262,500.00	262,500.00
12674	100	3130ARC41	Interest	03/25/2025	03/25/2025	Oppenheimer Inc.	Federal Home Loan			174,000.00	174,000.00
12675	100	3130ARFG1	Interest	03/25/2025	03/25/2027	Key Bank	Federal Home Loan			120,000.00	120,000.00
12691	100	3130ARDV0	Interest	03/25/2025	03/25/2027	RBC Capital Markets	Federal Home Loan			150,000.00	150,000.00
13286	100	SYS13286	Interest	03/25/2025	03/25/2025	Bridge Bank	Bridge Bank			1,566,272.24	1,566,272.24
13450	100	3136G43D3	Interest	03/25/2025	09/25/2028	TD Securities LLC	Federal National Mtg			151,510.50	151,510.50
13450	100	3136G43D3	Accr Int	03/25/2025	09/25/2028	TD Securities LLC	Federal National Mtg		86,697.68	-86,697.68	0.00
13475	100	3134HBDW8	Purchase	03/27/2025	09/27/2028	Oppenheimer Inc.	Federal Home Loan	9,992,000.00			-9,992,000.00
12074	100	654106AH6	Redemption	03/27/2025	03/27/2025	J.P. Morgan	Nike Inc.		3,000,000.00		3,000,000.00
12517	100	06048WP46	Redemption	03/27/2025	03/27/2025	Oppenheimer Inc.	Bank of America Corp		10,000,000.00		10,000,000.00
12074	100	654106AH6	Interest	03/27/2025	03/27/2025	J.P. Morgan	Nike Inc.			36,000.00	36,000.00
12517	100	06048WP46	Interest	03/27/2025	03/27/2025	Oppenheimer Inc.	Bank of America Corp			18,750.00	18,750.00
12611	100	3130AQA29	Redemption	03/28/2025	03/28/2025	Cantor Fitzgerald	Federal Home Loan		15,000,000.00		15,000,000.00
12611	100	3130AQA29	Interest	03/28/2025	03/28/2025	Cantor Fitzgerald	Federal Home Loan			46,125.00	46,125.00
12520	100	91282CCZ2	Interest	03/31/2025	09/30/2026	J.P. Morgan	U.S. Treasury			218,750.00	218,750.00
12521	100	3130APDL6	Interest	03/31/2025	06/30/2025	Raymond James	Federal Home Loan			60,000.00	60,000.00
12981	100	69371RS49	Interest	03/31/2025	03/30/2026	TD Securities LLC	PACCAR Financial			378,250.00	378,250.00
13144	100	31424WAE2	Interest	03/31/2025	08/03/2026	Siebert Williams Sha	Farmer Mac			376,500.00	376,500.00
13191	100	3130ANYN4	Interest	03/31/2025	09/30/2026	KINGSWOOD	Federal Home Loan			50,000.00	50,000.00
13218	100	3130AP4Z5	Interest	03/31/2025	09/30/2026	Raymond James	Federal Home Loan			107,010.00	107,010.00
13388	100	91282CLP4	Interest	03/31/2025	09/30/2026	Daiwa Capital market	U.S. Treasury			875,000.00	875,000.00
13388	100	91282CLP4	Accr Int	03/31/2025	09/30/2026	Daiwa Capital market	U.S. Treasury		144,230.77	-144,230.77	0.00
<b>Totals for General Fund</b>								<b>136,189,830.00</b>	<b>91,172,048.37</b>	<b>20,051,446.89</b>	<b>-24,966,334.74</b>
<b>Grand Total</b>								<b>136,189,830.00</b>	<b>91,172,048.37</b>	<b>20,051,446.89</b>	<b>-24,966,334.74</b>



