

**NEW ISSUE -- FULL BOOK-ENTRY**

**Rating: Moody's: "Aa2"**

**(See "MISCELLANEOUS – Rating" herein)**

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

**\$14,532,931.50\***

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT**

**(Kings and Tulare Counties, California)**

**2026 General Obligation Refunding Bonds**

**Dated: Date of Delivery**

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

***This cover page contains certain information for general reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page and not otherwise defined shall have the meanings set forth herein.***

The Hanford Joint Union High School District (the "District") (Kings and Tulare Counties, California) 2026 General Obligation Refunding Bonds (the "Bonds") are being issued to (i) currently refund all or a portion of the District's outstanding Election of 2016 General Obligation Bonds, Series A and (ii) pay the costs of issuing the Bonds.

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

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

The Bonds will be dated as of their date of initial delivery (the "Date of Delivery"). The Bonds will be issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"). Interest on the Current Interest Bonds accrues from the Date of Delivery, and is payable semiannually on August 1 and February 1 of each year, commencing August 1, 2026. Principal of the Current Interest Bonds is due on August 1 in the years and amounts set forth on the inside front cover pages hereof. The Capital Appreciation Bonds are dated the Date of Delivery and accrete interest from such date, compounded semiannually on August 1 and February 1 of each year, commencing August 1, 2026. The Capital Appreciation Bonds are payable only at maturity (unless earlier redeemed) and will not pay interest on a current basis. The Bonds are issuable in denominations of \$5,000 principal amount or Maturity Value, as applicable, or any integral multiple thereof.

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

**The Bonds are subject to optional and mandatory sinking fund redemption as further described herein.\***

**Maturity Schedule\***  
**(See inside front cover)**

*The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth LLP, San Francisco, California, Bond Counsel and Disclosure Counsel. Certain matters will be passed along for the Underwriter by Norton Rose Fulbright US LLP, Los Angeles, California. The Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about June 18, 2026.\**

**STIFEL**

Dated: \_\_\_\_\_, 2026

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any jurisdiction in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**MATURITY SCHEDULE\***

**Base CUSIP<sup>(1)</sup>: 410360**

**\$14,532,931.50\***

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
(Kings and Tulare Counties, California)  
2026 General Obligation Refunding Bonds**

**\$\_\_\_\_\_ Current Interest Serial Bonds**

<b>Maturity (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP<sup>†</sup> Suffix</b>
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**\$\_\_\_\_\_ - \_\_\_\_\_% Current Interest Term Bonds due August 1, 20\_\_; Yield \_\_\_\_\_%<sup>(1)</sup>; CUSIP<sup>†</sup> Suffix:**

**\$\_\_\_\_\_ Capital Appreciation Serial Bonds**

<b>Maturity (August 1)</b>	<b>Denominational Amount</b>	<b>Accretion Rate</b>	<b>Yield</b>	<b>Maturity Value</b>	<b>CUSIP<sup>†</sup> Suffix</b>
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**\$\_\_\_\_\_ Capital Appreciation Term Bonds**

<b>Maturity (August 1)</b>	<b>Denominational Amount</b>	<b>Accretion Rate</b>	<b>Yield</b>	<b>Maturity Value</b>	<b>CUSIP<sup>†</sup> Suffix</b>
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\*Preliminary, subject to change.

<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data is provided by CUSIP Global Services (CGS) which is owned by FactSet Research Systems Inc. ("FactSet"). FactSet will manage the CUSIP system on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriter, the Municipal Advisor nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively, for the issuance and sale of such municipal securities. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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

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

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

The District maintains a website and certain social media accounts. However, the information presented thereon is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
(Kings and Tulare Counties, California)**

**BOARD OF TRUSTEES**

Alicia Martella, *President – Trustee Area 4*  
Janet Barbeiro, *Clerk – Trustee Area 2*  
Lisa Chavarin, *Trustee – Trustee Area 1*  
Melonie Robinson, *Trustee – Trustee Area 3*  
Paul Gillum, *Trustee – Trustee Area 5*

**DISTRICT ADMINISTRATION**

Dr. Victor Rosa, *Superintendent*  
Renee Creech, *Assistant Superintendent of Business Services & Operations*  
Julie Fagundes, *Director of Business Services*

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**PROFESSIONAL SERVICES**

**BOND AND DISCLOSURE COUNSEL**

Stradling Yocca Carlson & Rauth LLP  
*San Francisco, California*

**MUNICIPAL ADVISOR**

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

**PAYING AGENT, REGISTRAR, TRANSFER AGENT, AND ESCROW AGENT**

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

**VERIFICATION AGENT**

Causey Public Finance, LLC  
*Denver, Colorado*

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**\$14,532,931.50\***  
**HANFORD JOINT UNION HIGH SCHOOL DISTRICT**  
**(Kings and Tulare Counties, California)**  
**2026 General Obligation Refunding Bonds**

**INTRODUCTION**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of the Hanford Joint Union High School District (Kings and Tulare Counties, California) 2026 General Obligation Refunding Bonds (the “Bonds”).

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

**The District**

The Hanford Joint Union High School District (the “District”) was established in 1892 and covers approximately 248.5 square miles of Kings County (the “County”) and Tulare County (together with the County, the “Counties”). The District serves students in grades 9 through 12 living in the City of Hanford and surrounding communities. The District operates three comprehensive senior high schools, one continuation high school, one community day school, one online charter school, and one adult school serving a population of approximately 74,034 residents. For the fiscal year of 2025-26, the District has projected average daily attendance (“ADA”) of 3,960 and enrollment of 4,278 students. Taxable property within the District has a fiscal year 2025-26 assessed valuation of \$9,275,146,868.

The District is governed by a five-member Board of Trustees (the “Board”), each member of which is elected by trustee area to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-to-day District operations as well as the supervision of the District’s other personnel. Dr. Victor Rosa currently serves as the District’s Superintendent.

See “TAX BASE FOR REPAYMENT OF BONDS” for information regarding the District’s assessed valuation, and “DISTRICT FINANCIAL INFORMATION” and “HANFORD JOINT UNION HIGH SCHOOL DISTRICT” herein for information regarding the District generally. The District’s audited financial statements for the fiscal year ended June 30, 2025 are attached hereto as APPENDIX B and should be read in its entirety.

**Purpose of the Bonds**

The Bonds are being issued to (i) currently refund all or a portion of the District’s outstanding Election of 2016 General Obligation Bonds, Series A (the “Prior Bonds”) and (ii) pay the costs of issuing the Bonds. The maturities of the Prior Bonds being refunded are referred to as the “Refunded Bonds.”

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\* Preliminary, subject to change.

See “THE BONDS – Application and Investment of Bond Proceeds,” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

### **Authority for Issuance of the Bonds**

The Bonds are being issued pursuant to certain provisions of the Government Code and pursuant to a resolution adopted by the Board on May 12, 2026 (the “Resolution”). See “THE BONDS – Authority for Issuance” herein.

### **Sources of Payment for the Bonds**

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

### **Description of the Bonds**

***Form and Registration.*** The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), who will act as securities depository for the Bonds. See “THE BONDS – General Provisions” and “– Book-Entry Only System” herein. Purchasers of interests in the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in the Bonds purchased. In the event that 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 Resolution described herein. See “THE BONDS – Discontinuation of Book-Entry Only System; Registration, Exchange and Transfer of Bonds” herein.

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

***Current Interest and Capital Appreciation Bonds.*** The Bonds will be issued as current interest bonds (the “Current Interest Bonds”) and capital appreciation bonds (the “Capital Appreciation Bonds”).

The Current Interest Bonds will bear periodic interest as further described herein. The Capital Appreciation Bonds are payable only at maturity and will not bear interest on a current basis. The maturity value of each Capital Appreciation Bond is equal to its Accreted Value (defined herein) upon the maturity thereof (the “Maturity Value”), comprising its initial principal amount (the “Denominational Amount”) and the interest accreting thereon between the date of initial delivery (the “Date of Delivery”) and its respective maturity date.

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

**Redemption.\*** The Bonds are subject to optional and mandatory sinking fund redemption prior to their respective stated maturity dates, as further described herein. See “THE BONDS – Redemption” herein.

**Payments.** The Bonds will be dated as of the Date of Delivery. Interest on the Current Interest Bonds accrues from the Date of Delivery, and is payable semiannually on each August 1 and February 1, commencing August 1, 2026 (each, a “Bond Payment Date”). Principal of the Current Interest Bonds is payable in the amounts and on the dates as set forth on the inside front cover pages hereof.

The Capital Appreciation Bonds will accrete in value from their Denominational Amounts on the Date of Delivery to their respective Maturity Values, at the Accretion Rates (defined herein) per annum set forth on the inside front cover pages hereof, compounded semiannually on August 1 and February 1 of each year, commencing August 1, 2026. The Capital Appreciation Bonds are payable only at maturity (unless earlier redeemed) according to the amounts set forth in the Accreted Values table as shown in APPENDIX F attached hereto.

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

## **Tax Matters**

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

## **Offering and Delivery of the Bonds**

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds will be available in book-entry form for delivery through the facilities of DTC in New York, New York, on or about June 18, 2026.\*

## **Bond Owner’s Risks**

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

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\* Preliminary, subject to change.

## **Continuing Disclosure**

The District has covenanted that it will comply with and carry out the provisions of that certain Continuing Disclosure Certificate relating to the Bonds. Pursuant thereto, the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in compliance with S.E.C. Rule 15c2-12(b)(5) (the “Rule”). The specific nature of the information to be made available and of the notices of listed events is summarized below under “LEGAL MATTERS – Continuing Disclosure” and “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE” herein.

## **Professionals Involved in the Offering**

Stradling Yocca Carlson & Rauth LLP, San Francisco, California is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, California, is acting as the Municipal Advisor for the District. Stradling Yocca Carlson & Rauth LLP and Isom Advisors will receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain matters will be passed on for the Underwriter (defined herein) by Norton Rose Fulbright US LLP, Los Angeles, California. Causey Public Finance, LLC, will act as Verification Agent for the Refunded Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the District or the Bonds.

## **Forward Looking Statements**

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

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

## **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Superintendent, Hanford Joint Union High School District, 300 W. 6<sup>th</sup> Street, Hanford, California 93230, telephone: (559) 583-5901. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

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

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

## **THE BONDS**

### **Authority for Issuance**

The Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and pursuant to a Resolution adopted by the Board on May 12, 2026.

### **Security and Sources of Payment**

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

Such *ad valorem* property taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal and Accreted Value of and interest on the Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. However, the Counties are not obligated to establish or maintain such a reserve, and the District can make no representations that the Counties will do so. Such *ad valorem* property taxes, when collected, will be placed by the County into the Debt Service Fund (defined herein) established by the Resolution, which is required to be segregated and maintained by the County and which is designated for the payment of the Bonds, and interest thereon when due, and for no other purpose. Pursuant to the Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the Counties are obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and will maintain the Debt Service Fund, the Bonds are not a debt of either of the Counties.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal and Accreted Value of and interest on Bonds to which such fund relates, as the same become due and payable, will be transferred by the County to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for

remittance of such principal, Accreted Value and interest to its DTC Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

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

### **Statutory Liens**

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

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

### **General Provisions**

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

***Current Interest Bonds.*** Interest on the Current Interest Bonds accrues from the Date of Delivery and is payable semiannually on each August 1 and February 1, commencing August 1, 2026. Interest on the Current Interest Bonds will be computed on the basis of a 360-day year of 12, 30-day months. Each Current Interest Bond will bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to and including such Bond Payment Date, in which event

it will bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2026, in which event it will bear interest from the Date of Delivery. The Current Interest Bonds are issuable in denominations of \$5,000 principal amount, or any integral multiple thereof, and mature on August 1 in the years and amounts set forth on the inside front cover pages hereof.

**Capital Appreciation Bonds.** Interest on each Capital Appreciation Bond is represented by the amount each such Bond accretes in value from its respective Denominational Amount on the Date of Delivery to the date for which the Accreted Value is calculated. The value of a Capital Appreciation Bond as of any date (the “Accreted Value”) is calculated by discounting, on a 30-day month, 360-day year basis, its Maturity Value on the basis of a constant rate (the “Accretion Rate”) compounded semiannually on February 1 and August 1 of each year to the date for which an Accreted Value is calculated, and if the date for which the Accreted Value is calculated is between February 1 and August 1, by pro-rating such Accreted Values to the closest prior or subsequent February 1 and August 1.

The Capital Appreciation Bonds will not pay interest on a periodic basis. The Capital Appreciation Bonds accrete in value from their Date of Delivery at the Accretion Rates per annum set forth on the inside front cover pages hereof, compounded semiannually on February 1 and August 1 of each year commencing August 1, 2026. The Maturity Value of a Capital Appreciation Bond is equal to the Accreted Value thereof at its maturity date.

See also the maturity schedules on the inside front cover pages hereof, “— Annual Debt Service” herein and “APPENDIX F – ACCRETED VALUES TABLE” attached hereto.

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**Annual Debt Service**

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

<b>Year Ending (August 1)</b>	<b><u>Current Interest Bonds</u></b>		<b><u>Capital Appreciation Bonds</u></b>		<b><u>Total</u></b>
	<b><u>Annual Principal Payment</u></b>	<b><u>Annual Interest Payment<sup>(1)</sup></u></b>	<b><u>Annual Principal Payment</u></b>	<b><u>Accreted Interest Payment<sup>(2)</sup></u></b>	

Total

<sup>(1)</sup> Interest payments on the Current Interest Bonds will be made semiannually on August 1 and February 1 of each year, commencing August 1, 2026.

<sup>(2)</sup> The Capital Appreciation Bonds are payable only at maturity on August 1 of the years indicated on the inside cover page hereof, and interest on such Capital Appreciation Bonds is compounded semiannually on August 1 and February 1, commencing August 1, 2026.

See also “HANFORD JOINT UNION HIGH SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds” herein for a schedule of the combined debt service requirements for all of the District’s outstanding general obligation bonds.

**Application and Investment of Bond Proceeds**

The Bonds are being issued to refund on a current basis the Refunded Bonds, and to pay the costs of issuing of the Bonds.

The net proceeds from the sale of the Bonds will be deposited with U.S. Bank Trust Company, National Association, as Escrow Agent, to the credit of the fund (the “Escrow Fund”) held pursuant to an escrow agreement (the “Escrow Agreement”) by and between the District and the Escrow Agent. Amounts deposited in the Escrow Fund will be used to purchase certain non-callable direct and general obligations of the United States of America, or non-callable obligations the payment of which is unconditionally guaranteed by the United States of America (collectively, the “Federal Securities”), the principal and Accreted Value of and interest on which will be sufficient, together with any moneys deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay the redemption price of the Refunded Bonds on August 1, 2026, such date being the first optional redemption date therefor, as well as the interest due on the Refunded Bonds on and prior to such date. Amounts deposited into the Escrow Fund under the Escrow Agreement are not available to pay any other obligations of the District.

Any accrued interest and surplus moneys in the Escrow Fund following the redemption of the Refunded Bonds will be kept separate and apart in the debt service fund of the Bonds (the “Debt Service Fund”) and used by the District only for payment of principal and Accreted Value of and interest on the Bonds. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued will be transferred to the Debt Service Fund and applied to the payment of principal and Accreted Value of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts will be transferred to the general fund of the District.

The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to refund the Refunded Bonds as described above will be verified by Causey Public Finance, LLC, as the verification agent (the “Verification Agent”). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the computations of the Underwriter and the Verification Agent, the Refunded Bonds will be defeased and the obligation of the Counties to levy *ad valorem* property taxes for payment of the Refunded Bonds will terminate. See “LEGAL MATTERS – Escrow Verification” herein.

The tables below show information on the specific maturities of the Refunded Bonds to be refunded with proceeds of the Bonds.

**REFUNDED BONDS\***  
**HANFORD JOINT UNION HIGH SCHOOL DISTRICT**  
**(Kings and Tulare Counties, California)**  
**Election of 2016 General Obligation Bonds, Series A**

**(Current Interest Bonds)**

<u>Maturity Date</u> <u>(August 1)</u>	<u>CUSIP</u> <sup>†</sup>	<u>Principal Amount</u>	<u>Principal Amount to be Refunded</u>	<u>Interest Rate</u>	<u>Redemption Price (% of Principal)</u>	<u>Redemption Date</u>
2038	410360JP7	\$6,640,000.00	\$6,640,000.00	5.000%	100%	August 1, 2026

**(Capital Appreciation Bonds)**

<u>Maturity Date</u> <u>(August 1)</u>	<u>CUSIP</u> <sup>†</sup>	<u>Denominational Amount</u>	<u>Denominational Amount to be Refunded</u>	<u>Accretion Rate</u>	<u>Accreted Value to be Redeemed</u>	<u>Redemption Price (% of Accreted Value)</u>	<u>Redemption Date</u>
2039	410360JQ5	\$1,512,829.95	\$1,512,829.95	4.400%	\$2,160,859.50	100%	August 1, 2026
2040	410360JR3	1,492,458.80	1,492,458.80	4.440	2,138,626.70	100	August 1, 2026
2041	410360JS1	1,472,955.00	1,472,955.00	4.490	2,119,136.25	100	August 1, 2026
2042	410360JT9	1,456,749.00	1,456,749.00	4.500	2,097,528.75	100	August 1, 2026

\* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Underwriter, the Municipal Advisor or the District is responsible for the selection, uses or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriter and are included solely for the convenience of the registered owners of the applicable Refunded Bonds. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Refunded Bonds or the Bonds.

**Investment of Bond Proceeds.** Moneys in the Escrow Fund will be invested as described above. Moneys in the Debt Service Fund are expected to be invested through the County Investment Pool. See “APPENDIX E - KINGS COUNTY INVESTMENT POOL” attached hereto.

**Redemption**

**Optional Redemption.\*** The Current Interest Bonds maturing on and before August 1, 20\_\_ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on and after August 1, 20\_\_ may be redeemed prior to their respective stated maturity dates at the option of the District, from any source of funds, in whole or in part, on August 1, 20\_\_ or on any date thereafter, at a redemption price equal to the principal amount of such Current Interest Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

The Capital Appreciation Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their stated maturity dates. The Capital Appreciation Bonds maturing on and after August 1, 20\_\_ may be redeemed prior to their respective stated maturity dates at the option of the District, from any source of funds, in whole or in part, on August 1, 20\_\_ or on any date thereafter, at a redemption price equal to the Accreted Value of such Capital Appreciation Bonds as of the date fixed for redemption, without premium.

**Mandatory Redemption.\*** The Current Interest Bonds maturing on August 1, 20\_\_ (the “Current Interest Term Bonds”), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount of such Current Interest Term Bonds to be so redeemed and the dates therefor and the final payment date is as indicated in the following table:

<b>Year Ending (August 1)</b>	<b>Principal To Be Redeemed</b>
(1) Maturity.	

In the event that a portion of the Current Interest Term Bonds maturing on August 1, 20\_\_ are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Current Interest Term Bonds optionally redeemed.

The Capital Appreciation Term Bonds maturing on August 1, 20\_\_ (the “Capital Appreciation Term Bonds”) are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the Accreted Value thereof, as of the date fixed for redemption, without premium. The Accreted Value represented by such Capital Appreciation Term Bonds to be so redeemed and the redemption dates therefor, and the final Accreted Value payment date is as indicated in the table on the following page:

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\* Preliminary, subject to change.

**Redemption Date**  
**(August 1)**

**Accreted Value**

(1)

\_\_\_\_\_  
(1) Maturity.

In the event that a portion of the Capital Appreciation Term Bonds maturing on August 1, 20\_\_ are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 Maturity Value, in respect of the portion of such Capital Appreciation Term Bonds optionally redeemed.

***Selection of Bonds for Redemption.*** Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select the Bonds for redemption as so directed and if not so directed, in inverse order of maturity. For the Bonds, within a maturity, the Paying Agent will select the Bonds for redemption as directed by the District, and if not so directed, by lot. Redemption by lot will be in such manner as the Paying Agent will determine; provided, however, that with respect to redemption by lot, the portion of any Bond to be redeemed in part shall be in the principal amount or Accreted Value of \$5,000 or any integral multiple thereof.

***Notice of Redemption.*** When redemption is authorized or required pursuant to the Resolution, upon written instruction from the District, the Paying Agent will give notice (a “Redemption Notice”) of the redemption of the Bonds (or portions thereof). Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount or Accreted Value of such Bond to be redeemed, and (g) the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository; and (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services. Such Redemption Notice shall be given to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

“Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System; or, such other services providing information with respect to called

municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

“Securities Depository” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds.

***Conditional Notice of Redemption.*** With respect to any notice of optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds (or portions thereof) shall be deemed to have been defeased as described in “—Defeasance” herein, such notice will state that such redemption will be conditional upon the receipt by the Paying Agent (or an independent escrow agent selected by the District) on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal or Accreted Value of, and premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that, if such moneys shall not have been so received, said notice shall be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice, to the persons to whom and in the manner in which the Redemption Notice was given, that such moneys were not so received. In addition, the District has the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of the rescission of such Redemption Notice in the same manner as such notice was originally provided.

***Partial Redemption of Bonds.*** Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amounts or Accreted Values to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

***Effect of Notice of Redemption.*** If notice of redemption is given as described above, and the moneys for the redemption (including the interest accrued or accreted to the applicable date of redemption) having been set aside as described in “—Defeasance” herein, the Bonds to be redeemed will become due and payable on such date of redemption.

If on such redemption date, moneys for the redemption of all the Bonds to be redeemed, together with interest accrued or accreted to such redemption date, shall be held in trust so as to be available therefor on such redemption date, and if Redemption Notice thereof shall have been given as described above, then from and after such redemption date, interest on the Bonds to be redeemed will cease to accrue or accrete and become payable. All money held for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

***Bonds No Longer Outstanding.*** When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, accrued or accreted interest with respect thereto

to the date fixed for redemption, then such Bonds will no longer be deemed outstanding and will be surrendered to the Paying Agent for cancellation.

### **Book-Entry Only System**

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, Direct Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of principal, Accreted Value, interest, or premium, if any, on the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered Owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with Participants are on file with DTC.*

The Depository Trust Company, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P (as defined herein) rating of "AA+". The DTC Rules applicable to DTC 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 set forth on such website is not incorporated by reference herein.

Purchases of the 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 Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the

books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Resolution. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

For every transfer and exchange of Bonds, Owners requesting such transfer or exchange may be charged a sum sufficient to cover any tax, governmental charge or transfer fees that may be imposed in relation thereto, which charge may include transfer fees imposed by the Paying Agent, DTC or the DTC Participants in connection with such transfers or exchanges.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to the Owners thereof.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

### **Discontinuation of Book-Entry Only System; Registration, Exchange and Transfer of Bonds**

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

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

The principal and Accreted Value of, as well as premium, if any, and interest on the Bonds upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated office of the Paying Agent. Interest on the Bonds will be paid by the Paying Agent by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for Bonds of like series, tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount or Maturity Value thereof, as applicable) upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of such Bond at the designated office of the Paying Agent, together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new bond or bonds of like tenor, and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Current Interest Bonds and Capital Appreciation Bonds may not be exchanged for one another.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date, or any day on which the applicable Redemption Notice is given, or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

## Defeasance

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

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

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

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

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

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## ESTIMATED SOURCES AND USES OF FUNDS

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

### Sources of Funds

Principal Amount of the Bonds  
[Net] Original Issue Premium  
Total Sources

### Uses of Funds

Deposit to Escrow Fund  
Underwriter's Discount  
Costs of Issuance<sup>(1)</sup>  
Total Uses

<sup>(1)</sup> Includes all costs of issuance to be paid from the proceeds of the Bonds, including but not limited to the legal fees, municipal advisory fees, printing costs, rating agency fees, and the costs and fees of the Paying Agent, Escrow Agent and Verification Agent.

## TAX BASE FOR REPAYMENT OF BONDS

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

### **Ad Valorem Property Taxation**

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

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." Unsecured property comprises certain property not attached to land such as personal property or business property. Boats and airplanes are examples of such property. Unsecured property is assessed on the "unsecured roll." A supplemental roll is developed when property changes hands or new construction is completed. The Counties each levy and collect all property taxes for property falling within their respective taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently enrolled in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the tax collecting authority of each county. After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of \$10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a \$15

redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the respective tax collecting authority of the Counties.

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

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

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

Assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including K-14 school districts (as defined herein), share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

### **Assessed Valuations**

The assessed valuation of property in the District is established by the tax assessing authority for the county in which such property is located, except for public utility property which is assessed by the State Board of Equalization (the "SBE"). Assessed valuations are reported at 100% of the "full cash value" of the property, as defined in Article XIII A of the California Constitution. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" herein. 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.

The tables on the following page shows a 10-year history of assessed valuations in the District, as of the date the equalized assessment tax roll is established in August of each year, excluding any exemptions granted after such date in each year.

**ASSESSED VALUATIONS**  
**Fiscal Years 2016-17 through 2025-26**  
**Hanford Joint Union High School District**

**Kings County Portion**

	<b><u>Local Secured</u></b>	<b><u>Utility</u></b>	<b><u>Unsecured</u></b>	<b><u>Total</u></b>	<b><u>% Change</u></b>
2016-17	\$5,131,220,717	\$49,947,927	\$249,898,042	\$5,431,066,686	--
2017-18	5,407,441,376	39,262,107	250,637,165	5,697,340,648	4.90
2018-19	5,635,590,345	29,962,107	291,210,379	5,956,762,831	4.55
2019-20	5,917,581,502	18,962,107	350,466,216	6,287,009,825	5.54
2020-21	6,196,156,420	17,062,107	392,852,646	6,606,071,173	5.07
2021-22	6,475,814,224	16,107,668	376,639,070	6,868,560,962	3.97
2022-23	6,778,624,565	19,007,668	463,432,818	7,261,065,051	5.71
2023-24	7,348,430,043	17,407,668	674,030,812	8,039,868,523	10.73
2024-25	7,982,838,990	19,207,668	688,527,993	8,690,574,651	8.09
2025-26	8,279,675,462	14,687,567	879,638,655	9,174,001,684	5.56

**Tulare County Portion**

	<b><u>Local Secured</u></b>	<b><u>Utility</u></b>	<b><u>Unsecured</u></b>	<b><u>Total</u></b>	<b><u>% Change</u></b>
2016-17	\$49,991,112	--	\$11,183,093	\$61,174,205	--
2017-18	51,682,162	--	11,532,373	63,214,535	3.34
2018-19	54,398,417	--	11,116,120	65,514,537	3.64
2019-20	56,748,634	--	10,951,862	67,700,496	3.34
2020-21	57,972,050	--	10,866,530	68,838,580	1.68
2021-22	61,414,149	--	12,007,954	73,422,103	6.66
2022-23	67,811,651	--	18,331,224	86,142,875	17.33
2023-24	69,354,008	--	21,320,178	90,674,186	5.26
2024-25	73,693,705	--	21,198,570	94,892,275	4.65
2025-26	76,127,753	--	25,017,431	101,145,184	6.59

**Total District**

	<b><u>Local Secured</u></b>	<b><u>Utility</u></b>	<b><u>Unsecured</u></b>	<b><u>Total</u></b>	<b><u>% Change</u></b>
2016-17	\$5,181,211,829	\$49,947,927	\$261,081,135	\$5,492,240,891	--
2017-18	5,459,123,538	39,262,107	262,169,538	5,760,555,183	4.89
2018-19	5,689,988,762	29,962,107	302,326,499	6,022,277,368	4.54
2019-20	5,974,330,136	18,962,107	361,418,078	6,354,710,321	5.52
2020-21	6,254,128,470	17,062,107	403,719,176	6,674,909,753	5.04
2021-22	6,537,228,373	16,107,668	388,647,024	6,941,983,065	4.00
2022-23	6,846,436,216	19,007,668	481,764,042	7,347,207,926	5.84
2023-24	7,417,784,051	17,407,668	695,350,990	8,130,542,709	10.66
2024-25	8,056,532,695	19,207,668	709,726,563	8,785,466,926	8.06
2025-26	8,355,803,215	14,687,567	904,656,086	9,275,146,868	5.57

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

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

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

***Seismic Events.*** The District is located in a seismically active region of the State. 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. The Local Hazard Mitigation Plan for the City of Hanford, dated December 2012 (the "Hazard Mitigation Plan"), identifies the hazard risk in Hanford as moderate, noting that the City of Hanford has a large number of older community buildings of unreinforced masonry construction that are vulnerable to ground shaking.

***Drought.*** California has experienced cyclical severe drought conditions over the past several years. In April 2021, the Governor announced regional drought emergencies in two Northern California counties following two years of dry conditions. These drought emergencies were eventually expanded to include all California counties by October of 2021. Among other actions, the Governor also issued Executive Order N0-27-22, which directed the State Water Control Board to issue drought declarations, including a recommendation to have urban water suppliers initiate water shortage contingency plans. Significant snowfall and precipitation in the State commencing in late 2022 and early 2023 generally eliminated most of the State's drought conditions. On March 24, 2023, the Governor rescinded most of his emergency drought declarations, including Executive Order N0-27-22. According to the U.S. Drought Monitor, as of May 12, 2026, the entirety of the County is classified as having no drought conditions, while 72.73% of Tulare County is classified in the abnormally dry category and 27.27% of Tulare County is classified as having no drought conditions. The District cannot predict if there will be future drought conditions and related water usage restrictions imposed in the future. The District can also make no representations regarding to the extent to which recent significant snowfall and precipitation, or any future winter storm activity or related rainfall, mudslides or flooding conditions, may impact District facilities or the assessed value of taxable property within the District.

***Floods.*** The Federal Emergency Management Agency produces Flood Insurance Rate Maps that show that portions of the District are in a 100-year floodplain. A 100-year floodplain is an area expected to be inundated during a flood event of the magnitude for which there is a 1-in-100 probability of occurrence in any year. While the City of Hanford is not considered to be in an area classified as high risk for flooding by the Federal Emergency Management Agency, large portions of the County are classified as such. Due to the significant snowfall and precipitation in the State commencing in January

2023, flooding occurred in the County, which resulted in the County, as well as the State declaring a state of emergency in the County. The economic impact of the flooding in the County, included the destruction of 41% of the County's estimated \$2.43 billion in crop value in that year, plus an additional \$1 billion in additional damages.

**Wildfires.** Major wildfires have occurred in recent years in different regions of the State, including significant fires throughout the fall of 2020, the summer of 2021, and the winter of 2025. The District did not sustain any property losses as a result of these recent fires. However, serious and significant property damage has resulted in other areas of the State due to fire damage. The Governor has previously signed a number of measures into law intended to address a variety of issues related to mitigating the risk of wildfires, including forest management, mutual aid for fire departments, emergency alerts and other safety mandates.

**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, droughts, wildfires, floods, heat waves, and rising sea levels. See also “—Drought”, “—Floods”, and “—Wildfires” above. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

**Appeals and Adjustments of Assessed Valuations.** Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the “SBE”), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values 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. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” herein.

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

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, drought, floods, fire, or toxic contamination pursuant to relevant provisions of the State Constitution. See also “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” herein. Such reductions are subject to yearly reappraisals by the county assessor and may be adjusted

back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIII A.

No assurance can be given that property tax appeals or actions by the county assessor in the future will not significantly reduce the assessed valuation of property within the District.

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

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**Assessed Valuation by Land Use.** The table on the following page shows the distribution of taxable property within the District by principal use, as measured by assessed valuation and parcels in fiscal year 2025-26.

**ASSESSED VALUATION AND PARCELS BY LAND USE**  
**Fiscal Year 2025-26**  
**Hanford Joint Union High School District**

	<b>2025-26</b>	<b>% of</b>	<b>No. of</b>	<b>% of</b>
<b><u>Non-Residential:</u></b>	<b><u>Assessed Valuation</u><sup>(1)</sup></b>	<b><u>Total</u></b>	<b><u>Parcels</u></b>	<b><u>Total</u></b>
Agricultural/Rural	\$1,420,812,601	17.00%	2,481	9.61%
Commercial/Office	852,696,302	10.20	825	3.20
Vacant Commercial	8,148,636	0.10	78	0.30
Industrial	609,713,877	7.30	533	2.06
Government/Social/Institutional	47,687,519	0.57	134	0.52
Miscellaneous	<u>7,289,043</u>	<u>0.09</u>	<u>225</u>	<u>0.87</u>
Subtotal Non-Residential	\$2,946,347,978	35.26%	4,276	16.56%
<b><u>Residential:</u></b>				
Single Family Residence	\$4,589,402,458	54.92%	18,294	70.85%
Condominium	29,982,618	0.36	248	0.96
Rural Residential	375,662,539	4.50	1,261	4.88
Mobile Home	21,470,803	0.26	563	2.18
Mobile Home Park	20,470,708	0.24	8	0.03
2-4 Residential Units	71,891,251	0.86	261	1.01
5+ Residential Units/Apartments	259,772,245	3.11	195	0.76
Miscellaneous Residential	2,263,025	0.03	18	0.07
Vacant Residential	<u>38,539,590</u>	<u>0.46</u>	<u>695</u>	<u>2.69</u>
Subtotal Residential	\$5,409,455,237	64.74%	21,543	83.44%
Total	\$8,355,803,215	100.00%	25,819	100.00%

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

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

**ASSESSED VALUATION BY JURISDICTION**  
**Fiscal Year 2025-26**  
**Hanford Joint Union High School District**

	<b>Assessed Valuation</b>	<b>% of</b>	<b>Assessed Valuation</b>	<b>% of Jurisdiction</b>
<b><u>Jurisdiction:</u></b>	<b><u>in District</u></b>	<b><u>District</u></b>	<b><u>of Jurisdiction</u></b>	<b><u>in District</u></b>
City of Hanford	\$6,431,901,587	69.35%	\$6,431,901,587	100.00%
Unincorporated Kings County	2,742,100,097	29.56	6,168,354,053	44.45
Unincorporated Tulare County	<u>101,145,184</u>	<u>1.09</u>	19,624,620,520	0.52
Total District	\$9,275,146,868	100.00%		
<b><u>Summary by County:</u></b>				
Kings County	\$9,174,001,684	98.91%	\$16,409,237,706	55.91%
Tulare County	<u>101,145,184</u>	<u>1.09</u>	53,233,875,278	0.19
Total District	\$9,275,146,868	100.00%		

*Source: California Municipal Statistics, Inc.*

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

**ASSESSED VALUATION OF SINGLE FAMILY HOMES  
Fiscal Year 2025-26  
Hanford Joint Union High School District**

	<u>No. of Parcels</u>	<u>2025-26 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	18,294	\$4,589,402,458	\$250,869	\$235,591

<u>2025-26 Assessed Valuation</u>	<u>No. of Parcels<sup>(1)</sup></u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$24,999	166	0.907%	0.907%	\$3,024,605	0.066%	0.066%
25,000 - 49,999	429	2.345	3.252	16,966,843	0.370	0.436
50,000 - 74,999	729	3.985	7.237	45,577,963	0.993	1.429
75,000 - 99,999	989	5.406	12.643	87,656,722	1.910	3.339
100,000 - 124,999	1,228	6.713	19.356	137,985,684	3.007	6.345
125,000 - 149,999	1,296	7.084	26.440	178,339,534	3.886	10.231
150,000 - 174,999	1,290	7.051	33.492	209,430,978	4.563	14.795
175,000 - 199,999	1,289	7.046	40.538	241,557,957	5.263	20.058
200,000 - 224,999	1,213	6.631	47.168	257,442,734	5.610	25.667
225,000 - 249,999	1,198	6.549	53.717	284,893,280	6.208	31.875
250,000 - 274,999	1,249	6.827	60.544	327,297,295	7.132	39.007
275,000 - 299,999	1,179	6.445	66.989	338,224,490	7.370	46.376
300,000 - 324,999	992	5.423	72.412	309,419,928	6.742	53.118
325,000 - 349,999	922	5.040	77.452	311,556,327	6.789	59.907
350,000 - 374,999	854	4.668	82.120	309,660,998	6.747	66.654
375,000 - 399,999	824	4.504	86.624	319,200,244	6.955	73.609
400,000 - 424,999	634	3.466	90.090	261,153,691	5.690	79.300
425,000 - 449,999	454	2.482	92.571	198,470,087	4.325	83.624
450,000 - 474,999	324	1.771	94.342	149,504,013	3.258	86.882
475,000 - 499,999	251	1.372	95.714	122,046,685	2.659	89.541
500,000 and greater	<u>784</u>	<u>4.286</u>	100.000	<u>479,992,400</u>	<u>10.459</u>	100.000
	18,294	100.000%		\$4,589,402,458	100.000%	

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

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## Tax Levies, Collections and Delinquencies

Property taxes on the secured roll are due in two installments, November 1 and February 1 of the calendar year, and if unpaid, become delinquent after December 10 and April 10, respectively. A 10% penalty attaches to any delinquent installment plus a minimum \$10 cost on the second installment, plus any additional amount determined by the tax collecting authority of each of the counties. See “— *Ad Valorem Property Taxation*” herein.

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

The following table shows secured *ad valorem* property tax levies within the District, and amounts delinquent as of June 30, for fiscal years 2015-16 through 2024-25.

### SECURED TAX CHARGES AND DELINQUENCIES – BOND DEBT SERVICE LEVY

Fiscal Years 2015-16 through 2024-25

Hanford Joint Union High School District

<u>Kings County Portion</u>			
<u>Fiscal Year</u>	<u>Secured Tax Charge<sup>(1)</sup></u>	<u>Amount Delinquent June 30</u>	<u>Percent Delinquent June 30</u>
2015-16	\$2,857,259.77	\$25,635.82	0.90%
2016-17	2,773,443.12	27,629.83	1.00
2017-18	2,806,965.64	38,802.57	1.38
2018-19	3,094,422.92	60,290.12	1.95
2019-20	3,186,602.95	57,764.94	1.81
2020-21	3,179,887.30	50,529.10	1.59
2021-22	2,967,081.04	45,995.92	1.55
2022-23	3,148,916.40	46,585.34	1.48
2023-24	3,051,214.47	48,806.07	1.60
2024-25	3,561,377.12	50,115.46	1.41

<u>Tulare County Portion</u>			
<u>Fiscal Year</u>	<u>Secured Tax Charge<sup>(1)</sup></u>	<u>Amount Delinquent June 30</u>	<u>Percent Delinquent June 30</u>
2015-16	\$28,506.86	\$405.56	1.42%
2016-17	27,938.32	770.76	2.76
2017-18	26,727.20	371	1.39
2018-19	30,912.78	964.28	3.12
2019-20	31,590.32	1,118.44	3.54
2020-21	28,858.36	131.67	0.46
2021-22	29,691.83	312.02	1.05
2022-23	32,501.09	485.39	1.49
2023-24	30,084.52	1,514.67	5.03
2024-25	34,453.10	631.75	1.83

<sup>(1)</sup> The District’s general obligation bond debt service levy only.  
 Source: *California Municipal Statistics, Inc.*

Property tax delinquencies may be impacted by economic and other factors beyond the District’s or the Counties’ 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 pandemic or a natural or manmade disaster. However, State law requires the Counties to levy *ad valorem* property taxes sufficient to pay the Bonds when due.

**Alternative Method of Tax Apportionment - “Teeter Plan”**

Certain counties in the State of California operate under a statutory program entitled Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”). Under the Teeter Plan, local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. **The County has not adopted the Teeter Plan, while Tulare County has discontinued the Teeter Plan. Consequently the Teeter Plan is not available to local taxing entities within the Counties, such as the District. The District’s receipt of property taxes from real property within the Counties is therefore subject to delinquencies.**

**Tax Rates**

A representative tax rate area (“TRA”) located within the District is TRA 2-006. The table below summarizes the total *ad valorem* tax rates, as a percentage of assessed valuation, levied by all taxing entities in this TRA during the five-year period from fiscal years 2021-22 through 2025-26.

**SUMMARY OF *AD VALOREM* PROPERTY TAX RATES  
Fiscal Years 2021-22 through 2025-26  
Hanford Joint Union High School District**

**Typical Tax Rate per \$100 of Assessed Valuation: TRA 2-006<sup>(1)</sup>**

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
General Tax Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Hanford Elementary School District	.039405	.041161	.024209	.022559	.023897
Hanford Joint Union High School District	.046241	.046683	.041559	.044956	.061521
College of Sequoias Hanford Campus I.D. #1	<u>.015000</u>	<u>.015000</u>	<u>.015000</u>	<u>.015000</u>	<u>.015000</u>
Total Tax Rate	1.100646%	1.102844%	1.080768%	1.082515%	1.100418%

<sup>(1)</sup> The fiscal year 2025-26 assessed valuation of TRA 2-006 is \$563,320,333 which is 6.07% of the District’s total assessed valuation.

Source: California Municipal Statistics, Inc.

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## Principal Taxpayers

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

### LARGEST LOCAL SECURED TAXPAYERS Fiscal Year 2025-26 Hanford Joint Union High School District

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2025-26 Assessed Valuation</u>	<u>% of Total<sup>(1)</sup></u>
1.	Nichols Pistachio	Food Processing	\$86,445,056	1.03%
2.	Morning Star Kings LLC	Food Processing	54,768,689	0.66
3.	Tessengerlo Kerley Inc.	Industrial	40,002,880	0.48
4.	Centennial-Hanford Center	Shopping Center	37,360,563	0.45
5.	Edgewater Isle Apartments LLC	Apartments	36,227,912	0.43
6.	Baker Rendering Corp.	Industrial	33,975,413	0.41
7.	Zonneveld Dairies Inc.	Agricultural	30,848,837	0.37
8.	545 Centennial LP	Apartments	29,757,102	0.36
9.	Marquez Investment Group LLC	Food Processing	29,069,421	0.35
10.	Wal-Mart Real Estate Business Trust	Commercial	28,054,065	0.34
11.	Bels Poultry LLC	Industrial – Feed Mill	27,301,704	0.33
12.	Lansing LLC	Agricultural	25,416,627	0.30
13.	Warmerdam Land Co. LP	Agricultural	25,361,212	0.30
14.	Costco Wholesale Corporation	Commercial	24,809,057	0.30
15.	10701 Idaho Owner LLC	Industrial	23,970,000	0.29
16.	Santokh S. and Arpinder K. Toor Trust	Agricultural	23,961,803	0.29
17.	Te Velde Family Trust	Agricultural	22,128,684	0.26
18.	Hood Packaging Corp	Industrial	21,761,840	0.26
19.	River Ranch Farms LLC	Agricultural	21,463,471	0.26
20.	Jon and Valerie Keller	Auto Dealership	<u>20,610,987</u>	<u>0.25</u>
			<u>\$643,295,323</u>	<u>7.70%</u>

<sup>(1)</sup> The fiscal year 2025-26 local secured assessed valuation of the District was \$8,355,803,215.

Source: California Municipal Statistics, Inc.

## Statement of Direct and Overlapping Debt

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

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

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

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

**STATEMENT OF DIRECT AND OVERLAPPING DEBT  
Hanford Joint Union High School District**

**2025-26 Assessed Valuation:** \$9,275,146,868

<u><b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b></u>	<u><b>% Applicable</b></u>	<u><b>Debt 4/1/26</b></u>
College of Sequoias Hanford Campus Improvement District No. 1	100.000%	\$ 11,276,400
<b>Hanford Joint Union High School District</b>	<b>100.000</b>	<b>50,184,830<sup>(1)</sup></b>
Armona Union School District	100.000	11,598,712
Hanford School District	100.000	28,760,000
Pioneer Union School District	100.000	11,330,455
Corcoran Hospital District	9.106	987,185
Tulare Local Healthcare District	0.463	<u>619,934</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$114,757,516
<u><b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b></u>		
Kings County General Fund Obligations	55.908%	\$2,261,479
Tulare County Certificates of Participation	0.190	57,950
Tulare County Pension Obligation Bonds	0.190	337,716
Tulare County Office of Education Certificates of Participation	0.190	60,363
<b>Hanford Joint Union High School District Certificates of Participation</b>	<b>100.000</b>	<b>17,040,000</b>
Kings River-Hardwick Union School District Certificates of Participation	100.000	3,655,000
Pioneer Union School District Certificates of Participation	100.000	4,330,000
City of Hanford General Fund and Pension Obligation Bonds	100.000	<u>29,916,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$57,658,508
COMBINED TOTAL DEBT		\$172,416,024 <sup>(2)</sup>

Ratios to 2025-26 Assessed Valuation:

<b>Direct Debt (\$50,184,830)</b> .....	<b>0.54%</b>
Total Direct and Overlapping Tax and Assessment Debt .....	1.24%
<b>Combined Direct Debt (\$67,224,830)</b> .....	<b>0.72%</b>
Combined Total Debt .....	1.86%

<sup>(1)</sup> Excludes the Bonds as described herein and includes the Refunded Bonds.

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

Source: California Municipal Statistics, Inc

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

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

### **Article XIII A of the California Constitution**

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

Article XIII A has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the Counties to pay debt service on the Bonds. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR PAYMENT OF BONDS – Assessed Valuations” herein.

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. In addition, Article XIII A requires the approval of two-thirds or more of all members of the State legislature to change any State taxes for the purpose of increasing tax revenues.

## **Proposition 19**

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

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

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

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

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

## **Proposition 50 and Proposition 171**

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

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

Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

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

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

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

### **Unitary Property**

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

### **Article XIII B of the California Constitution**

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

- (a) “change in the cost of living” with respect to school districts to mean the percentage change in State per capita income from the preceding year, and
- (b) “change in population” with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article 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 such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article 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.

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 pursuant to Section 8.5 of Article XVI of the State Constitution. See “—Propositions 98 and 111” herein.

### **Article XIII C and Article XIII D of the California Constitution**

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the State Constitution Articles 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 State Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article 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 State Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the Counties pursuant to Article XIII A. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

### **Proposition 26**

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article 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 XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

### **Propositions 98 and 111**

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

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

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

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article 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:

- a. 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 State per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article 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.
- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit: (i) all appropriations for "qualified capital outlay projects" as defined by the State legislature, and (ii) any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State legislature and the Governor, which was expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

- d. Recalculation of Appropriations Limit. The Article 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.
- e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (“Test 1”) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (“Test 2”). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test (“Test 3”), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in the State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a credit to schools (also referred to as a “maintenance factor”), which will be paid in future years when State general fund revenue growth exceeds personal income growth.

### **Proposition 39**

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

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that such bonds may be issued only if the tax rate projected to be levied as the result of any single election would not exceed \$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, when assessed valuation is projected to increase in accordance with Article XIII A. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State legislature and approval by the Governor. See “– Article XIII A of the California Constitution” herein.

## ***Jarvis vs. Connell***

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

## **Propositions 1A and Proposition 22**

On November 2, 2004, State 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-third approval of both houses of the State legislature or (iv) decrease vehicle license fee revenues without providing local governments with equal replacement funding. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

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

## **Propositions 30 and 55**

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

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

## **Proposition 2**

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

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

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

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

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

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

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

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

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

### **2024 State School Facilities Bond**

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

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

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

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

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

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

**Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D and Propositions 22, 26, 30, 39, 98, 51 and 55 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

**DISTRICT FINANCIAL INFORMATION**

*The information in this section concerning the District’s general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal and Accreted Value of or interest on the Bonds is payable from the general fund of the District. The Bonds will be payable solely from the proceeds of an ad valorem property tax which is required to be levied by the Counties in the District in an amount sufficient for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.*

**State Funding of Education**

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

**Revenue Limit Funding.** Previously, school districts operated under general purpose revenue limits established by the State Department of Education. In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments (“COLAs”) and to equalize revenues among school districts of the same type. Funding of a school district’s revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Since fiscal year 2013-14, school districts have been funded based on a uniform system of funding grants assigned to certain grade spans. See “—Local Control Funding Formula” herein.

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

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

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

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

The State budget for fiscal year 2021-22 also implemented a plan to expand the LCFF to include Transitional Kindergarten (TK) to all four-year olds. This plan is expected to phase in cohorts of TK students over a four-year period, concluding in fiscal year 2025-26. As a result, school districts that serve TK students will be eligible to receive an add-on equal to \$2,813, multiplied by such district’s second principal reporting period ADA for TK students for the current fiscal year. Beginning in fiscal year 2023-24, this add-on is subject to COLA adjustments to the same degree as LCFF Base Grants.

+The LCFF also provides additional add-ons to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

School districts that serve students of limited English proficiency (“EL” students) and students from low income families that are eligible for free or reduced priced meals, including foster youth (“LI” students), are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI. AB 97 authorizes a supplemental grant add-on (each, a “Supplemental Grant”) for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts’ percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a “Concentration Grant”) equal to 50% of the applicable Base Grant multiplied by the percentage of such district’s unduplicated EL/LI student enrollment in excess of the 55% threshold.

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

**ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE**  
**Fiscal Years 2015-16 through 2025-26**

**Hanford Joint Union High School District**

<b>Fiscal Year</b>	<b>Total District ADA<sup>(1)</sup></b>	<b>Total District Enrollment<sup>(2)</sup></b>	<b>% of EL/LI Enrollment<sup>(3)</sup></b>
2015-16	3,613	3,837	59.65%
2016-17	3,650	3,871	60.41
2017-18	3,646	3,881	62.08
2018-19	3,719	3,977	63.44
2019-20	3,835	4,074	64.31
2020-21	3,833	4,042	62.15
2021-22	3,848	4,142	69.17
2022-23	3,915	4,237	74.51
2023-24	3,867	4,180	78.56
2024-25	3,959	4,253	75.97
2025-26 <sup>(4)</sup>	3,960	4,278	77.23

<sup>(1)</sup> Except for fiscal year 2025-26, reflects ADA as of the second principal reporting period (“P-2 ADA”), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four-week period of instruction beginning with the first day of school for a particular school district. Excludes County-operated programs and includes Hanford Online Charter School. Figures may not sum to totals due to rounding.

<sup>(2)</sup> Reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System (“CALPADS”) in each school year and used to calculate each school district’s unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the California Department of Education. CALPADS figures exclude preschool and adult transitional students. Excludes charter school students.

<sup>(3)</sup> For purposes of calculating Supplemental and Concentration Grants, a school district’s fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district’s percentage of unduplicated EL/LI students has been based on a rolling average of such district’s EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years. Enrollment excludes County-operated programs and includes Hanford Online Charter School.

<sup>(4)</sup> Projected.

Source: Hanford Joint Union High School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target (“ERT”) add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of COLAs in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the implementation period of the LCFF. The District does not qualify for the ERT add-on.

Prior to fiscal year 2022-23, the sum of a school district’s adjusted Base, Supplemental and Concentration Grants was multiplied by such district’s P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). The 2022-23 State budget

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

***Community Funded Districts.*** Certain school districts, known as "community funded" districts (previously known as "basic aid" districts), have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Community funded school districts receive certain other non-LCFF State funding, which is deemed to satisfy the "basic aid" requirement guaranteed by Article IX, Section 6 of the State Constitution. The implication for community funded districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District does not currently qualify as a Community Funded district.

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

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

***Support and Intervention.*** AB 97, as amended by SB 91, established a new system of support and intervention to assist school districts meet the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority

for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district with identifying and implementing programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a State agency created by the LCFF and charged with assisting school districts with achieving the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

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

Recent deportation efforts initiated by the current Presidential administration pose a potential risk to school districts relying on revenue from the LCFF. LCFF districts rely heavily on student attendance and enrollment numbers, and for certain districts, Supplemental and Concentration Grant add-ons for serving a high percentage of EL and LI students (defined herein), to secure funding. If undocumented students or students who have undocumented parents cease attending school or face deportation, districts may experience a decrease in funding. The District cannot predict the potential changes to enrollment or attendance in response to the deportation efforts initiated by the Presidential Administration.

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

## **Other Revenue Sources**

***Federal and Local Sources.*** The federal government provides funding for several school district programs, including special education programs, programs under the Every Student Succeeds Act, and specialized programs such as Drug Free Schools, Innovative Strategies, and Vocational & Applied Technology. However, no representation can be made that the District will continue to receive or be eligible for federal funding of education programs, including as a result of current efforts and proposals to reduce the size of the federal workforce, eliminate government programs, eliminate or merge governmental agencies and/or withhold Congressionally appropriated funds. In addition, school districts may receive additional local revenues beyond local property tax collections, such as from leases and rentals, interest earnings, interagency services, developer fees, redevelopment revenues, lottery funds, and other local sources.

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**Developer Fees.** The District maintains a fund, separate and apart from the general fund, to account for developer fees collected by the District. The table below sets forth the developer fees collected by the District during the last 10 fiscal years, and the projected amount for fiscal year 2025-26.

**ANNUAL DEVELOPER FEE COLLECTION  
Hanford Joint Union High School District  
Fiscal Years 2015-16 through 2025-26**

Fiscal Year	Developer Fees for the District
2015-16	\$861,152
2016-17	821,480
2017-18	566,785
2018-19	766,592
2019-20	750,052
2020-21	597,422
2021-22	1,224,501
2022-23	2,070,527
2023-24	1,240,418
2024-25	1,651,609
2025-26 <sup>(1)</sup>	500,000

<sup>(1)</sup> Projected.

*Source: Hanford Joint Union High School District.*

**Budget Process**

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

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, and will determine if the budget allows the district to meet its current obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a LCAP, and whether the budget’s ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent’s recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent’s recommendations. The committee must report its findings no later than September 20. Any

recommendations made by the county superintendent must be made available by the district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget may be disapproved.

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

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

The District has never had an adopted budget disapproved by the County Superintendent of Schools, and has never received a "qualified" or "negative" certification of an Interim Financial Report pursuant to A.B. 1200.

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

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**GENERAL FUND BUDGETING**  
**Fiscal Years 2021-22 through 2025-26**  
**Hanford Joint Union High School District**

	Fiscal Year 2021-22		Fiscal Year 2022-23		Fiscal Year 2023-24		Fiscal Year 2024-25		Fiscal Year 2025-26	
	Budgeted <sup>(1)</sup>	Audited <sup>(1)</sup>	Budgeted <sup>(1)</sup>	Audited <sup>(1)</sup>	Budgeted <sup>(1)</sup>	Audited <sup>(1)(2)</sup>	Budgeted <sup>(1)</sup>	Audited <sup>(1)(2)</sup>	Budgeted <sup>(3)</sup>	Projected <sup>(3)</sup>
<b>REVENUES</b>										
LCFF	\$46,018,129.00	\$47,069,162.00	\$51,183,807.00	\$54,638,166.00	\$60,161,434.00	\$60,614,164.00	\$62,184,300.00	\$62,863,383.00	\$64,525,734.00	\$64,499,434.00
Federal Revenue	5,051,297.00	5,146,398.00	5,162,229.00	4,873,408.00	7,463,727.00	7,145,110.00	2,315,942.00	3,741,619.00	2,443,650.00	2,710,963.57
Other State Revenue	5,076,416.00	7,697,686.00	5,754,360.00	12,592,188.00	7,316,438.00	8,328,165.00	6,612,530.00	7,180,982.00	7,444,154.22	8,636,270.22
Other Local Revenue	<u>1,668,835.00</u>	<u>1,495,006.00</u>	<u>2,022,778.00</u>	<u>2,765,524.00</u>	<u>2,441,592.00</u>	<u>4,906,957.00</u>	<u>2,666,979.00</u>	<u>5,314,884.00</u>	<u>3,323,876.00</u>	<u>3,405,907.06</u>
<b>TOTAL REVENUES</b>	57,814,677.00	61,408,252.00	64,123,174.00	74,869,286.00	77,383,191.00	80,994,396.00	73,779,751.00	79,100,868.00	77,737,414.22	79,252,574.85
<b>EXPENDITURES</b>										
Certificated Salaries	21,057,339.00	21,476,590.00	21,610,196.00	23,166,141.00	24,333,898.00	25,541,278.00	26,114,205.00	26,143,481.00	26,533,350.00	27,024,273.50
Classified Salaries	7,865,228.00	8,261,925.00	8,184,439.00	9,079,405.00	9,298,955.00	10,793,307.00	10,635,245.00	11,635,070.00	11,357,357.00	11,546,231.18
Employee Benefits	14,574,773.00	13,774,558.00	15,526,103.00	15,165,979.00	17,486,909.00	16,706,092.00	18,531,450.00	17,555,666.00	19,056,135.00	19,571,514.60
Books and Supplies	2,687,774.00	2,975,280.00	3,352,291.00	3,103,865.00	4,250,132.00	3,421,098.00	3,640,402.00	3,377,403.00	3,120,487.00	3,570,716.88
Services, Other Operating Expenses	4,757,881.00	6,121,279.00	5,929,326.00	8,696,374.00	7,911,276.00	8,894,232.00	7,450,871.00	9,023,026.00	8,585,693.00	8,887,070.91
Capital Outlay	6,806,507.00	4,772,904.00	4,150,187.00	1,421,851.00	5,768,432.00	9,671,213.00	4,152,500.00	5,986,938.00	1,887,297.00	3,144,193.88
Other Outgo <sup>(4)</sup>	1,224,019.00	(101,472.00)	1,369,539.00	(101,110.00)	3,058,829.00	3,002,394.00	3,912,482.00	3,456,101.00	3,785,361.00	3,785,361.00
Debt Service - Principal	--	75,000.00	105,000.00	105,000.00	--	--	--	--	--	--
Debt Service - Interest	--	<u>355,157.00</u>	<u>707,400.00</u>	<u>707,400.00</u>	--	--	--	--	--	--
<b>TOTAL EXPENDITURES</b>	58,973,521.00	57,711,221.00	60,934,481.00	61,344,905.00	72,108,431.00	78,029,614.00	74,437,155.00	77,177,685.00	74,325,680.00	77,529,361.95
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,158,844.00)	3,697,031.00	3,188,693.00	13,524,381.00	5,274,760.00	2,964,782.00	(657,404.00)	1,923,183.00	3,411,734.22	1,723,212.90
<b>OTHER FINANCING SOURCES (USES)</b>										
Other Sources (uses)	--	(1,247,826.00)	--	--	--	--	(1,788,000.00)	--	--	--
Proceeds from leases	--	--	--	44,178.00	--	--	--	--	--	--
Transfers to other agencies	--	--	--	(1,442,239.00)	--	--	--	--	--	--
Operating Transfers In	34,691.00	54,569.00	50,996.00	67,441.00	60,000.00	--	60,000.00	--	--	--
Operating Transfers Out	<u>(83,036.00)</u>	<u>(2,525,000.00)</u>	<u>(83,036.00)</u>	<u>(3,925,870.00)</u>	<u>(2,588,000.00)</u>	<u>(3,445,109.00)</u>	--	<u>(2,600,557.00)</u>	<u>1,788,000.00</u>	<u>1,788,000.00</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(48,345.00)	(3,718,257.00)	(32,040.00)	(5,256,490.00)	(2,528,000.00)	(3,445,109.00)	(1,728,000.00)	(2,600,557.00)	(1,788,000.00)	(1,788,000.00)
<b>Net Change In Fund Balance</b>	(1,207,189.00)	(21,226.00)	3,156,653.00	8,267,891.00	2,746,760.00	(480,327.00)	(2,385,404.00)	(677,374.00)	1,623,734.22	(64,787.10)
<b>Beginning Balance, July 1</b>	<u>13,123,809.00</u>	<u>13,123,809.00</u>	<u>13,102,229.00</u>	<u>13,102,229.00</u>	<u>20,459,526.00</u> <sup>(5)</sup>	<u>20,459,526.00</u> <sup>(5)</sup>	<u>19,979,199.00</u>	<u>19,979,199.00</u>	<u>16,832,591.76</u>	<u>19,301,825.42</u>
<b>Fund Balance, June 30</b>	<u>\$11,916,620.00</u>	<u>\$13,102,583.00</u>	<u>\$16,258,882.00</u>	<u>\$21,370,120.00</u>	<u>\$23,206,286.00</u>	<u>\$19,979,199.00</u>	<u>\$17,593,795.00</u>	<u>\$19,301,825.00</u>	<u>\$18,456,325.98</u>	<u>\$19,237,038.32</u>

<sup>(1)</sup> From the District's Audited Financial Statements for fiscal years 2021-22 through 2024-25, respectively. See "APPENDIX B" attached hereto for the District's fiscal year 2024-25 audited financial statements.

<sup>(2)</sup> Does not include revenues and expenditures pertaining to the Special Reserve Fund for Postemployment Benefits.

<sup>(3)</sup> From the District's Second Interim Financial Report for fiscal year 2025-26 approved by the Board on March 10, 2026.

<sup>(4)</sup> The categories "Other Outgo (excluding Transfers of Indirect Costs)" and "Other Outgo- Transfers of Indirect Costs" have been combined for comparison purposes.

<sup>(5)</sup> Does not reflect reclassifying journal entries from fiscal year 2023-24.

Source: Hanford Joint Union High School District.

## **Accounting Practices**

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

The District's 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. Delinquent taxes not received after the fiscal year end are not recorded as revenue until received. 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 District's accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the general fund which accounts for all financial resources not requiring a special type of fund. The District's fiscal year begins on July 1 and ends on June 30.

## **Comparative Financial Statements**

The District's audited financial statements for the year ended June 30, 2025 are included for reference in APPENDIX B hereto. Audited financial statements for the District for the fiscal year ended June 30, 2025, and prior fiscal years are on file with the District and available for public at the Office of the Director of Business Services of the District, 300 W. 6<sup>th</sup> Street, Hanford, California 93230, telephone: (559) 583-5901. The table on the following page reflects the District's revenues, expenditures and fund balances for fiscal years 2020-21 through 2024-25.

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**AUDITED STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCE<sup>(1)</sup>**  
**Fiscal Years 2020-21 through 2024-25**  
**Hanford Joint Union High School District**

	<b>Fiscal Year <u>2020-21</u></b>	<b>Fiscal Year <u>2021-22</u></b>	<b>Fiscal Year <u>2022-23</u></b>	<b>Fiscal Year <u>2023-24</u></b>	<b>Fiscal Year <u>2024-25</u></b>
<b>REVENUES:</b>					
LCFF Sources	\$43,394,982	\$47,069,162	\$54,638,166	\$60,614,164	\$62,863,383
Federal Sources	5,068,458	5,146,398	4,873,408	7,145,110	3,741,619
Other State Sources	7,024,674	7,697,686	12,592,188	8,328,165	7,180,982
Other Local Sources	<u>1,943,621</u>	<u>1,495,006</u>	<u>2,765,524</u>	<u>4,971,719</u>	<u>5,369,010</u>
<b>Total Revenues</b>	57,431,735	61,408,252	74,869,286	81,059,158	79,154,994
<b>EXPENDITURES:</b>					
Current Expenses:					
Instruction	29,089,047	30,508,026	33,061,944	36,638,650	37,339,332
Instruction Related Activities:					
Supervision of Instruction	1,212,178	1,374,009	1,592,412	1,801,106	1,928,199
Instructional Library, Media & Technology	895,154	393,062	352,552	399,573	383,529
School Site Administration	4,274,791	4,416,991	4,543,400	5,340,575	5,407,381
Pupil Services:					
Home-to-School Transportation	1,463,980	1,930,355	1,989,650	3,376,702	2,978,975
Food Services	174,979	31,952	308,190	273,855	67,332
All Other Pupil Services	4,040,774	4,474,462	5,211,062	5,794,704	6,026,596
General Administration					
Data Processing	412,884	251,393	296,617	288,458	333,898
All Other Administration	2,559,500	2,645,142	2,775,107	3,521,991	3,711,626
Plant Services	4,755,601	6,219,753	8,196,090	8,036,452	9,315,281
Facility Acquisition & Construction	102,225	4,445,948	1,444,113	8,621,978	5,301,823
Ancillary Services	559,276	581,378	747,556	780,228	750,442
Community Services	221	8,593	13,812	13,894	14,292
Transfers to other agencies	--	--	--	2,303,250	2,766,179
Debt Service					
Principal	--	75,000	105,000	157,079	166,545
Interest and Other	--	<u>355,157</u>	<u>707,400</u>	<u>703,198</u>	<u>686,255</u>
<b>Total Expenditures</b>	49,540,610	57,711,221	61,344,905	78,051,693	77,177,685
<b>Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources and Uses</b>	7,891,125	3,697,031	13,524,381	3,007,465	1,977,309
<b>OTHER FINANCING SOURCES (USES):</b>					
Other Sources (Uses) <sup>(2)</sup>	(1,058,434)	(1,247,826)	--	--	--
Proceeds from leases	--	--	44,178	--	--
Transfers to other agencies	--	--	(1,442,239)	--	--
Transfers In	54,391	54,569	67,441	5,819	5,967
Transfers Out <sup>(3)</sup>	<u>(3,455,000)</u>	<u>(2,525,000)</u>	<u>(3,925,870)</u>	<u>(3,372,294)</u>	<u>(2,525,000)</u>
<b>NET OTHER FINANCING SOURCES (USES)</b>	(4,459,043)	(3,718,257)	(5,256,490)	(3,366,475)	(2,519,033)
<b>NET CHANGE IN FUND BALANCES</b>	3,432,082	(21,226)	8,267,891	(359,010)	(541,724)
<b>FUND BALANCE, JULY 1</b>	<u>9,691,727</u>	<u>13,123,809</u>	<u>13,102,229</u>	<u>21,370,120</u>	<u>21,011,110</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$13,123,809</u>	<u>\$13,102,583</u>	<u>\$21,370,120</u>	<u>\$21,011,110</u>	<u>\$20,469,386</u>

<sup>(1)</sup> From the District's comprehensive audited financial statements for fiscal years 2020-21 through 2024-25, respectively. Reflects combined unrestricted and restricted general fund. All amounts rounded to nearest whole number.

<sup>(2)</sup> Represents payments to the Kings County Office of Education for Special Education Services provided by the SELPA for District students enrolled in the Kings County SPED Program.

<sup>(3)</sup> Represents a transfer from the general fund to the Special Reserve Fund for Capital Outlay Projects for capital outlay projects.

Source: Hanford Joint Union High School District.

## State Budget Measures

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

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

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

- *Reductions* – \$2.8 billion in total reductions in fiscal year 2025-26, which grows to \$11.9 billion by fiscal year 2028-29 through (i) an enrollment freeze for full-scope Medi-Cal expansion for undocumented adults ages 19 and older, (ii) a reduction in Medi-Cal premiums for adults 19-59 with unsatisfactory immigration status, (iii) altering the Medi-Cal asset test limit, (iv) an elimination of dental benefits for adults age 19 or older with unsatisfactory immigration status, (v) a reduction in prospective payment system payments to federally qualified health centers and rural health clinics, (vi) eliminating specialty drug coverage for weight loss, (vii) a reduction in pharmacy drug rebates and (viii) requiring provider mandates for quality incentive payment program eligibility.
- *Revenues/Borrowing* – \$7.8 billion in additional revenues and borrowings through (i) \$1.3 billion of support from the managed care tax approved in November of 2024 (Proposition 35) in fiscal year 2025-26 for Medi-Cal rate increases, as well as \$263.7 million of such support in fiscal year 2026-27, (ii) a loan of \$4.4 billion across the three-year budget window, including \$1 billion for fiscal year 2025-26 from the medical providers interim payment fund loan, (iii) a loan of \$150 million in fiscal year 2025-26 from the unfair competition law fund loan (iv) a loan of \$400 million in fiscal year 2025-26 from the labor and workforce development fund loan and (v) \$1.5 billion in additional special fund and internal borrowing.
- *Fund Shifts* – \$1.2 billion in total solutions for fiscal year 2025-26 primarily through shifting the costs for Cal Fire operations from the general fund to the greenhouse gas reduction fund. The 2025-26 State Budget estimated additional savings in shifting the costs to the greenhouse gas reduction fund of \$1.3 billion in fiscal year 2026-27 and \$500 million in both fiscal years 2027-28 and 2028-29.

In its summary of the 2025-26 State Budget, the LAO estimated the budget shortfall for fiscal year 2025-26 as \$15.0 billion, and noted that the 2025-26 State Budget primarily closed the shortfall by utilizing approximately \$10 billion in borrowing, which is defined by the LAO as budget actions that achieve savings in the present but result in an obligation or higher cost for the State in a future year. The approximate \$10 billion borrowing represented two-thirds of the total solutions, with spending reductions of approximately \$2.5 billion, fund shifts of approximately \$3 billion and revenue-related solution of approximately \$300 million representing the remaining one-third of the budget solutions.

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

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

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

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

- *LCFF* – The 2025-26 State Budget included an LCFF COLA of 2.3%. When combined with population growth adjustments, these resulted in an increase of roughly \$2.1 billion in discretionary funds for local educational agencies, as compared to the level set in the prior State budget. As a result, the adjusted LCFF Base Grants for fiscal year 2025-26 were as follows: (i) \$11,323 for grades TK-3, (ii) \$10,411 for grades 4-6, (iii) \$10,719 for grades 7 and 8, and (iv) \$12,746 for grades 9-12. Additionally, the adjusted TK add on rate for fiscal year 2025-26 was \$5,545. The 2025-26 State Budget authorized a mandatory deposit of \$455 million into the PSSSA in fiscal year 2024-25, of which the entirety was exhausted in fiscal year 2025-26, including \$405.3 million to support LCFF costs. The LAO noted that the 2025-26 State Budget created a \$1.7 billion gap beyond

ongoing Proposition 98 funding levels. The gap was covered in fiscal year 2025-26 by one-time savings generated through deferring payments from fiscal year 2025-26 to fiscal year 2026-27, withdrawing funds from the PSSSA and repurposing some unused Proposition 98 funds from prior fiscal years. The one-time savings expired after fiscal year 2025-26 and will need to be addressed in fiscal year 2026-27 with new ongoing funds, ongoing reductions, or additional one-time actions.

- *Deferrals* – The 2025-26 State Budget reflected LCFF apportionment deferrals from 2024-25 to 2025-26 of approximately \$246.6 million, and from 2025-26 to 2026-27 of approximately \$1.9 billion.
- *Universal Transitional Kindergarten (TK)* – The 2025-26 State Budget provided \$2.1 billion (inclusive of all prior years' investments) in ongoing Proposition 98 funding to support the full implementation of universal TK so that all children who turn 4 years old by September 1 of the school year can enroll in the 2025-26 school year. The 2025-26 State Budget also provided \$1.2 billion ongoing Proposition 98 funding to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom. Additionally, the 2025-26 State Budget shifted \$232.9 million of ongoing Proposition 98 funding for universal TK funding that was previously allocated to community college districts as a result of the Proposition 98 statutory split to the TK-12 side of the budget.
- *Before School, After School and Summer School* – \$515.5 million in ongoing Proposition 98 funding for the Expanded Learning Opportunities Program, which sought to implement before, after and summer school instruction and enrichment for students in grades TK-6, by increasing the number of local education agencies that offer universal access to students with an unduplicated count of 75 percent to an unduplicated count of 55 percent. The 2025-26 State Budget included an additional \$10.4 million to increase the minimum grant amounts from \$50,000 to \$100,000 per local educational agency.
- *Literacy Instruction* – \$480 million in one-time Proposition 98 funding for the support of the English Language Arts/English Language Development framework, which included investments such as literacy coaches, reading specialists, trainings for educators, administering screenings and providing materials. The 2025-26 State Budget also provided \$10 million in one-time Proposition 98 funding for the statewide use of English language proficiency screeners to support multilingual learners in TK.
- *Teacher Preparation and Professional Development* – \$300 million in one-time Proposition 98 funding to establish the Student Teacher Stipend Program, which will provide \$10,000 grants to qualifying teacher candidates, \$70 million in one-time Proposition 98 funding for high-quality teacher residency programs and \$30 million in one-time Proposition 98 funding to extend the timeline of existing National Board Certification Incentive Program to support National Board Certified teachers to teach in high poverty schools.
- *State Preschool* – The 2025-26 State Budget provided \$19.3 million Proposition 98 funding and \$10.2 million non-Proposition 98 funding for the California State Preschool Program to augment provider rates, supporting the costs of care. The 2025-26 State Budget also provided authority to the Department of Education to take certain actions related to the California State Preschool program.
- *Learning Recovery Emergency Block Grant* – \$378.6 million in one-time Proposition 98 funding to support the Learning Recovery Emergency Block Grant, which supports local educational agencies in establishing learning recovery initiatives through the 2027-28 school year.

- *Universal School Meals Support Grant* – \$145 million in one-time Proposition 98 funding for specialized kitchen equipment, infrastructure, training and procurement of sustainably grown food to support schools in providing more freshly prepared meals, \$10 million in one-time Proposition 98 funding to recruit and retain school food service workers and \$5 million in one-time Proposition 98 funding for a study of ultra-processed foods offered in California school meals.
- *Special Olympics* – \$30 million in one-time general funds, available over three years, for the Special Olympics of Northern and Southern California.
- *Mathematics Professional Learning Partnership* – \$30 million in one-time Proposition 98 funding for the Mathematics Professional Learning Partnership and for the Kern County Superintendent of Schools to support educator training and mathematics coaching in local educational agencies, including expanding upon collaboration with the Rural Math Collective and training mathematics coaches who can be deployed in schools with the highest need of support.
- *Summer Electronic Benefits Transfer (SUN Bucks)* – \$21.9 million in additional ongoing Proposition 98 funding to support the SUN Bucks program, which provides nutrition funding to eligible students during the summer months, to provide a match to an equal amount of federal funds to support the program.
- *Children and Youth Behavioral Health Initiative Grants* – \$20 million in one-time Proposition 98 funding to support the implementation of the Children and Youth Behavioral Health Initiative’s all-payer fee schedule.
- *Secondary School Redesign Pilot Program* – \$10 million in one-time Proposition 98 funding for the California Collaborative of Educational Excellence to administer a pilot program to redesign middle and high schools to better serve the needs of all students and increase student outcomes, and to manage a network of grantees to support peer learning and documentation of practices.
- *TK Multilingual Learner Supplemental Funding* - \$7.5 million in one-time Proposition 98 funding, available through fiscal year 2026-27, to mitigate reductions in potential LCFF apportionment to local educational agencies resulting from the exemption of TK students from the English language proficiency assessment.

For additional information regarding the 2025-26 State Budget, see the DOF and LAO websites [www.dof.ca.gov](http://www.dof.ca.gov) and [www.lao.ca.gov](http://www.lao.ca.gov). However, the information presented on such website is not incorporated herein by any reference.

**2026-27 Proposed State Budget.** On January 9, 2026, the Governor released the proposed State budget for fiscal year 2026-27 (the “Proposed 2026-27 Budget”). The following is drawn from the DOF and LAO summaries of the Proposed 2026-27 Budget.

The Proposed 2026-27 Budget reports that the State experienced a welcome surge in revenues since the 2025-26 State Budget, with a projection approximately \$42 billion higher over the three-year budget window, from fiscal year 2024-25 through 2026-27, than the projection at the 2025-26 State Budget. Much of the revenue surge is attributable to a relatively small number of technology companies that have experienced a substantial increase in their share prices due to investor enthusiasm in artificial intelligence. Additionally, the increase in revenues is due to higher cash receipts, higher stock market levels and an improved economic outlook. However, the Proposed 2026-27 Budget reports that the constitutional funding requirements, need for an adequate budget reserve and higher program costs exceed the level of increased revenues, resulting in a projected shortfall of \$2.9 billion for fiscal year

2026-27. Despite the \$12 billion in ongoing expenditure reductions included in the 2025-26 Budget, the State continues to be confronted with structural operating deficits that need to be addressed. The Proposed 2026-27 Budget identifies dominant risks to the State budget as stock market and asset price declines and unpredictable federal policies, including continued uncertainty regarding tariffs and immigration, as well as their impact on inflation, the labor market, investment and overall demand. Additionally, significant federal policy changes for health and human services programs due to the adoption of House of Representatives (“H.R.”) 1 of 2025, which increased projected costs for the State’s Medicaid Program and Supplemental Nutrition Assistance Program in fiscal year 2026-27 by approximately \$1.4 billion. The Proposed 2026-27 Budget reports a balanced budget for fiscal year 2026-27, with a discretionary reserve of \$4.5 billion and projects a deficit of roughly \$22 billion in fiscal year 2027-28, with additional shortfalls in the two subsequent fiscal years.

The LAO notes that the administration’s revenue estimates in the Proposed 2026-27 Budget exceed LAO projections by \$25 to \$30 billion over the three-year budget window. The LAO revenue projections reflect an assessment that recent gains are unlikely to be sustainable as they are tied to an overheated stock market with a high risk of reversing course into a downturn in the next year or two. The LAO reports that the Proposed 2026-27 Budget relies on the increased revenue forecast in order to remain roughly balanced for fiscal year 2026-27 and continues to project alarming multiyear budget deficits, with estimates ranging between \$20 billion to \$35 billion annually. The LAO reports that the Proposed 2026-27 Budget does not propose material actions to address downside revenue risk.

For fiscal year 2025-26, the Proposed 2026-27 Budget projects total general fund revenues and transfers of \$235.16 billion and authorizes expenditures of \$237.66 billion. The State is projected to end the 2025-26 fiscal year with total reserves of approximately \$41.3 billion, including \$11.33 billion in the BSA, \$25.45 billion in traditional general fund reserves and \$4.51 billion in the PSSSA. For fiscal year 2026-27, the Proposed 2026-27 Budget projects total general fund revenues and transfers of approximately \$227.39 billion and authorizes expenditures of \$248.33 billion. The State is projected to end the 2026-27 fiscal year with total reserves of approximately \$23 billion, including \$4.51 billion in the traditional general fund reserve, \$14.35 billion in the BSA and \$4.10 billion in the PSSSA. The Safety Net Reserve is projected to have a zero balance across both fiscal years 2025-26 and 2026-27.

The Proposed 2026-27 Budget sets total funding in fiscal year 2026-27 for all TK-12 education programs at \$149.1 billion, including \$88.7 billion from the State general fund and \$60.4 billion from other sources. TK-12 per-pupil funding totals \$27,418, including \$20,427 from Proposition 98 sources. The minimum funding guarantee in fiscal year 2026-27 is set at \$125.5 billion. The Proposed 2026-27 Budget also makes retroactive changes to the minimum funding guarantee in fiscal years 2024-25 and 2025-26, setting them at \$123.8 billion and \$121.4 billion, respectively. The revisions to the minimum funding guarantee represent an increase of approximately \$21.7 billion over the three-year period relative to the 2025-26 State Budget. For fiscal year 2025-26, the Proposed 2026-27 Budget appropriates \$117.6 billion, instead of the currently calculated level of \$121.4 billion, in order to mitigate the risk of potentially appropriating more resources to the minimum funding guarantee than are available in the final calculation for 2025-26. Potential adjustments will be evaluated at the May revision to the Proposed 2026-27 Budget and will not be final until the certification of the 2025-26 minimum funding guarantee. The Proposed 2026-27 Budget projects Test 1 of the guarantee to be in effect for fiscal years 2024-25, 2025-26 and 2026-27, meaning the funding level is equal to roughly 40% of State general fund revenues that count towards the minimum funding guarantee.

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

- *LCFF* – The Proposed 2026-27 Budget includes an LCFF COLA of 2.41%. When combined with population growth adjustments, this would result in an increase of roughly \$2 billion in discretionary funds for local educational agencies. The Proposed 2026-27 Budget fully repays budgetary deferrals of \$1.9 billion in 2026-27, and includes an ongoing increase of \$30.7 million to provide an increase in LCFF for necessary small schools. The Proposed 2026-27 Budget also provides \$228 million in ongoing Proposition 98 funding to reflect a 2.41% COLA for specific categorical programs and the LCFF Equity Multiplier. Finally, the Proposed 2026-27 Budget reflects a \$15.6 million decrease in ongoing Proposition 98 funding to reflect ADA changes applicable to LCFF funding for county offices of education, as well as a 2.41% COLA.
- *Master Plan for Career Education/Student Support and Professional Development Discretionary Block Grant* – \$100 million in one-time Proposition 98 funding to increase access to college and career pathways for high school students, including expanding access to dual enrollment and dual credit opportunities. \$2.8 billion in one-time Proposition 98 funding for a discretionary block grant to implement statewide priorities including: professional development for teachers in English language arts and mathematics, teacher recruitment and retention, professional development related to transitional kindergarten and career pathways and dual enrollment expansion consistent with the Master Plan for Career Education. Additionally, \$250 million in one-time Proposition 98 funding to continue teacher residency programs through fiscal year 2029-30.
- *Before School, After School and Summer School* – An additional \$62.4 million in ongoing Proposition 98 funding to provide a guarantee of \$1,800 per pupil for local educational agencies with less than 55 percent unduplicated pupils, bringing the total \$4.7 billion in ongoing Proposition 98 funding for the Expanded Learning Opportunities Program.
- *Facilities* –\$1.5 billion in one-time funds from bonds issued under Proposition 2 (2024) to support school construction projects in fiscal year 2026-27.
- *Learning Recovery Emergency Block Grant* – \$757.3 million in one-time Proposition 98 funding to support the Learning Recovery Emergency Block Grant, which supports local educational agencies in establishing learning recovery initiatives through the 2027-28 school year.
- *Home-to-School Transportation* – \$322 million in one-time and \$239.2 million in ongoing Proposition 98 funding to reflect higher costs in the Home-to-School Transportation Program.
- *Kitchen Infrastructure and Training* – \$100 million in one-time Proposition 98 funding for specialized kitchen equipment, infrastructure, and training to support schools in providing more freshly prepared meals made with locally grown ingredients.
- *Reading Difficulties Risk Screening* – \$40 million in one-time Proposition 98 funding to support continued implementation of student reading difficulties screenings.
- *Los Angeles County Wildfire Recovery* – \$22.9 million in one-time Proposition 98 funding to support local educational agencies that are continuing to recover from the January 2025 Los Angeles County wildfires.
- *Universal and Targeted Assistance* – An additional \$13.3 million ongoing Proposition 98 funding, for a total of \$131.9 million ongoing, for county offices of education to

provide universal and targeted support to school districts and charter schools, including those eligible for differentiated assistance.

- *Financial Crisis and Management Assistance Team (FCMAT)* – \$994,000 in additional ongoing Proposition 98 funding to support increased FCMAT workload.
- *Nutrition* – An ongoing decrease of \$67.9 million in ongoing Proposition 98 funding to fully fund the Universal School Meals Program, reflecting a reduction in fiscal year 2025-26 estimates compared to the 2025-26 State Budget and an increase in meal reimbursement rates.
- *Local Property Tax Adjustments* – A decrease of \$1.4 billion in fiscal year 2026-27 and \$18 million in fiscal year 2025-26 in ongoing Proposition 98 funding for school districts and county offices of education.
- *Technology Initiatives* – \$629,000 in additional ongoing Proposition 98 funding to support the K-12 High Speed Network program and \$966,000 in additional ongoing Proposition 98 funding to support increased California School Information System costs.
- *Curriculum-Embedded Performance Tasks for Science* – \$890,000 in ongoing Proposition 98 funding to maintain performance task resources at the Los Angeles County Office of Education in support of inquiry-based science instruction.

For additional information regarding the 2025-26 State Budget, see the DOF and LAO websites [www.dof.ca.gov](http://www.dof.ca.gov) and [www.lao.ca.gov](http://www.lao.ca.gov). However, the information presented on such website is not incorporated herein by any reference.

**May Revision.** On May 15, 2026, the Governor released his May revision (the “May Revision”) to the Proposed 2026-27 Budget. The following information is drawn from the DOF summary of the May Revision.

The May Revision reports that estimated State general fund revenues from the three largest sources (personal income, corporate and sales and use taxes) are \$16.5 billion higher than projected by the Proposed 2026-27 Budget, over the three-year budget window. The May Revision attributes the increase principally to higher personal income tax collections (accounting for approximately \$13.6 billion), boosted by a 2025 spike in capital gains realizations reflecting higher cash receipts through April of 2026. The new revenue forecast reflects a slightly upgraded stock market outlook, combined with a relative unchanged economic outlook.

While higher projected revenues allow for the State budget to be balanced in fiscal year 2026-27, the May Revision notes that additional measures are necessary to achieve a balanced budget over the subsequent two fiscal years. To achieve this, the May Revision includes series of revenue and spending solutions which are projected to result in an operating reserve of \$4.5 billion in fiscal year 2026-27 and \$2.1 billion in fiscal year 2027-28.

To assist in providing for a positive operating balance in fiscal year 2027-28, the May Revision provides for a transfer of \$9.7 billion to the Projected Surplus Temporary Holding Account (the “Surplus Holding Account”). Created in 2004 by Assembly Bill 179, the Surplus Holding Account allows the State to set aside a portion of anticipated surplus funds and allocate them in a subsequent fiscal year. State leaders have broad authority to determine whether or how to use the Surplus Holding Account. The only requirement is that revenues that go into the account cannot remain there for longer than one year. If State revenues materialize as projected, the revenues in the account may be spent for any purpose or transferred back to the State general fund for future use.

Building on the Proposed 2026-27 Budget, other spending and revenue measures included in the May Revision include the following:

- *Reductions* – \$411 million in reductions in fiscal year 2026-27, growing to \$711.9 million by 2029-30, including (i) reimposing Medi-Cal asset test limits for certain seniors and disabled persons, and (ii) increasing monthly premiums for adults with unsatisfactory immigration status.
- *Revenues* – \$3.6 billion in total revenue measures in fiscal year 2026-27, growing to \$5.1 billion in fiscal year 2027-28 and decreasing slightly to \$4.4 billion by fiscal year 2029-30, including (i) permanently limiting the use of certain business tax credits, (ii) taxation of digital prewritten software and software as a service, and (iii) support from the managed care organization tax.
- *General Fund Offsets* – \$390.7 million in total general fund offsets in fiscal year 2026-27, decreasing slightly to \$256.6 million by fiscal year 2029-30, including offsetting State general fund costs with funding from the Behavioral Health Services Fund.

For fiscal year 2025-26, the May Revision projects total general fund revenues and transfers of \$245.4 billion and authorizes expenditures of \$245.8 billion. The State is projected to end fiscal year 2025-26 with total reserves of approximately \$49.9 billion, including \$11.5 billion in the BSA, \$10.3 billion in the PSSSA and \$28.2 billion in the traditional general fund reserve. For fiscal year 2026-27, the May Revision projects total general fund revenues and transfers of \$222.9 billion and authorizes expenditures of \$246.6 billion. The State projected to end fiscal year 2026-27 with total reserves of approximately \$29.9 billion, including \$4.5 billion in the traditional general fund reserve, \$10.3 billion in the PSSSA and \$15.1 billion in the BSA. The Safety Net Reserve is projected to have a zero balance across both fiscal years.

The May Revision sets total funding in fiscal year 2026-27 for all TK-14 education programs at \$151.6 billion, including \$91.3 billion from the State general fund and \$60.3 billion from other sources. The minimum funding guarantee in fiscal year 2026-27 is set at \$127.1 billion. The May Revision also makes retroactive changes to the minimum funding guarantee in fiscal years 2024-25 and 2025-26 based on revised estimates of State general fund revenues, setting them at \$124.9 billion and \$125.1 billion, respectively. The revisions to the minimum funding guarantee represent an increase of approximately \$28 billion over the three-year period relative to the 2025-26 State Budget, and an increase of \$6.4 billion relative to the Proposed 2026-27 Budget. The May Revisions projects that Test 1 of the guarantee to be in effect for fiscal years 2024-25 through 2026-27, meaning the funding level is equal to roughly 40% of State general fund revenues that count towards the minimum funding guarantee. This percentage is not reduced to reflect enrollment adjustments, which increases per-pupil spending.

Much of the increase in the minimum funding guarantee in fiscal year 2024-25 relates to a \$8.3 billion maintenance factor payment due in that year. The May Revision also makes a settle-up payment of \$1.9 billion in fiscal year 2024-25, completely paying off the liability due for that fiscal year. The May Revision creates a \$3.9 billion settle-up amount in fiscal year 2025-26. If, in spring of 2027, revenues remain at the same or higher levels for fiscal year 2025-26, the State legislature will be required to pay this amount back to TK-14 school districts and will need to schedule this payment in State budgetary legislation for fiscal year 2027-28, either from available funds or scheduled over multiple fiscal years.

In addition, adjustments in capital gains revenues as of the May Revision are projected to eliminate a mandatory withdrawal from the PSSSA in fiscal year 2026-27 that was projected by the Proposed 2026-27 Budget, and require mandatory deposits across the three-year budget window totaling

\$8.7 billion. The May Revision also proposes to increase the discretionary deposit in fiscal year 2025-26 to \$1.6 billion, resulting in a final balance in that year of \$10.3 billion. Much of the overall increase in the minimum funding guarantee across the three-year budget window is allocated to the deposits authorized to be made to the PSSSA.

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

- *LCFF* – The May Revision includes an LCFF COLA of 2.87%, up from 2.41% included in the Proposed 2026-27 Budget. When combined with population growth adjustments, this would result in an increase of roughly \$1.3 billion in discretionary funds for local educational agencies as compared to the 2025-26 State Budget. The May Revision includes an additional \$906.7 million in discretionary funding for the LCFF funding, resulting in a total COLA (statutory and discretionary) of 4.31%. These additional funds are intended to help local educational agencies manage rising costs, offset funding restrictions related to declining enrollment and fund a new requirement for paid pregnancy disability leave (see below). The May Revision also provides \$261 million in ongoing Proposition 98 funding to reflect a 2.87% COLA for specific categorical programs and the LCFF Equity Multiplier. Finally, the May Revision reflects an additional \$48.6 million in ongoing Proposition 98 funding above that provided by the Proposed 2025-26 State Budget to reflect ADA changes applicable to LCFF funding for county offices of education, as well as provide a 4.31% COLA.
- *Special Education* – An additional ongoing special education base rate investment of \$1.8 billion. In total, this represents a nearly \$2.4 billion increase in special education funding, or 43%, over the 2025-26 State Budget.
- *Student Support and Professional Development Discretionary Block Grant* – The May Revision updates the amount of one-time Proposition 98 funding available for the Student Support and Professional Development Discretionary Block, from \$2.8 billion to \$5 billion.
- *Paid Pregnancy Leave* – The May Revision requires all TK-12 local educational agencies and community college districts to provide employees with up to 14 weeks of paid pregnancy disability leave beginning in 2026-27. The May Revision projects that the costs of this benefit are absorbable within the 1.4% discretionary LCFF COLA.
- *Community Schools* – \$485 million of reappropriated funds, for a total of \$1.485 billion in ongoing Proposition 98 funding, to expand community schools, which partner with educational, county and nonprofit entities to provide integrated health, trauma-informed mental health, social services and academic supports.
- *Literacy and Math Instruction* – An increase of \$428.8 million in one-time funding for the Literacy Coaches and Reading Specialists Grant Program, which provides funding to high-poverty schools to hire literacy and reading specialists and coaches, to support educators in developing practices and interventions for students with the highest need. The May Revision also provides \$11.2 million for the Literacy Coaches and Reading Specialists Educator Training Grant, which provides training and support for literacy coaches. Finally, the May Revision provides an additional \$60 million in one-time Proposition 98 funding to expand the reach of the Mathematics Professional Learning Partnership with local educational agencies.
- *Teacher Preparation and Professional Development* – \$30 million in one-time Proposition 98 funding for the statewide teacher residency technical assistance center, which provides support to local educational agencies in implementing, expanding and

sustaining teacher residency programs. The May Revision also provides \$16.2 million in ongoing federal special education funds and \$1.6 million in one-time federal Title II funds for the Golden State Teacher Grant program. Finally, the May Revision provides \$15 million in one-time Proposition 98 funding to expand and enhance offerings through the 21<sup>st</sup> Century California School Leadership Academy program, which provides no-cost, high quality professional learning to education leaders and administrators to support improved student outcomes.

- *Student Homelessness* – \$30 million in one-time Proposition 98 funding for grants for local educational agencies to increase identification of and improvement outcomes for students experiencing homelessness.
- *Holocaust and Genocide Education* - \$10 million in one-time Proposition 98 funding for the Holocaust and Genocide Education Grant program to support professional development and provide resources on Holocaust and genocide education.
- *Nutrition* – \$2.8 million in additional ongoing Proposition 98 funding to fully fund the universal school meals program by 2026-27.

For additional information regarding the May Revision, see the DOF website at [www.dof.ca.gov](http://www.dof.ca.gov). However, the information presented on such website is not incorporated herein by any reference.

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

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**HANFORD JOINT UNION HIGH SCHOOL DISTRICT**

*The information in this section concerning the operations of the District and the District’s finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal and Accreted Value of and interest on the Bonds are payable from the general fund of the District. The Bonds are payable solely from the revenues generated by an ad valorem property tax required to be levied by the Counties on taxable property within the District for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.*

**Introduction**

The District was established in 1892 and covers approximately 248.5 square miles of Kings and Tulare Counties. The District serves students in grades 9 through 12 living in the City of Hanford and surrounding communities. The District operates three comprehensive senior high schools, one continuation high school, one community day school, one online charter school and one adult school serving a population of approximately 74,034 residents. For the fiscal year of 2025-26, the District has projected average daily attendance (“ADA”) of 3,960 and enrollment of 4,278 students. Taxable property within the District has a fiscal year 2025-26 assessed valuation of \$9,275,146,868.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of subsequent audited financial reports of the District may be obtained by contacting: Hanford Joint Union High School District, Attention: Superintendent, 300 W. 6<sup>th</sup> Street, Hanford, California 93230. The District may impose a charge for copying, mailing and handling.

**Administration**

The District is governed by a five-member Board, each member of which is elected by trustee area to serve a four-year term within five trustee areas. Elections for positions on the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their offices, the dates their terms expire, and assigned trustee areas are listed below:

**BOARD OF TRUSTEES  
Hanford Joint Union High School District**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Alicia Martella	President	December 2026
Janet Barbeiro	Clerk	December 2028
Lisa Chavarin	Trustee	December 2026
Paul Gillum	Trustee	December 2028
Melonie Robinson	Trustee	December 2026

The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of the other District administrators. Following are brief biographies of the Superintendent, Assistant Superintendent of Business Services & Operations and Director of Business Services.

**Dr. Victor Rosa, Superintendent.** Dr. Rosa joined the District as the Superintendent in 2019. Prior to joining the District, Dr. Rosa served as the Assistant Superintendent of Curriculum and Instruction of Lemoore Union High School District. Dr. Rosa has over twenty years of experience working in education having served as a high school English teacher, a high school principal and

Assistant Superintendent of Curriculum and Instruction. Dr. Rosa is a graduate of Hanford High School, one of the District’s schools. Dr. Rosa received a Bachelor’s Degree in Social Science from Chapman University. He also received teaching and administrative credentials and a Master’s Degree in Education from Chapman University. In addition, Dr. Rosa received a Doctorate in Organizational Leadership from the University of LaVerne. Dr. Rosa is an active member in the Hanford community serving on various boards from the Economic Development Corporation to the Education Foundation.

***Renee Creech, Assistant Superintendent of Business Services & Operations.*** Mrs. Creech joined the District in 1989 as an Account Clerk. Prior to becoming Assistant Superintendent of Business Services & Operations, Mrs. Creech served as Director of Business Services. She received her Bachelor of Science degree from Chapman University in Business Administration in 1996. Mrs. Creech joined the District's management team in 2000. She is an active member of the Hanford Education Foundation and has served various roles with the Kings County 4-H Program.

***Julie Fagundes, Director of Business Services.*** Mrs. Fagundes joined the District in 2019 as the Director of Business. Prior to starting with the District, Mrs. Fagundes served as the Chief Business Official for Lemoore Union Elementary School District for seven years and as a Budget Analyst for Visalia Unified School District for five years. She earned her Bachelor of Science degree in Organizational Leadership from Fresno Pacific University in 2007. Mrs. Fagundes completed the School Business Management Program in 2017 through the University of Southern California, Rossier School of Education.

**District Enrollment**

On average throughout the District, the regular education pupil-teacher ratio is approximately 30:1. The following table shows a 10-year enrollment figures for the District for fiscal years 2015-16 through 2025-26.

**HISTORICAL ENROLLMENT  
Fiscal Years 2015-16 through 2025-26  
Hanford Joint Union High School District**

<u>Year</u>	<u>Enrollment<sup>(1)</sup></u>	<u>Annual % Change</u>
2015-16	3,837	--
2016-17	3,871	0.89%
2017-18	3,881	0.26
2018-19	3,977	2.47
2019-20	4,074	2.44
2020-21	4,042	(0.79)
2021-22	4,142	2.47
2022-23	4,237	2.29
2023-24	4,028	(4.93)
2024-25	4,253	5.59
2025-26	4,278	0.59

<sup>(1)</sup> Reflects CALPADS enrollment. Enrollment excludes County-operated programs and Hanford Online Charter School.  
Source: Hanford Joint Union High School District.

## Charter School

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

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

The District has certain fiscal oversight and other responsibilities with respect to both independent and dependent charter schools established within its boundaries. However, independent charter schools receive funding directly from the State, and such funding would not be reported in the District’s audited financial statements. Dependent charter schools receive their funding from the District, and their funding would be reflected in the District’s audited financial statements.

There are three independent charter schools currently operating within the District (Kings Valley Academy II, California Virtual Academy, and Crossroads Charter Academy), along with one District-approved dependent charter school, Hanford Online Charter School (“Hanford Online Charter School”). Crossroads Charter received its charter from the Armona Union Elementary School District in 2003, and began operating in the 2003-04 school year. Crossroads Charter 9-12 enrollment for fiscal year 2025-26 is 85. Kings Valley Academy II 9-12 enrollment for fiscal year 2025-26 is 874, and California Virtual Academy at Kings enrollment for fiscal year 2025-26 is 294. The National Center for Education Statistics (“NCES”) Common Core of Data (CCD) collection for the fiscal year of 2025-26, which contains the enrollment data for the above referenced charter schools, is anticipated to be published in August 2026.

The District can make no representations regarding how many District students will transfer to charter schools in the future or back to the District from charter schools, and the corresponding financial impact on the District.

## Labor Relations

The District currently employs 217 full-time equivalent (“FTE”) certificated employees and 148 FTE classified employees. In addition, the District currently employs 91 part-time faculty and staff. District employees, except management and some part-time employees, are represented by the two bargaining units as noted below:

### LABOR RELATIONS – BARGAINING UNITS Hanford Joint Union High School District

<u>Labor Organization</u>	<u>Number of Employees In Bargaining Unit</u>	<u>Contract Expiration Date</u>
Hanford Secondary Educators Association	217	June 30, 2027
California School Employees Association	239	June 30, 2026

*Source: Hanford Joint Union High School District.*

## District Retirement Systems

*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, the Municipal Advisor, or the Underwriter*

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

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

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

### MEMBER CONTRIBUTION RATES STRS (Defined Benefit Program)

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

*Source: AB 1469.*

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

compensation effective July 1, 2018. For fiscal year commencing July 1, 2021, the contribution rate was 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2022, the contribution rate is 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2023, the contribution rate is 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2024, the contribution rate is 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2025, the contribution rate will be 10.250% for Classic Members and 10.205% for PEPRA Members.

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

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

<u>Effective Date</u>	<u>K-14 School Districts</u>
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

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*Source: AB 1469.*

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

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

rate was 19.1% in fiscal year 2022-23, 19.1% in fiscal year 2023-24, 19.1% in fiscal year 2024-25 and will be 19.1% in fiscal year 2025-26.

The District's contributions to STRS were \$3,032,270 in fiscal year 2020-21, \$3,481,643 in fiscal year 2021-22, \$4,259,198 in fiscal year 2022-23, \$4,673,805 in fiscal year 2023-24, and \$4,814,095 in fiscal year 2024-25. The District currently projects \$5,320,998 for its contribution to STRS for fiscal year 2025-26.

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

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

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

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. Pursuant to SB 90, the State Legislature appropriated \$904 million to the Schools Pool, including transfers in fiscal years 2019-20 and 2020-21 to the Public Employees Retirement Fund to pay, in advance on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years, as well as additional amounts to be applied toward certain unfunded liabilities for K-14 school district employers. In June 2020, SB 90 was amended by Assembly Bill 84/Senate Bill 111 ("AB 84"). Under AB 84, \$144 million of the State contribution under SB 90 was deemed to satisfy a portion of the State's required contribution in fiscal year 2019-20, and the amounts previously allocated toward future liabilities were redirected such that, \$430 million will satisfy a portion of the employer contribution rate in fiscal year 2020-21, and \$330 million will satisfy a portion of the employer contribution rate in fiscal year 2021-22. As a result of the payments made by the State pursuant to SB 90, as amended by AB 84, the employer contribution rate was 19.721% for fiscal year 2019-20, 20.7% in fiscal year 2020-21, and 22.91% for fiscal year 2021-22. The employer contribution rate was 25.37% in fiscal year 2022-23,

26.68% in fiscal year 2023-24, 27.05% in fiscal year 2024-25, 26.81% in fiscal year 2025-26, and will be 26.40% in fiscal year 2026-27. Classic Members contribute at a rate established by statute, which was 7% in fiscal years 2023-24 through 2025-26, while PEPRA Members contribute at an actuarially determined rate, which was 8% in fiscal years 2023-24 through 2025-26. For the Schools Pool Actuarial Valuation as of June 30, 2025 (the “2025 PERS Actuarial Valuation”), the total normal cost did not change by more than 1% relative to the basis currently in effect, therefore the PEPRA Member contribution rate will remain 8% in fiscal year 2026-27. See “—California Public Employees’ Pension Reform Act of 2013” herein.

The District’s contributions to PERS \$1,595,642 in fiscal year 2020-21, \$1,941,142 in fiscal year 2021-22, \$4,259,198 in fiscal year 2022-23, \$3,132,868 in fiscal year 2023-24, and \$3,364,354 in fiscal year 2024-25. The District currently projects \$2,777,449 for its contribution to PERS for fiscal year 2025-26.

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

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

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**FUNDED STATUS**  
**STRS (Defined Benefit Program) and PERS (Schools Pool)**  
**(Dollar Amounts in Millions) <sup>(1)</sup>**  
**Fiscal Years 2012-13 through 2024-25**

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

<b>PERS</b>					
<b>Fiscal Year</b>	<b>Accrued Liability</b>	<b>Value of Trust</b>	<b>Unfunded</b>	<b>Value of Trust</b>	<b>Unfunded</b>
		<b>Assets (MVA)</b>	<b>Liability (MVA)</b>	<b>Assets (AVA)<sup>(3)</sup></b>	<b>Liability (AVA)<sup>(3)</sup></b>
2012-13	\$61,487	\$49,482	\$12,005	\$56,250	\$5,237
2013-14	65,600	56,838	8,761	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2014-15	73,325	56,814	16,511	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2015-16	77,544	55,785	21,759	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2016-17	84,416	60,865	23,551	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2017-18	92,071	64,846	27,225	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2018-19 <sup>(5)</sup>	99,528	68,177	31,351	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2019-20 <sup>(6)</sup>	104,062	71,400	32,662	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2020-21	110,507	86,519	23,988	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2021-22	116,982	79,386	37,596	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2022-23	124,924	84,292	40,632	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2023-24	133,978	93,187	40,791	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2024-25 <sup>(7)</sup>	141,195	105,452	35,743	-- <sup>(4)</sup>	-- <sup>(4)</sup>

(1) Amounts may not add due to rounding.

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

(3) Reflects actuarial value of assets.

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

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

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

(7) On April 13, 2026, the PERS Board (defined below) approved the K-14 school district contribution rate for fiscal year 2026-27 and released certain actuarial information to be incorporated into the 2025 PERS Actuarial Valuation to be released later in 2026

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

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

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

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

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

On November 13, 2025, STRS released its 2025 Review of Funding Levels and Risks (the “STRS 2025 Review of Funding Levels and Risks”), which is based on the 2024 STRS Actuarial Valuation. The STRS 2025 Review of Funding Levels and Risks notes that funding projections have improved slightly since the completion of the June 30, 2023 actuarial valuation that was presented to the STRS

Board in May 2025 in part due to the investment return earned by STRS in fiscal year 2024-25. Full funding is now projected to occur in 2043, three years ahead of schedule.

The key results and findings noted in the STRS 2024 Review of Funding Levels and Risks were that (i) current contribution rates for the State and employers are still projected to be sufficient to allow both the state and employers to eliminate their share of the STRS unfunded actuarial obligation by 2046 and contribution rate increases are not expected to be needed for fiscal year 2026–27, (ii) the state remains well ahead of schedule to eliminate its share of the STRS unfunded actuarial obligation (currently projected to be eliminated in 2027) and the State’s share of the unfunded actuarial obligation could quickly increase if STRS were to experience a year in which the investment return is significantly below the assumed rate of return, (iii) the largest risk facing STRS’ ability to reach full funding remains investment-related risk, especially considering the STRS Defined Benefit Program continues to mature, which will increase the system’s sensitivity to investment experience, (iv) the risk that a negative investment return might impact STRS’ ability to reach full funding is expected to increase once the state fully eliminates its share of STRS’ unfunded actuarial obligation because of a trigger that will require the state contribution rate to immediately drop to 2.017%, potentially limiting STRS’ ability to react to changing conditions because, once this occurs, the STRS Board would only be able to raise the State contribution rate by 0.5% each year, taking 12 years to simply return to the State contribution rate in place in the prior fiscal year, potentially resulting in a situation where the State can no longer eliminate its share of the unfunded liability by 2046, and (v) STRS’ ability to reach full funding is dependent on meeting its current actuarial assumptions over the long term and uncertain investment markets and a potential decline in the number of teachers could put pressure on STRS’ ability to meet some of its long-term actuarial assumptions and impact its ability to reach full funding.

The STRS 2025 Review of Funding Levels and Risks notes highlighted risks associated with longevity, the size of active membership and investments. STRS performs an in-depth study of mortality every four years as part of the experience analysis. The most recent analysis was completed in January 2024, at which time the STRS Board adopted new mortality assumptions. The STRS 2025 review of Funding Levels and Risks notes that, overall, STRS experienced greater mortality than projected under the previous assumptions. The analysis included data that was impacted by the COVID-19 pandemic, and it remains uncertain whether the COVID-19 virus will continue to impact mortality levels over the long term. The STRS Board adopted mortality rates that were slightly lower than what the data indicated, essentially not fully reflecting the impact of the pandemic. Regardless, the assumptions adopted did result in a slight decrease in life expectancy compared with the previous assumptions. To mitigate longevity risk, STRS uses a technique known as generational mortality. This technique anticipates future improvements in life expectancy in the funding of the system, recognizing potential improvements in mortality ahead of time.

In January 2024, the STRS Board adopted a change to the rate at which the payroll is assumed to increase, from 3.5% per year down to 3.25% per year. With this change, STRS now assumes that the population of active teachers will decline slowly over time. This assumption is key in determining contribution rates and whether the funding plan will successfully eliminate the current unfunded actuarial obligation by 2046 since STRS collects contributions as a percentage of payroll. If the active membership declines faster than anticipated and the payroll fails to grow as assumed, STRS’ ability to make progress toward full funding could be at risk. Retirements from active teachers are expected to increase significantly over the next 10 years. Although an increase in retirements does not necessarily impact long-term funding, if schools do not replace the teachers who retire in the future, that could result in a reduction in the overall number of teachers and impact STRS’ ability to reach full funding by 2046. With the anticipated decline in the number of children enrolled in K–12 public schools, the risk that the number of teachers may go down in the future is real and was one of the considerations when the STRS Board lowered the payroll growth assumption in January 2024.

After being fairly steady between 2010 and 2020, California experienced a significant decline in enrollment in both K–12 public schools and community colleges starting in 2020–21. Total enrollment in K–12 public schools in California dropped by approximately 310,000, or a 5% reduction, between 2019–20 and 2022–23. At the same time, the number of students enrolled at community colleges dropped by 310,000, or a 20% reduction, between the fall of 2019 and the fall of 2021. Since then, enrollment has rebounded by almost 200,000 from the fall of 2021 to the fall of 2024. Still, enrollment in community colleges is down more than 7%, or about 115,000, since 2019. In November 2024, the State updated its projection of K–12 enrollments. The updated projection assumes the number of children enrolled in K–12 public schools will continue to decline for the next 20 years. The most recent projection anticipates a decline of approximately 10% over the next 10 years and approximately 16% over the next 20 years. If the anticipated reduction in enrollment results in a need for fewer teachers in California, it would impact the number of active teachers who participate in the STRS Defined Benefit Program and ultimately the growth in payroll. The situation could intensify if school districts were to face budget issues and rely either on layoffs or hiring freezes, leaving positions vacant as teachers leave or retire to reduce budget pressure. One countervailing force that could potentially offset some of the factors listed above would be reductions in class sizes.

The STRS 2025 Review of Funding Levels and Risks notes that investment volatility and the risk that STRS may not be able to meet its assumed investment return over the long-term remains the greatest risk facing STRS today. The combination of a maturing system and the decreasing timeframe of the funding plan only serves to increase this risk. STRS 2024 Review of Funding Levels and Risks notes that (i) when investment returns are below expectations, the unfunded actuarial obligation increases, requiring additional contributions to bridge the gap; however, the funding plan provides the STRS Board limited authority to increase contribution rates for both the state and employers through 2046 for this purpose; (ii) the State bears the greatest risk when it comes to investment volatility due to rules set in the funding plan that allocate the largest share of the assets to the State which results in its share of the unfunded actuarial obligation being the most sensitive to investment volatility; (iii) the specific restrictions the funding plan places on contribution rate increases for both the State and employers limit STRS' ability to respond to investment volatility, and (iv) since the funding plan expires in 2046, after which the STRS Board's authority to adjust contribution rates terminates, the time period over which to fund an existing and new unfunded actuarial obligation is declining each year.

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

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

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points (revised to two percentage points in 2017). On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a

three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise. The PERS Funding Risk Mitigation Policy triggered an automatic decrease of 0.2% in the PERS Discount Rate due to the investment return in fiscal year 2020-21, lowering such rate to 6.8%. On April 15, 2024, the PERS Board removed the automatic mechanism to reduce the discount rate and added a provision to the Funding Risk Mitigation Policy to bring an agenda item to the PERS Board for discussion if a funding risk mitigation event occurs.

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

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

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

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on November 18, 2025 (the “2025 Experience Study”), the PERS Board approved new actuarial assumptions, including (i) maintaining the current 6.8% discount rate, (ii) increasing the inflation rate from 2.3% to 2.5% per year, (iii) maintaining the assumed real wage inflation assumption to 0.5%, which results in an increase of total wage inflation of 2.80% to 3.0%, (iv) maintaining the payroll growth rate at 2.8%, and (v) certain changes to demographic assumptions relating to modifications to the mortality rates, retirement rates, and disability rates (both work and non-work related), and rates of salary increases due to seniority and promotion. These actuarial assumptions will be incorporated into the actuarial valuation for fiscal year

ending June 30, 2025 and first impacted contribution rates for school districts in fiscal year 2026-27. Based on the timing of this study, the member data used for the analysis, which runs through June 30, 2023, does include impacts of COVID-19. Due to the anomalies created by COVID-19, some of the COVID-19 data was excluded.

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

In November 2024, PERS released its 2024 Annual Review of Funding Levels and Risk (the "2024 PERS Funding Levels and Risk Report"), which provided a summary of the current funding levels of the system, the near-term outlook for required contributions and risks faced by the system in the near and long-term. The 2024 PERS Funding Levels and Risk Report notes that over the next several years there is the potential for various factors to either further increase required contributions or add additional financial strain on employers and their ability to make required contributions, including inflation and near-term economic turmoil. The 2024 PERS Funding Levels and Risk Report notes that over the last few years, price inflation has been significantly higher than the PERS long-term assumption of 2.3%, which can affect liability measures and investment returns in several ways and which can be difficult to quantify. The most direct impact of high inflation is that retirees can receive higher than expected cost-of-living adjustments and active employees can receive higher than expected salary increases, which could increase actuarial losses in the future. The 2024 PERS Funding Levels and Risk report concludes that, as of June 30, 2023, the PERS Retirement System had experienced a couple of years of investment returns below the expected return of 6.8%, and actuarial losses primarily due to high inflation which resulted in unexpected cost of living adjustments for retirees and higher than expected member pay increases, which resulted in increased employer contributions along with further increases forecasted for the near future. Despite the strong investment return for the fiscal year ending June 30, 2024, the 2024 PERS Funding Levels and Risk Report notes that employer contributions are currently at relatively high levels due to large amounts of unfunded accrued liability and uncertainty within the economy suggests possible economic turmoil in the near future. The 2024 PERS Funding Levels and Risk Report concludes that the ability of employers to continue making required contributions to the system is the area of greatest concern.

On April 13, 2026, the PERS Board established the employer contribution rates for fiscal year 2026-27 and released information from the 2025 PERS Actuarial Valuation, ahead of its release date later in 2026. From June 30, 2024 to June 30, 2025, the funded status of the Schools Pool increased by 5.1% (from 69.6% to 74.7%) and the unfunded accrued liability decreased by approximately \$5.0 billion. The primary driver of improvement was investment return greater than expected. Based on final assets as of June 30, 2025, the investment return for 2024-25 was 12.0% after reduction for administrative expenses, generating an actuarial investment gain of \$4.9 billion. This gain will be amortized over 20 years with a five-year ramp, decreasing the employer contribution rate in 2026-27 by 0.49% of pay. Due to the five-year ramp, this impact will escalate each year until it reaches an estimated reduction of 2.16% of pay in 2030-31. Non-investment experience during fiscal year 2024-25, which includes both demographic experience and economic experience other than from investments, increased unfunded accrued liability by \$0.6 billion, which will be amortized over 20 years, increasing the employer contribution rate by 0.19% in fiscal year 2026-27. Combined with a 0.17% decrease of the employer normal cost rate, the net effect of non-investment experience is an increase of 0.02% in the employer rate. Total payroll in 2024-25 increased by 6.6% over the prior year, compared with 2.8% expected. This served to reduce the employer contribution rate by 0.61% of pay in 2026-27 as the dollar amount of the unfunded liability contribution is divided by a larger payroll.

Assuming all actuarial assumptions are realized, including an assumed investment return of 6.80%, and no changes to assumptions, methods or benefits will occur during the projection period, along with the expected reductions in normal cost due to the continuing transition of active members from Classic Members to PEPRA Members, the projected contribution rate for fiscal year 2027-28 is 26.8%, 25.9% in fiscal year 2028-29, 25.1% in fiscal year 2029-30, 24.0% in fiscal year 2030-31, and 23.8% in fiscal year 2031-32. The actual investment return for fiscal year 2025-26 was not known at the time these projections were made. The projections above assume the investment return for that year will be 6.8%. If the actual investment return differs from 6.80%, the actual contribution requirements for the projected years will differ from those shown above.

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

***California Public Employees' Pension Reform Act of 2013.*** On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For PEPRA Members, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

***GASB Statement Nos. 67 and 68.*** On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (previously, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual

investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 30, 2025, the District reported its proportionate shares of the net pension liabilities for the STRS and PERS programs to be \$26,076,147 and \$21,322,688, respectively. For more information, see “— District Debt Structure – Long-Term Debt” herein and “APPENDIX B – 2024-25 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11” attached hereto.

### **Other Post-Employment Benefits**

**Plan Description.** The postemployment defined benefit OPEB plan (the “Plan”) is a single-employer defined benefit healthcare plan administered by the District that provides medical, dental, vision, and hearing insurance benefits to eligible retirees and their spouses (the “Benefits”). Membership of the Plan currently consists of 50 retirees and beneficiaries currently receiving benefits and 1,100 active Plan members.

**Funding Policy.** The District’s funding policy is based on the projected pay-as-you-go financing requirements for which there is no actuarially determined contribution, nor any condition requirement established by statute or contract. For fiscal years 2020-21 through 2024-25, the District contributed \$221,482, \$166,835, \$156,482, \$225,814, and \$256,291, respectively, to the Plan, all of which was used for current premiums. For fiscal year 2025-26, the District projects a contribution of \$327,459 to the Plan, all of which are expected to be used for current premiums.

The District has not established an irrevocable trust to prefund its Benefits, and no prefunding of Benefits has been made by the District.

In addition, the District, as of March 31, 2026, currently has deposited \$1,198,441 in a Special Reserve Fund for Postemployment Benefits (“Fund 20”) to begin funding its unfunded actuarial accrued liability (discussed herein) with respect to the Benefits. This fund, however, has not been irrevocably pledged to the payment of the Benefits, and may be accessed for other purposes upon Board action. Pursuant to agreements with its bargaining units, the District contributes 0.2% of salary cost each year into Fund 20. The District currently projects a contribution of \$85,000 into Fund 20 in fiscal year 2025-26.

**Accrued Liability.** The District has implemented *GASB Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* (“GASB Statement No. 74”) and *GASB Statement #75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB Statement No. 75”), pursuant to which the District has commissioned and received an actuarial study of its liability with respect to the Benefits. GASB Statements No. 74 and No. 75 (discussed below) require biennial actuarial valuations for all plans. The most recent actuarial study for the Plan had a valuation date of July 1, 2023. The Study concluded that, as of a June 30, 2024 measurement date, the Total OPEB Liability (the “TOL”) with respect to such Benefits was \$14,831,726. Because the District does not maintain a qualifying irrevocable trust, the District’s Net OPEB Liability (the “NOL”) is equal to the TOL. For more information regarding the District’s other post-employment benefit liability, see

“APPENDIX B – 2024-25 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 10” attached hereto.

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

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

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

GASB Statement No. 74 has an effective date for plan fiscal years beginning after June 15, 2016 and GASB Statement No. 75 is effective for employer fiscal years beginning after June 15, 2017. The District first recognized GASB Statement No. 74 and GASB Statement No. 75 in its financial statements for fiscal year 2017-18. See “APPENDIX B – 2024-25 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 10” attached hereto..

### **Joint Powers Agreements**

The District participates in three joint powers agreements with joint powers authorities (each, a “JPA”). The District is a member of Kings County Self-Insured Schools (“KCSIS”), Northern California ReLiEF (“NCR”), and the Kings Schools Transportation Authority (“KTSA”) JPAs. The relationships between the District and JPAs are such that they are not component units of the District for financial reporting purposes. The District pays an annual premium to the applicable entities for its workers' compensation coverage, property liability coverage, and for special education transportation services. The relationships between the District and the JPAs are such that they are not component units of the District for financial reporting purposes. These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in the financial

statements of the District; however, fund transactions between the entities and the District are included in the District's audited financial statements.

The District currently does not have an appointed member on the KCSIS board but does have an appointed member on the KSTA board. During the year ended June 30, 2025, the District made payments of \$662,102 to KCSIS for workers' compensation coverage, \$532,860 to NCR for property and liability coverage, and \$518,877 to KSTA for special education transportation services.

See also "APPENDIX B – 2024-25 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 13" attached hereto.

## **Risk Management**

***Employee Medical Benefits.*** The District is self-insured for medical and dental benefits, and purchases insurance for vision and life. For its self-insurance activity, the District records an estimated liability for medical and dental claims. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

***Workers' Compensation.*** Kings County Self-Insured Schools ("KCSIS") arranges and provides workers' compensation insurance for its member districts. KCSIS is governed by a board consisting of a representative from member districts per a rotating schedule. The board controls the operations of KCSIS, including the selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to their participation in KCSIS.

***Special Education Transportation.*** The District is a member of the Kings Schools Transportation Authority (KSTA) which arranges for and provides transportation services for students in the county Special Education program. The JPA is operated by a governing board that is made up of the school districts that rotate in and out. All Kings County school districts are a member.

## **Cybersecurity**

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

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

## District Debt Structure

**Long-Term Debt.** A schedule of changes in long-term debt for the year ended June 30, 2025 is shown below:

	<b>Balance</b>			<b>Balance</b>
	<b><u>July 1, 2024</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>June 30, 2025</u></b>
General Obligation Bonds	\$56,273,758	\$13,305,000	\$15,823,803	\$53,754,955
Unamortized Premium	4,650,639	932,782	1,668,380	3,915,041
Accreted Interest	<u>10,965,835</u>	<u>1,411,682</u>	<u>626,197</u>	<u>11,751,320</u>
Total General Obligation Bonds	71,890,232	15,649,464	18,118,380	69,421,316
Certificates of Participation	17,845,000	--	620,000	17,225,000
Unamortized Premium	1,610,876	--	64,435	1,546,441
Unamortized Discount	<u>(94,889)</u>	<u>          </u>	<u>(7,300)</u>	<u>(87,589)</u>
Total Certificates of Participation	19,360,987	--	677,135	18,683,852
Leases	11,545	--	11,545	--
Compensated Absences	289,703	126,673	--	416,376
Total OPEB Liability	14,831,726	--	3,644	14,828,082
Net Pension Liability	<u>47,920,847</u>	<u>          </u>	<u>522,032</u>	<u>47,398,815</u>
TOTAL	<u>\$154,305,040</u>	<u>\$15,776,137</u>	<u>\$19,332,736</u>	<u>\$150,748,441</u>

Source: Hanford Joint Union High School District.

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**Certificates of Participation.** On July 29, 2020, the District executed and delivered its Certificates of Participation (2020 School Financing Project) evidencing principal in the amount of \$17,510,000 (the “2020 Certificates,” and together with the 2008 Certificates, the “Certificates”), the net proceeds of which were used to finance certain capital projects at the District, including capital projects at Hanford High School and Hanford West High School. The 2020 Certificates are payable from lease payments made by the District pursuant to a lease-purchase agreement, by and between the District and the Local Facilities Finance Corporation, for use and possession of certain District real property.

The table below shows future lease payments due from the District in connection with the Certificates.

**CERTIFICATES OF PARTICIPATION  
Hanford Joint Union High School District**

<b>Year Ending (August 1)</b>	<b>2020 Certificates</b>	<b>Total Payments</b>
2026	\$871,600.00	\$871,600.00
2027	899,400.00	899,400.00
2028	920,800.00	920,800.00
2029	946,000.00	946,000.00
2030	964,800.00	964,800.00
2031	987,400.00	987,400.00
2032	1,013,600.00	1,013,600.00
2033	1,043,200.00	1,043,200.00
2034	1,066,000.00	1,066,000.00
2035	1,097,200.00	1,097,200.00
2036	1,121,400.00	1,121,400.00
2037	1,148,800.00	1,148,800.00
2038	1,179,200.00	1,179,200.00
2039	1,207,400.00	1,207,400.00
2040	1,238,400.00	1,238,400.00
2041	1,267,000.00	1,267,000.00
2042	1,303,200.00	1,303,200.00
2043	1,336,600.00	1,336,600.00
2044	1,367,200.00	1,367,200.00
2045	1,395,000.00	1,395,000.00
2046	1,435,000.00	1,435,000.00
2047	1,469,400.00	1,469,400.00
2048	1,510,200.00	1,510,200.00
2049	<u>1,542,000.00</u>	<u>1,542,000.00</u>
Totals	<u>\$28,330,800.00</u>	<u>\$28,330,800.00</u>

*Source: Hanford Joint Union High School District.*

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

**OUTSTANDING GENERAL OBLIGATION BONDS  
Hanford Joint Union High School District**

<b>Bond Issuance</b>	<b>Initial Principal Amount</b>	<b>Principal Currently Outstanding<sup>(1)</sup></b>	<b>Date of Delivery</b>
Election of 2004 General Obligation Bonds, Series B	\$6,500,000.00	\$4,660,000.00	August 6, 2008
2014 General Obligation Refunding Bonds	2,835,000.00	1,200,000.00	June 26, 2014
Election of 2016 General Obligation Bonds, Series A <sup>(2)</sup>	12,999,992.75	12,574,992.75	May 22, 2018
Election of 2016 General Obligation Bonds, Series B	10,999,962.10	10,824,837.30	July 29, 2020
Election of 2016 General Obligation Bonds, Series C	9,000,000.00	7,890,000.00	July 29, 2023
2025 General Obligation Refunding Bonds	13,305,000.00	13,035,000.00	June 25, 2025

<sup>(1)</sup> As of May 1, 2026.

<sup>(2)</sup> Includes Refunded Bonds

Source: Hanford Joint Union High School District.

The annual debt service requirements for the District’s outstanding general obligation bonds are included in the table on the following page.

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**HANFORD JOINT UNION HIGH SCHOOL DISTRICT**  
**(Kings and Tulare Counties, California)**  
**General Obligation Bonds – Aggregate Debt Service**

<b>Year Ending August 1</b>	<b>2004 Series B Bonds</b>	<b>2014 Refunding Bonds</b>	<b>2016 Series A Bonds<sup>(1)</sup></b>	<b>2016 Series B Bonds</b>	<b>2016 Series C Bonds</b>	<b>2025 Refunding Bonds</b>	<b>The Bonds</b>	<b>Total Annual Debt Service</b>
2026	--	\$426,000.00	\$332,000.00	\$174,000.00	\$1,199,500.00	\$2,871,750.00		
2027	--	424,300.00	332,000.00	194,000.00	964,250.00	3,005,750.00		
2028	--	422,300.00	332,000.00	214,000.00	1,003,750.00	3,142,500.00		
2029	--	--	332,000.00	654,000.00	1,014,750.00	3,286,250.00		
2030	\$3,080,000.00	--	332,000.00	779,000.00	1,083,500.00	131,000.00		
2031	--	--	332,000.00	1,299,000.00	1,132,000.00	2,751,000.00		
2032	3,635,000.00	--	332,000.00	834,000.00	1,171,000.00	--		
2033	3,705,000.00	--	332,000.00	844,000.00	1,220,750.00	--		
2034	3,775,000.00	--	332,000.00	974,000.00	1,270,500.00	--		
2035	4,120,000.00	--	332,000.00	834,000.00	--	--		
2036	4,195,000.00	--	332,000.00	979,000.00	--	--		
2037	--	--	3,492,000.00	74,000.00	--	--		
2038	--	--	3,654,000.00	74,000.00	--	--		
2039	--	--	3,805,000.00	74,000.00	--	--		
2040	--	--	3,955,000.00	74,000.00	--	--		
2041	--	--	4,125,000.00	74,000.00	--	--		
2042	--	--	4,275,000.00	74,000.00	--	--		
2043	--	--	--	3,809,000.00	--	--		
2044	--	--	--	3,959,000.00	--	--		
2045	--	--	--	<u>1,924,000.00</u>	--	--		
<b>Total:</b>	<b>\$22,510,000.00</b>	<b>\$1,272,600.00</b>	<b>\$26,958,000.00</b>	<b>\$17,915,000.00</b>	<b>\$10,060,000.00</b>	<b>\$15,188,250.00</b>		

<sup>(1)</sup> Includes debt service payments on the Refunded Bonds as described herein.

Source: Hanford Joint Union High School District.

## TAX MATTERS

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), generally certain corporations with more than \$1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

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

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

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

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

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

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

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

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

#### **LIMITATION ON REMEDIES; BANKRUPTCY**

**General.** State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – Budget Process" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator thereby, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing a petition under Chapter 9. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court

(although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

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

***Special Revenues.*** If the ad valorem property tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged ad valorem property tax revenues should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds, and the Bond proceeds can only be used to finance or refinance the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of ad valorem property tax revenues collected for the payments of general obligation bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

***Possession of Tax Revenues; Remedies.*** The County on behalf of the District is expected to be in possession of the annual ad valorem property taxes and certain funds to repay the Bonds and may invest these funds in the County’s pooled investment fund, as described in “THE BONDS – Application and Investment of Bond Proceeds” herein and “APPENDIX E – KINGS COUNTY INVESTMENT POOL” attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

***Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor’s Rights.*** The proposed form of the approving opinion of Bond Counsel attached hereto as APPENDIX A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

## LEGAL MATTERS

### Legality for Investment in California

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

### Expanded Reporting Requirements

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

### Continuing Disclosure

***Current Undertaking.*** In connection with the issuance of the Bonds, the District has covenanted for the benefit of Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Reports”) by not later than nine months following the end of the District’s fiscal year (which currently ends June 30), commencing with the report for the 2025-26 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Reports and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Reports or the notices of listed events is included in “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE

BONDS” attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

**Previous Undertakings.** Within the past five years, the District has (i) failed to file a portion of each of the fiscal year 2020-21, 2021-22, 2022-23 and 2023-24 annual reports required in connection with certain of the District’s prior continuing disclosure undertakings, as well as a notice of failure to file such portions of the reports and (ii) has failed to file in a timely manner certain notices of listed events as required by its prior undertakings pursuant to the Rule.

### **Absence of Material Litigation**

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

The District is subject to lawsuits and claims in the ordinary course of its operations. 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 finances of the District.

### **Escrow Verification**

Upon delivery of the Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to them by the Underwriter relating to (a) the adequacy of the maturing principal of and interest on the Federal Securities in the Escrow Fund, together with any moneys held therein as cash, to pay the redemption price of and interest on the Refunded Bonds.

### **Legal Opinion**

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

## **MISCELLANEOUS**

### **Rating**

The Bonds have been assigned a rating of “Aa2” by Moody’s. The rating reflects only the views of the rating agency, and any explanation of the significance of such rating should be obtained from the rating agency at the following address: Moody’s Investors Service, 7 World Trade Center at 250 Greenwich, New York, NY 10007.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance that the rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such

downward revision or withdrawal of the rating obtained may have an adverse effect on the market price of the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any ratings changes on the Bonds. See "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating 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 the rating agency and its website and official media outlets for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds.

## **Financial Statements**

The financial statements with supplemental information for the year ended June 30, 2025, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report of Christy White, Inc. (the "Auditor") dated January 19, 2026, are included in this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the reports of the Auditor herein, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

## **Underwriting**

***Purchase of the Bonds.*** Stifel, Nicolaus & Co., Inc. (the "Underwriter") has agreed, pursuant to a purchase contract relating to the Bonds, by and between the District and the Underwriter, to purchase all of the Bonds. The Underwriter will purchase the Bonds for a purchase price of \$\_\_\_\_\_, (which is equal to the initial principal amount of the Bonds of \$\_\_\_\_\_, plus original issue premium of \$\_\_\_\_\_, and less the Underwriter's discount of \$\_\_\_\_\_).

The purchase contract for the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase contract, the approval of certain legal matters by bond counsel and certain other conditions. The initial offering prices stated on the inside cover of this Official Statement may be changed from time to time by the Underwriter, subject to the requirements of the purchase contract for the Bonds. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

***Underwriter Disclosures.*** *The Underwriter has provided the following information for inclusion in this Official Statement. The District does not guarantee the accuracy or completeness of the following information, and the inclusion thereof should be construed as a representation of the District.*

Stifel 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. Stifel 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 [Issuer/Obligor], for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel 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.

Stifel 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.

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**Additional Information**

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

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

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners, beneficial or otherwise, of any of the Bonds. This Official Statement and the delivery thereof have been duly approved and authorized by the District.

**HANFORD JOINT UNION HIGH SCHOOL  
DISTRICT**

By \_\_\_\_\_  
Dr. Victor Rosa  
Superintendent

## APPENDIX A

### FORM OF OPINION OF BOND COUNSEL FOR THE BONDS

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

\_\_\_\_\_, 2026

Board of Trustees  
Hanford Joint Union High School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$ \_\_\_\_\_ Hanford Joint Union High School District (Kings and Tulare Counties, California) 2026 General Obligation Refunding Bonds (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and a resolution adopted by the Board of Trustees of the Hanford Joint Union High School District (the “District”) on May 12, 2026 (the “Resolution”).
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes by the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted that with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.
4. Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.
5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue

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

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

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

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

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

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

Respectfully submitted,

**APPENDIX B**

**2024-25 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT**

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# **HANFORD JOINT UNION HIGH SCHOOL DISTRICT**

**AUDIT REPORT  
JUNE 30, 2025**

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
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JUNE 30, 2025**

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**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
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## **FINANCIAL SECTION**

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**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**Independent Auditors' Report

Governing Board  
Hanford Joint Union High School District  
Hanford, California

**Report on the Audit of the Financial Statements*****Opinions***

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

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

***Basis for Opinions***

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

### ***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 generally accepted auditing standards 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 of the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hanford Joint Union High 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 the Hanford Joint Union High 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 required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of district contributions for pensions 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 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.

### **Supplementary Information**

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

### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2026 on our consideration of the Hanford Joint Union High 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 the Hanford Joint Union High 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 Hanford Joint Union High School District's internal control over financial reporting and compliance.



San Diego, California  
January 19, 2026

# HANFORD JOINT UNION HIGH SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTRODUCTION

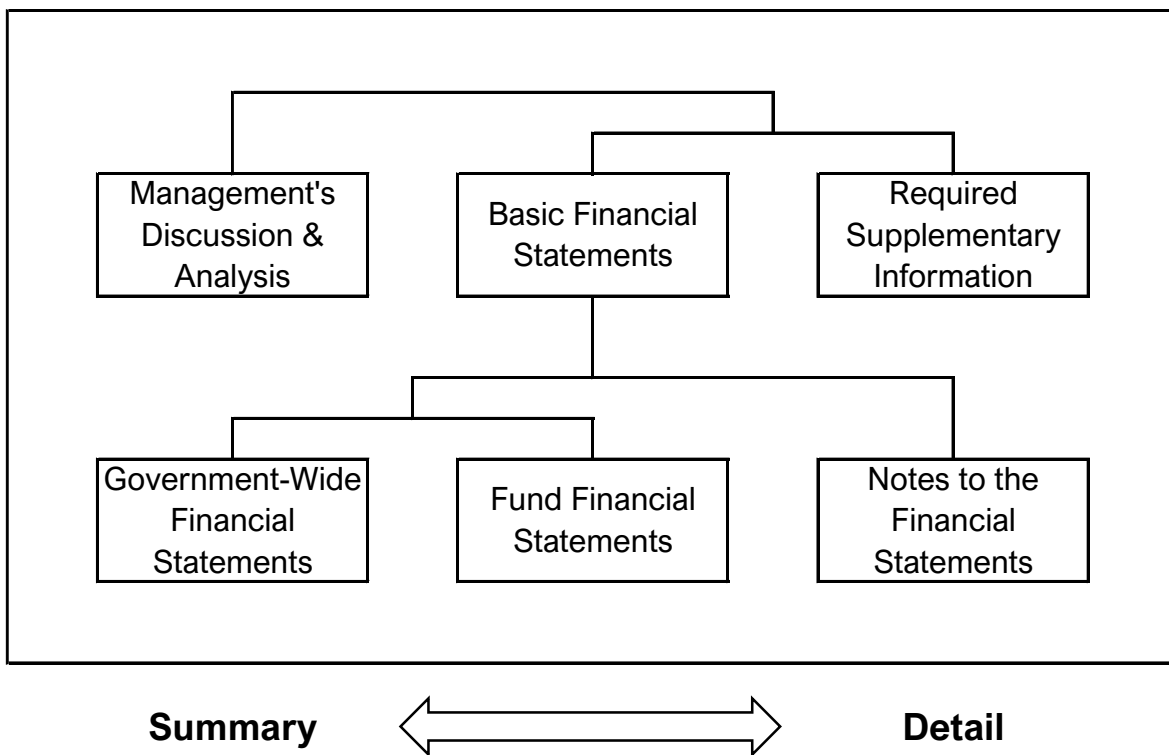
Our discussion and analysis of Hanford Joint Union High School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. It should be read in conjunction with the District's financial statements, which follow this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

## FINANCIAL HIGHLIGHTS

- ▶ The District's net position was \$56,499,161 at June 30, 2025. This was an increase of \$7,963,528 from the prior year.
- ▶ Overall revenues were \$96,904,429 which exceeded expenses of \$88,940,901.

## OVERVIEW OF FINANCIAL STATEMENTS

### Components of the Financial Section



**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2025**

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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.
  - ▶ **Fiduciary Funds** report resources held for the benefit of parties outside of the District. Fiduciary funds are not reflected in the government-wide statement because the resources of the fund are not available to support the District's own programs.

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 and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide 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.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2025**

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

**Net Position**

The District's net position was \$56,499,161 at June 30, 2025, as reflected in the table below. Of this amount, \$(47,582,140) 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.

	<b>Governmental Activities</b>		
	<b>2025</b>	<b>2024</b>	<b>Net Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 76,903,282	\$ 78,299,393	\$ (1,396,111)
Capital assets	127,691,057	122,650,173	5,040,884
<b>Total Assets</b>	<b>204,594,339</b>	<b>200,949,566</b>	<b>3,644,773</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>18,785,200</b>	<b>17,246,235</b>	<b>1,538,965</b>
<b>LIABILITIES</b>			
Current liabilities	13,673,829	15,381,658	(1,707,829)
Long-term liabilities	146,193,605	150,453,697	(4,260,092)
<b>Total Liabilities</b>	<b>159,867,434</b>	<b>165,835,355</b>	<b>(5,967,921)</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>7,012,944</b>	<b>3,824,813</b>	<b>3,188,131</b>
<b>NET POSITION</b>			
Net investment in capital assets	53,908,256	50,020,126	3,888,130
Restricted	49,773,045	46,747,486	3,025,559
Unrestricted	(47,182,140)	(48,231,979)	1,049,839
<b>Total Net Position</b>	<b>\$ 56,499,161</b>	<b>\$ 48,535,633</b>	<b>\$ 7,963,528</b>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2025**

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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 it slightly, so you can see our total revenues and expenses for the year.

	<b>Governmental Activities</b>		
	<b>2025</b>	<b>2024</b>	<b>Net Change</b>
<b>REVENUES</b>			
Program revenues			
Charges for services	\$ 1,915,432	\$ 1,807,541	\$ 107,891
Operating grants and contributions	15,581,465	20,401,184	(4,819,719)
Capital grants and contributions	105,535	106,884	(1,349)
General revenues			
Property taxes	12,463,549	10,445,420	2,018,129
Unrestricted federal and state aid	59,486,680	58,351,969	1,134,711
Other	7,351,768	3,804,153	3,547,615
<b>Total Revenues</b>	<b>96,904,429</b>	<b>94,917,151</b>	<b>1,987,278</b>
<b>EXPENSES</b>			
Instruction	35,770,526	36,604,994	(834,468)
Instruction-related services	8,105,231	8,074,468	30,763
Pupil services	11,314,505	11,107,592	206,913
General administration	5,591,793	5,281,022	310,771
Plant services	19,651,801	13,112,773	6,539,028
Ancillary and community services	2,183,765	2,021,790	161,975
Debt service	4,014,302	3,966,986	47,316
Other outgo	2,308,978	1,846,548	462,430
<b>Total Expenses</b>	<b>88,940,901</b>	<b>82,016,173</b>	<b>6,924,728</b>
<b>Change in net position</b>	<b>7,963,528</b>	<b>12,900,978</b>	<b>(4,937,450)</b>
<b>Net Position - Beginning</b>	<b>48,535,633</b>	<b>35,634,655</b>	<b>12,900,978</b>
<b>Net Position - Ending</b>	<b>\$ 56,499,161</b>	<b>\$ 48,535,633</b>	<b>\$ 7,963,528</b>

The cost of all our governmental activities this year was \$88,940,901 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was only \$12,463,549 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2025**

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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 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.

	<b>Net Cost of Services</b>	
	<b>2025</b>	<b>2024</b>
Instruction	\$ 30,109,239	\$ 29,247,556
Instruction-related services	7,241,267	6,979,288
Pupil services	6,354,177	6,086,313
General administration	4,912,466	5,033,125
Plant services	19,482,687	8,792,678
Ancillary and community services	590,730	723,922
Debt service	4,014,302	3,966,986
Transfers to other agencies	(1,366,399)	(1,129,304)
<b>Total</b>	<b>\$ 71,338,469</b>	<b>\$ 59,700,564</b>

**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 \$68,665,938, which is more than last year’s ending fund balance of \$67,480,179. The District’s General Fund had \$1,977,309 more in operating revenues than expenditures for the year ended June 30, 2025. The District’s Special Reserve Fund for Capital Outlay Projects had \$6,011,901 less in operating revenues than expenditures for the year ended June 30, 2025.

**CURRENT YEAR BUDGET 2024-2025**

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a regular 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.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2025**

**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

**Capital Assets**

By the end of 2024-2025 the District had invested \$127,691,057 in capital assets, net of accumulated depreciation and amortization.

	<b>Governmental Activities</b>		
	<b>2025</b>	<b>2024</b>	<b>Net Change</b>
<b>CAPITAL ASSETS</b>			
Land	\$ 2,531,468	\$ 2,531,468	\$ -
Construction in progress	8,520,053	19,096,091	(10,576,038)
Land improvements	136,744,492	116,992,743	19,751,749
Buildings & improvements	54,842,076	54,201,492	640,584
Furniture & equipment	17,039,141	15,411,364	1,627,777
Less: Accumulated depreciation	(91,997,213)	(85,605,071)	(6,392,142)
Lease assets - furniture & equipment	44,178	44,178	-
Less: Accumulated amortization (lease assets)	(33,138)	(22,092)	(11,046)
Subscription assets	-	81,853	(81,853)
Less: Accumulated amortization (subscription assets)	-	(81,853)	81,853
<b>Total</b>	<b>\$ 127,691,057</b>	<b>\$ 122,650,173</b>	<b>\$ 5,040,884</b>

**Long-Term Liabilities**

At year-end, the District had \$146,193,605 in long-term liabilities, a decrease of 2.83% from last 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.

	<b>Governmental Activities</b>		
	<b>2025</b>	<b>2024</b>	<b>Net Change</b>
<b>LONG-TERM LIABILITIES</b>			
Total general obligation bonds	\$ 69,421,316	\$ 71,890,232	\$ (2,468,916)
Total certificates of participation	18,683,852	19,360,987	(677,135)
Leases	-	11,545	(11,545)
Compensated absences	416,376	289,703	126,673
Total OPEB liability	14,828,082	14,831,726	(3,644)
Net pension liability	47,398,815	47,920,847	(522,032)
Less: current portion of long-term liabilities	(4,554,836)	(3,851,343)	(703,493)
<b>Total</b>	<b>\$ 146,193,605</b>	<b>\$ 150,453,697</b>	<b>\$ (4,260,092)</b>

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

Several economic and fiscal factors could influence the District’s financial condition in the coming year, including continued enrollment declines, uncertain Federal and State revenues, high pension obligations, and a cooling California economy.

**Long-Term Declining Enrollment**

California’s K–12 system continues to experience enrollment decline. Statewide enrollment fell another 0.5% in 2024–25 to about 5.8 million students, roughly 420,000 fewer than a decade ago. The Department of Finance projects an additional 586,000-student decline by 2033–34. Lower birth rates, high housing costs, and out-migration are key drivers, along with growing competition from charter and private schools. Because many costs—such as staffing and facilities—cannot easily adjust, revenue loss from declining Average Daily Attendance (ADA) creates structural fiscal challenges that require multi-year planning.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2025**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)**

**Revenue Uncertainties**

- **Status of Proposition 98:** The 2025–26 State Budget sets the Proposition 98 guarantee at \$114.6 billion, slightly below earlier projections. To maintain K–12 funding commitments amid weaker tax receipts, the State relied on reserve drawdowns, internal borrowing, and limited deferrals. The outlook remains fragile since Proposition 98 revenues are highly sensitive to income-tax and capital-gains fluctuations. A market slowdown could trigger future adjustments. The Legislative Analyst's Office urges districts to budget cautiously and preserve flexibility given ongoing volatility.
- **Federal Funding Uncertainties:** Federal funding for K–12 education remains uncertain heading into 2025–26. Several large federal programs—including Title I, Title II, IDEA, and after-school and enrichment grants—face potential reductions or delays under current federal budget proposals and continuing appropriations negotiations. The U.S. Department of Education has also paused or delayed disbursement of certain previously approved formula and competitive grants, creating short-term cash-flow and planning challenges for districts. Analyses by nonpartisan agencies such as the Congressional Budget Office and the Learning Policy Institute note that up to \$5–6 billion in K-12 formula funds nationwide remain at risk of reduction or deferral if congressional appropriations are not finalized. While districts are expected to continue receiving baseline allocations during temporary funding resolutions, long-term federal support levels for education could decline modestly in real terms, requiring districts to plan for possible funding interruptions or reductions in future years.

**Pension Liabilities and Employer Rates**

The District participates in CalSTRS and CalPERS, both of which remain underfunded and continue to exert upward pressure on budgets. For 2025–26, the CalSTRS employer rate is 19.10%, and the CalPERS Schools Pool rate is 26.81%. These elevated rates—well above pre-2014 levels—will likely persist through the decade as both systems address unfunded liabilities. Districts must continue to account for escalating pension costs in long-range projections.

**Economic and Market Conditions**

California's economy has cooled following its post-pandemic rebound. High interest rates, weaker venture investment, and commercial-real-estate softness have slowed growth, especially in tech-dependent regions. The UCLA Anderson Forecast (Fall 2025) expects subdued growth into 2026, with unemployment near 5%. Inflation has eased, but interest-rate uncertainty continues to constrain housing and business investment.

Because the State's tax base depends heavily on capital-gains income, stock-market volatility remains a major risk to General Fund and Proposition 98 revenues. Fiscal advisors therefore recommend that districts maintain prudent reserves and avoid long-term commitments based on one-time revenue gains.

**Summary**

Declining enrollment, volatile revenues, persistent pension costs, and broader economic uncertainty all contribute to a challenging fiscal environment for California school districts. The District's 2025–26 budget reflects these conditions through conservative revenue assumptions, strong reserves, and continued monitoring of State fiscal trends.

**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 Julie Fagundes, Business Director, at (559) 583-5901 ext. 3112.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2025**

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	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 73,900,766
Accounts receivable	2,923,665
Inventory	78,851
Capital assets:	
Capital assets, not depreciated	11,051,521
Capital assets, net of accumulated depreciation	116,628,496
Lease assets, net of accumulated amortization	11,040
<b>Total Assets</b>	<b>204,594,339</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	17,771,301
Deferred outflows related to OPEB	587,946
Deferred amount on refunding	425,953
<b>Total Deferred Outflows of Resources</b>	<b>18,785,200</b>
<b>LIABILITIES</b>	
Accrued liabilities	8,663,297
Unearned revenue	455,696
Long-term liabilities, current portion	4,554,836
Long-term liabilities, non-current portion	146,193,605
<b>Total Liabilities</b>	<b>159,867,434</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	3,494,129
Deferred inflows related to OPEB	2,565,283
Deferred amount on refunding	953,532
<b>Total Deferred Inflows of Resources</b>	<b>7,012,944</b>
<b>NET POSITION</b>	
Net investment in capital assets	53,908,256
Restricted:	
Capital projects	31,258,988
Debt service	5,212,628
Educational programs	9,172,054
Food service	3,117,301
Associated student body	1,012,074
Unrestricted	(47,182,140)
<b>Total Net Position</b>	<b>\$ 56,499,161</b>

The accompanying notes are an integral part of these financial statements.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

Function/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>					
Instruction	\$ 35,770,526	\$ 26,903	\$ 5,528,849	\$ 105,535	\$ (30,109,239)
Instruction-related services					
Instructional supervision and administration	1,918,816	-	250,162	-	(1,668,654)
Instructional library, media, and technology	411,915	-	20,690	-	(391,225)
School site administration	5,774,500	15,283	577,829	-	(5,181,388)
Pupil services					
Home-to-school transportation	2,600,458	-	186,552	-	(2,413,906)
Food services	3,047,388	58,987	3,570,504	-	582,103
All other pupil services	5,666,659	132,224	1,012,061	-	(4,522,374)
General administration					
Centralized data processing	309,237	-	149,560	-	(159,677)
All other general administration	5,282,556	6,375	523,392	-	(4,752,789)
Plant services	19,651,801	7,654	3,729,284	-	(15,914,863)
Ancillary services	2,169,473	-	1,593,035	-	(576,438)
Community services	14,292	-	-	-	(14,292)
Interest on long-term debt	4,014,302	-	-	-	(4,014,302)
Other outgo	2,308,978	1,668,006	2,007,371	-	1,366,399
<b>Total Governmental Activities</b>	<b>\$ 88,940,901</b>	<b>\$ 1,915,432</b>	<b>\$ 19,149,289</b>	<b>\$ 105,535</b>	<b>(67,770,645)</b>
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes					7,706,242
Property taxes, levied for debt service					4,692,532
Property taxes, levied for other specific purposes					64,775
Federal and state aid not restricted for specific purposes					59,486,680
Interest and investment earnings					2,614,691
Interagency revenues					76,855
Miscellaneous					1,092,398
<b>Subtotal, General Revenue</b>					<b>75,734,173</b>
<b>CHANGE IN NET POSITION</b>					<b>7,963,528</b>
<b>Net Position - Beginning</b>					<b>48,535,633</b>
<b>Net Position - Ending</b>					<b>\$ 56,499,161</b>

The accompanying notes are an integral part of these financial statements.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2025**

	<b>General Fund</b>	<b>Special Reserve Fund for Capital Outlay Projects</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and investments	\$ 31,026,677	\$ 12,720,213	\$ 29,620,736	\$ 73,367,626
Accounts receivable	1,690,631	1,150	1,231,884	2,923,665
Due from other funds	-	5,995,505	1,526,131	7,521,636
Stores inventory	-	-	78,851	78,851
<b>Total Assets</b>	<b>\$ 32,717,308</b>	<b>\$ 18,716,868</b>	<b>\$ 32,457,602</b>	<b>\$ 83,891,778</b>
<b>LIABILITIES</b>				
Accrued liabilities	\$ 5,087,421	\$ 1,126,681	\$ 457,330	\$ 6,671,432
Due to other funds	6,704,805	-	1,393,907	8,098,712
Unearned revenue	455,696	-	-	455,696
<b>Total Liabilities</b>	<b>12,247,922</b>	<b>1,126,681</b>	<b>1,851,237</b>	<b>15,225,840</b>
<b>FUND BALANCES</b>				
Nonspendable	345	-	81,376	81,721
Restricted	6,799,657	17,590,187	29,399,504	53,789,348
Committed	7,249,310	-	1,125,485	8,374,795
Assigned	2,881,012	-	-	2,881,012
Unassigned	3,539,062	-	-	3,539,062
<b>Total Fund Balances</b>	<b>20,469,386</b>	<b>17,590,187</b>	<b>30,606,365</b>	<b>68,665,938</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 32,717,308</b>	<b>\$ 18,716,868</b>	<b>\$ 32,457,602</b>	<b>\$ 83,891,778</b>

The accompanying notes are an integral part of these financial statements.

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

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**Total Fund Balance - Governmental Funds** \$ 68,665,938

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, lease assets, accumulated depreciation and accumulated amortization:

Capital assets	\$ 219,677,230	
Lease assets	44,178	
Accumulated depreciation	(91,997,213)	
Accumulated amortization (lease assets)	(33,138)	127,691,057

Deferred amount on 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:

(527,579)

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 unmaturing interest owing at the end of the period was:

(917,677)

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:

Total general obligation bonds	\$ 69,421,316	
Total certificates of participation	18,683,852	
Compensated absences	416,376	
Total OPEB liability	14,828,082	
Net pension liability	47,398,815	(150,748,441)

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	\$ 17,771,301	
Deferred inflows of resources related to pensions	(3,494,129)	14,277,172

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	\$ 587,946	
Deferred inflows of resources related to OPEB	(2,565,283)	(1,977,337)

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:

36,028

**Total Net Position - Governmental Activities** \$ 56,499,161

The accompanying notes are an integral part of these financial statements.

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

	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
LCFF sources	\$ 62,863,383	\$ -	\$ 2,170,472	\$ 65,033,855
Federal sources	3,741,619	-	2,241,978	5,983,597
Other state sources	7,180,982	-	2,578,778	9,759,760
Other local sources	5,369,010	1,204,436	13,112,593	19,686,039
<b>Total Revenues</b>	<b>79,154,994</b>	<b>1,204,436</b>	<b>20,103,821</b>	<b>100,463,251</b>
<b>EXPENDITURES</b>				
Current				
Instruction	37,339,332	-	2,141,931	39,481,263
Instruction-related services				
Instructional supervision and administration	1,928,199	-	-	1,928,199
Instructional library, media, and technology	383,529	-	-	383,529
School site administration	5,407,381	-	833,544	6,240,925
Pupil services				
Home-to-school transportation	2,978,975	-	-	2,978,975
Food services	67,332	-	2,960,222	3,027,554
All other pupil services	6,026,596	-	160,715	6,187,311
General administration				
Centralized data processing	333,898	-	-	333,898
All other general administration	3,711,626	-	162,878	3,874,504
Plant services	9,315,281	-	179,579	9,494,860
Facilities acquisition and construction	5,301,823	6,702,114	2,579,223	14,583,160
Ancillary services	750,442	-	1,429,472	2,179,914
Community services	14,292	-	-	14,292
Transfers to other agencies	2,766,179	-	-	2,766,179
Debt service				
Principal	166,545	465,000	2,098,803	2,730,348
Interest and other	686,255	49,223	2,572,700	3,308,178
<b>Total Expenditures</b>	<b>77,177,685</b>	<b>7,216,337</b>	<b>15,119,067</b>	<b>99,513,089</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,977,309</b>	<b>(6,011,901)</b>	<b>4,984,754</b>	<b>950,162</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	5,967	2,525,000	2,973,945	5,504,912
Other sources	-	-	14,237,782	14,237,782
Transfers out	(2,525,000)	-	(2,979,912)	(5,504,912)
Other uses	-	-	(14,002,185)	(14,002,185)
<b>Net Financing Sources (Uses)</b>	<b>(2,519,033)</b>	<b>2,525,000</b>	<b>229,630</b>	<b>235,597</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(541,724)</b>	<b>(3,486,901)</b>	<b>5,214,384</b>	<b>1,185,759</b>
<b>Fund Balance - Beginning</b>	<b>21,011,110</b>	<b>21,077,088</b>	<b>25,391,981</b>	<b>67,480,179</b>
<b>Fund Balance - Ending</b>	<b>\$ 20,469,386</b>	<b>\$ 17,590,187</b>	<b>\$ 30,606,365</b>	<b>\$ 68,665,938</b>

The accompanying notes are an integral part of these financial statements.

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

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**Net Change in Fund Balances - Governmental Funds** \$ 1,185,759

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

**Capital outlay:**

In governmental funds, the costs of capital assets, including lease assets and subscription assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets, including lease assets and subscription assets are allocated over their estimated useful lives as depreciation expense and amortization expense, respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:

Expenditures for capital outlay:	\$	11,444,072	
Depreciation expense:		(6,392,142)	
Amortization expense (lease assets):		(11,046)	5,040,884

**Debt service:**

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

2,730,348

**Debt proceeds:**

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:

(235,597)

**Deferred amounts on refunding:**

In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amounts on refunding during the period was:

(38,096)

**Unmatured interest on long-term debt:**

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

90,906

**Accreted interest on long-term debt:**

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.

(785,485)

(continued on next page)

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

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Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was: (126,673)

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was: (1,215,854)

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was: 1,083,992

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is: 494,798

Internal Service Funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was: (261,454)

**Change in Net Position of Governmental Activities** \$ 7,963,528

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2025**

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	<u>Governmental Activities Internal Service Fund</u>
<b>ASSETS</b>	
Current assets	
Cash and investments	\$ 533,140
Due from other funds	577,076
<b>Total Assets</b>	<u>1,110,216</u>
<b>LIABILITIES</b>	
Current liabilities	
Accrued liabilities	1,074,188
<b>Total Liabilities</b>	<u>1,074,188</u>
<b>NET POSITION</b>	
Restricted	36,028
<b>Total Net Position</b>	<u>\$ 36,028</u>

The accompanying notes are an integral part of these financial statements.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2025**

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	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 7,257,570
Other local revenues	1,860,504
<b>Total operating revenues</b>	<u>9,118,074</u>
<b>OPERATING EXPENSES</b>	
Professional services	9,381,908
<b>Total operating expenses</b>	<u>9,381,908</u>
<b>Operating income/(loss)</b>	<u>(263,834)</u>
<b>NON-OPERATING REVENUES/(EXPENSES)</b>	
Interest income	2,380
<b>Total non-operating revenues/(expenses)</b>	<u>2,380</u>
<b>CHANGE IN NET POSITION</b>	(261,454)
<b>Net Position - Beginning</b>	297,482
<b>Net Position - Ending</b>	<u>\$ 36,028</u>

The accompanying notes are an integral part of these financial statements.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2025**

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	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<b>Cash flows from operating activities</b>	
Cash received from user charges	\$ 7,257,570
Cash received (paid) from assessments made to (from) other funds	1,283,428
Cash payments for payroll, insurance, and operating costs	<u>(9,311,715)</u>
Net cash provided by (used for) operating activities	<u>(770,717)</u>
<b>Cash flows from investing activities</b>	
Interest received	<u>2,380</u>
Net cash provided by (used for) investing activities	<u>2,380</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(768,337)</u>
 <b>CASH AND CASH EQUIVALENTS</b>	
Beginning of year	1,301,477
End of year	<u>\$ 533,140</u>
 <b>Reconciliation of operating income (loss) to cash provided by (used for) operating activities</b>	
Operating income/(loss)	\$ (263,834)
Changes in assets and liabilities:	
(Increase) decrease in due from other funds	(577,076)
Increase (decrease) in accrued liabilities	70,193
<b>Net cash provided by (used for) operating activities</b>	<u>\$ (770,717)</u>

The accompanying notes are an integral part of these financial statements.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2025**

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	<u>Private-Purpose Trust Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 1,578,223
Accounts receivable	332
<b>Total Assets</b>	<u>1,578,555</u>
<b>NET POSITION</b>	
Unrestricted	1,578,555
<b>Total Net Position</b>	<u>\$ 1,578,555</u>

The accompanying notes are an integral part of these financial statements.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2025**

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	<u>Private-Purpose Trust Fund</u>
<b>ADDITIONS</b>	
Investment earnings	47,582
Other	327,909
<b>Total Additions</b>	<u>375,491</u>
<b>DEDUCTIONS</b>	
Other trust activities	81,501
<b>Total Deductions</b>	<u>81,501</u>
<b>CHANGE IN NET POSITION</b>	293,990
<b>Net Position - Beginning</b>	1,284,565
<b>Net Position - Ending</b>	<u>\$ 1,578,555</u>

The accompanying notes are an integral part of these financial statements.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

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

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

**B. Component Units**

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

**C. Basis of Presentation**

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

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

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation (continued)**

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

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

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

Fiduciary funds are used to account for resources held for the benefit of parties outside of the District that cannot be used to support the District's own programs.

**Major Governmental Funds**

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

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

HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds

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

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

**Charter School Fund:** This fund may be used by authorizing District's to account separately for the activities of District-operated charter schools that would otherwise be reported in the authorizing District's General Fund.

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

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

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

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

**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*).

**County School Facilities Fund:** This fund is established pursuant to *Education Code Section 17070.43* to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code Section 17070 et seq.*).

HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

**Debt Service Funds:** Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

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

Proprietary Funds

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

**Foundation Private-Purpose Trust Fund:** This fund is used to account separately for gifts or bequests per *Education Code Section 41031* that benefit individuals, private organizations, or other governments and under which neither principal nor income may be used for purposes that support the District's own programs.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting – Measurement Focus**

**Government-Wide, Proprietary, and Fiduciary Financial Statements**

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

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

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

**Governmental Funds**

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

**Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting – Measurement Focus (continued)**

**Revenues – Exchange and Non-Exchange Transactions, continued**

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

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

**Unearned Revenue**

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

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

**Expenses/Expenditures**

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

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position**

**Cash and Cash Equivalents**

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

**Investments**

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

**Inventories**

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

**Capital Assets**

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

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Included in capital assets are right to use lease assets as a result of implementing GASB Statement No. 87. The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

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

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Capital Assets (continued)**

Depreciation and amortization is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	20 to 50 years
Improvements	5 to 50 years
Equipment	2 to 15 years

**Interfund Balances**

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

**Compensated Absences**

In accordance with GASB Statement No. 101, *Compensated Absences*, accumulated unpaid employee vacation and sick leave benefits are accrued as a liability in the government-wide financial statements as the benefits are earned, provided they accumulate and are more likely than not to be used or paid. The measurement of this liability includes estimated salary amounts and the employer’s share of related taxes and benefits, as applicable, that are directly related to these compensated absences.

For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. For accumulated sick leave benefits, a liability is recognized for the portion that employees have earned and that are more likely than not to be used or paid. The District’s policy for sick leave recognition aligns with this criterion, accruing the liability based on historical usage patterns and other relevant factors.

**Accrued Liabilities and Long-Term Obligations**

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

**Postemployment Benefits Other Than Pensions (OPEB)**

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

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

Valuation Date	July 1, 2023
Measurement Date	June 30, 2025
Measurement Period	July 1, 2024 – June 30, 2025

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Postemployment Benefits Other Than Pensions (OPEB) (continued)**

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

**Premiums and Discounts**

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

**Deferred Outflows/Deferred Inflows of Resources**

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

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

**Pensions**

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

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Fund Balance**

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

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

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

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

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

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

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

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Interfund Activity**

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

**G. Estimates**

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

**H. Budgetary Data**

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

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

**I. Property Tax**

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

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. New Accounting Pronouncements**

**GASB Statement No. 101** – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has implemented this Statement as of June 30, 2025.

**GASB Statement No. 102** – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024. The District has implemented this Statement as of June 30, 2025.

**GASB Statement No. 103** – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The statement is effective for periods beginning after June 15, 2025. The District has not yet determined the impact on the financial statements.

**GASB Statement No. 104** – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The statement is effective for periods beginning after June 15, 2025. The District has not yet determined the impact on the financial statements.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 2 – CASH AND INVESTMENTS**

**A. Summary of Cash and Investments**

	<b>Governmental Funds</b>	<b>Internal Service Fund</b>	<b>Governmental Activities</b>	<b>Fiduciary Funds</b>
Investment in county treasury	\$ 69,351,598	\$ 504,364	\$ 69,855,962	\$ 1,578,223
Fair value adjustment	129,795	18	129,813	-
Cash on hand and in banks	1,012,074	22,107	1,034,181	-
Cash with fiscal agent	2,871,289	6,651	2,877,940	-
Cash in revolving fund	2,870	-	2,870	-
<b>Total</b>	<b>\$ 73,367,626</b>	<b>\$ 533,140</b>	<b>\$ 73,900,766</b>	<b>\$ 1,578,223</b>

**B. Policies and Practices**

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

**Investment in County Treasury** – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Kings County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**Cash with Fiscal Agent** – Cash with fiscal agent consists of the debt service for the certificates of participation held at US Bank.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 2 – CASH AND INVESTMENTS (continued)**

**C. General Authorizations**

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

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

**D. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$71,563,998. The average weighted maturity for this pool is 545 days.

**E. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2025**

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**NOTE 2 – CASH AND INVESTMENTS (continued)**

**F. Custodial Credit Risk – Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2025, the District's bank balance of \$439,942 was exposed to custodial credit risk.

**G. Fair Value**

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

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

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

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

	<b><u>Uncategorized</u></b>
Investment in county treasury	<u>\$ 71,563,998</u>
<b>Total</b>	<u>\$ 71,563,998</u>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

**NOTE 3 – ACCOUNTS RECEIVABLE**

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

	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Governmental Activities	Fiduciary Funds
Federal Government					
Categorical aid	\$ 767,568	\$ -	\$ 429,305	\$ 1,196,873	\$ -
State Government					
Apportionment	-	-	11,097	11,097	-
Categorical aid	267,970	-	331,502	599,472	-
Lottery	294,372	-	-	294,372	-
Local Government					
Other local sources	360,721	1,150	459,980	821,851	332
<b>Total</b>	<b>\$ 1,690,631</b>	<b>\$ 1,150</b>	<b>\$ 1,231,884</b>	<b>\$ 2,923,665</b>	<b>\$ 332</b>

**NOTE 4 – CAPITAL ASSETS**

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

	Balance July 01, 2024	Additions	Deletions	Balance June 30, 2025
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 2,531,468	\$ -	\$ -	\$ 2,531,468
Construction in progress	19,096,091	9,698,460	20,274,498	8,520,053
Total capital assets not being depreciated	21,627,559	9,698,460	20,274,498	11,051,521
Capital assets being depreciated				
Land improvements	116,992,743	19,751,749	-	136,744,492
Buildings & improvements	54,201,492	640,584	-	54,842,076
Furniture & equipment	15,411,364	1,627,777	-	17,039,141
Total capital assets being depreciated	186,605,599	22,020,110	-	208,625,709
Less: Accumulated depreciation				
Land improvements	49,363,667	4,703,206	-	54,066,873
Buildings & improvements	25,275,182	1,035,997	-	26,311,179
Furniture & equipment	10,966,222	652,939	-	11,619,161
Total accumulated depreciation	85,605,071	6,392,142	-	91,997,213
Total capital assets being depreciated, net	101,000,528	15,627,968	-	116,628,496
Lease assets being amortized				
Furniture & equipment	44,178	-	-	44,178
Total lease assets being amortized	44,178	-	-	44,178
Less: Accumulated amortization for lease assets				
Furniture & equipment	22,092	11,046	-	33,138
Total accumulated amortization for lease assets	22,092	11,046	-	33,138
Total lease assets being amortized, net	22,086	(11,046)	-	11,040
Subscription assets being amortized	81,853	-	81,853	-
Less: Accumulated amortization for subscription assets	81,853	-	81,853	-
Total subscription assets being amortized, net	-	-	-	-
<b>Governmental Activities</b>				
<b>Capital Assets, net</b>	<b>\$ 122,650,173</b>	<b>\$ 25,315,382</b>	<b>\$ 20,274,498</b>	<b>\$ 127,691,057</b>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 4 – CAPITAL ASSETS (continued)**

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

<b>Governmental Activities</b>	
Instruction	\$ 227,024
School site administration	1,505
Home-to-school transportation	189,157
Food services	45,107
Centralized data processing	11,830
All other general administration	9,655
Plant services	5,918,038
Ancillary services	872
<b>Total</b>	<u>\$ 6,403,188</u>

**NOTE 5 – INTERFUND TRANSACTIONS**

**A. Interfund Receivables/Payables (Due From/Due To)**

Individual interfund receivable and payable balances at June 30, 2025 were as follows:

<u>Due To Other Funds</u>	<u>Due From Other Funds</u>			
	<u>Special Reserve Fund for Capital Outlay Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
General Fund	\$ 5,995,505	\$ 132,224	\$ 577,076	\$ 6,704,805
Non-Major Governmental Funds	-	1,393,907	-	1,393,907
<b>Total</b>	<u>\$ 5,995,505</u>	<u>\$ 1,526,131</u>	<u>\$ 577,076</u>	<u>\$ 8,098,712</u>
Due from the General Fund to the Charter Schools Fund for In-Leiu Property Tax 24-25.				\$ 126,264
Due from the General Fund to the Cafeteria Fund for indirect costs.				5,960
Due from the General Fund to the Special Reserve Fund for Capital Outlay Projects to correct project expenditures, energy savings				5,995,505
Due from the General Fund to the Self Insurance Fund for a loan and a temporary transfer for IBNR.				577,076
Due from the County School Facilities Fund to the Capital Facilities Fund to correct project expenditures.				643,907
Due from the Capital Facilities Fund to the County School Facilities Fund for the SPHS Building M&J SPF project costs.				750,000
<b>Total</b>				<u>\$ 8,098,712</u>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2025**

**NOTE 5 – INTERFUND TRANSACTIONS (continued)**

**B. Operating Transfers**

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

	Interfund Transfers In			
	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Interfund Transfers Out				
General Fund	\$ -	\$ 2,525,000	\$ -	\$ 2,525,000
<b>Total</b>	<b>\$ 5,967</b>	<b>\$ 2,525,000</b>	<b>\$ 2,973,945</b>	<b>\$ 5,504,912</b>

The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for capital outlay projects (JEDR, Energy Savings and Band).	\$ 2,525,000
The Charter School Fund transferred to the General Fund for OPEB estimate.	2,670
The Adult Education Fund transferred to the General Fund for OPEB estimate.	1,372
The Cafeteria Fund transferred to the General Fund for OPEB estimate.	1,925
The Capital Facilities Fund transferred to the County School Facilities Fund for SPHS Building M&J SFP project.	750,000
The Building Fund transferred to the County School Facilities Fund for SFP contribution.	2,223,945
<b>Total</b>	<b>\$ 5,504,912</b>

**NOTE 6 – ACCRUED LIABILITIES**

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

	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Internal Service Fund	District-Wide	Governmental Activities
Payroll	\$ 1,126,836	\$ -	\$ -	\$ -	\$ -	\$ 1,126,836
Vendors payable	3,960,585	1,126,681	457,330	1,074,188	-	6,618,784
Unmatured interest	-	-	-	-	917,677	917,677
<b>Total</b>	<b>\$ 5,087,421</b>	<b>\$ 1,126,681</b>	<b>\$ 457,330</b>	<b>\$ 1,074,188</b>	<b>\$ 917,677</b>	<b>\$ 8,663,297</b>

**NOTE 7 – UNEARNED REVENUE**

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

	General Fund
Federal sources	\$ 70,397
State categorical sources	385,299
<b>Total</b>	<b>\$ 455,696</b>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

**NOTE 8 – LONG-TERM LIABILITIES**

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

	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Balance Due In One Year
<b>Governmental Activities</b>					
General obligation bonds	\$ 56,273,758	\$ 13,305,000	\$ 15,823,803	\$ 53,754,955	\$ 3,570,125
Unamortized premium	4,650,639	932,782	1,668,380	3,915,041	437,663
Accreted interest	10,965,835	1,411,682	626,197	11,751,320	-
Total general obligation bonds	71,890,232	15,649,464	18,118,380	69,421,316	4,007,788
Certificates of participation	17,845,000	-	620,000	17,225,000	365,000
Unamortized premium	1,610,876	-	64,435	1,546,441	64,435
Unamortized discount	(94,889)	-	(7,300)	(87,589)	(7,300)
Total certificates of participation	19,360,987	-	677,135	18,683,852	422,135
Leases	11,545	-	11,545	-	-
Compensated absences	289,703	126,673	-	416,376	124,913
Total OPEB liability	14,831,726	-	3,644	14,828,082	-
Net pension liability	47,920,847	-	522,032	47,398,815	-
<b>Total</b>	<b>\$ 154,305,040</b>	<b>\$ 15,776,137</b>	<b>\$ 19,332,736</b>	<b>\$ 150,748,441</b>	<b>\$ 4,554,836</b>

- Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local tax revenues.
- The Capital Facilities Fund and General Fund makes payments for the certificates of participation. The premiums and discounts are being amortized over the life of the related debt.
- The leases are paid by the General Fund.

**A. General Obligation Bonds**

On March 16, 2000, the District issued \$7,000,000 in Election of 1998 General Obligation Bonds, Series B. The Bonds were issued as Capital Appreciation Bonds and do not bear current interest, but accrete interest from the date of delivery through maturity. The Bonds were issued in order to finance the cost of certain capital improvements for the District and to pay certain costs of the issuance.

On July 23, 2008, the District issued \$6,500,000 in Election of 2004 General Obligation Bonds, Series B. The Bonds were issued as Current Interest Bonds in the amount of \$1,840,000 and as Capital Appreciation Bonds in the amount of \$4,660,000. Interest on the Current Interest Bonds accrues from the date of delivery, and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2009. The Capital Appreciation Bonds accrete interest from the date of delivery through maturity. The Bonds were issued in order to finance a portion of the construction of Sierra Pacific High School and to pay certain costs of the issuance. On March 23, 2016, the District issued General Obligation Refunding Bonds to advance refund the District's outstanding Election of 2004 General Obligation Bonds, Series B Current Interest Bonds maturing on and after August 1, 2019.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**A. General Obligation Bonds (continued)**

On May 26, 2010, the District issued \$5,595,000 in 2010 General Obligation Refunding Bonds. The Bonds were issued as Current Interest Bonds. Interest accrues from the date of delivery, and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2010. The Bonds were issued to refund a portion of the District's outstanding Election of 1998 General Obligation Bonds, Series A, and to pay the costs of issuing the bonds. The bonds were issued at a premium of \$136,982 which is being amortized annually at \$10,377 over the life of the debt. On June 26, 2014, the District issued \$2,835,000 in 2014 General Obligation Refunding Bonds. The Bonds were issued as Current Interest Term Bonds. Interest accrues from the date of delivery, and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2014. The Bonds were issued to refund a portion of the District's outstanding Election of 1998 General Obligation Bonds, Series C, and to pay the costs of issuing the bonds.

On March 23, 2016, the District issued 2016 General Obligation Refunding Bonds in the principal amount of \$23,495,000 to advance refund a portion of the District's outstanding Election of 2004 General Obligation Bonds, Series A, advance refund a portion of the District's outstanding Election of 2004 General Obligation Bonds, Series B, and pay the cost of issuance of the bonds. The net proceeds from the sale of the bonds were deposited into an escrow fund. The amount deposited was used to purchase certain Federal Securities, of which the principal and interest will be sufficient to enable the escrow agent to pay the principal and interest on the refunded Series A Bonds on their redemption date of February 1, 2017 and the principal and interest on the refunded Series B Bonds on their redemption date of August 1, 2018. As of June 30, 2024, the balance in the escrow fund was \$1,391,287. The advance refunding resulted in a deferred charge on refunding in the amount of \$764,317 that is being amortized over life of the debt.

On May 22, 2018, the District issued \$12,999,993 in Election of 2016 General Obligation Bonds, Series A. The Bonds were issued as Current Interest Bonds in the amount of \$7,065,000 and as Capital Appreciation Bonds in the amount of \$5,934,993. Interest on the Current Interest Bonds accrues from the date of delivery, and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2018. The Capital Appreciation Bonds accrete interest from the date of delivery through maturity. The Bonds were issued to repair and upgrade high school facilities and to pay certain costs of the issuance.

On July 8, 2020, the District issued \$10,999,962 in Election of 2016 General Obligation Bonds, Series B. The Bonds were issued as Current Interest Bonds in the amount of \$1,950,000 and as Capital Appreciation Bonds in the amount of \$9,049,962. Interest on the Current Interest Bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2021. The Capital Appreciation Bonds accrete interest from the date of delivery through maturity. The Bonds were issued to finance the acquisition, construction, modernization and equipping of District Sites and facilities and to pay costs of issuance of the Series B Bonds. On July 8, 2020, the District issued \$1,555,000 of General Obligation Refunding Bonds to advance refund the District's outstanding Election of 2010 General Obligation Refunding Bonds. The bond mature through August 1, 2024.

On June 29, 2023, the District issued \$9,000,000 in Election of 2016 General Obligation Bonds, Series C. The Bonds were issued as Current Interest Bonds. Interest accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2023. The Bonds were issued to finance the repair, upgrading, acquisition, constructing and equipping of certain District property and facilities and pay the costs of issuance of the bonds. The bonds were issued at a premium of \$1,197,893 which is being amortized annually at \$99,824 over the life of the debt. The bond mature through August 1, 2034.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**A. General Obligation Bonds (continued)**

On June 4, 2025, the District issued 2025 General Obligation Refunding Bonds totaling \$13,305,000. The proceeds were used to advance refund a portion of the District's 2016 Refunding Bonds. The Refunding Bonds bear interest rate of 5.34% and are scheduled to mature through August 1, 2031. The refunding resulted in a net present value of savings of \$732,918.

The outstanding general obligation bonded debt is as follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2025
					Outstanding July 01, 2024	Additions	Deductions	
Election of 1998, Series B	2000	2025	4.60% - 6.00%	\$ 7,000,000	\$ 188,803	\$ -	\$ 188,803	\$ -
Accreted Interest - 1998, Series B					626,197	-	626,197	-
Election of 2004, Series B	2009	2037	6.00%	4,660,000	4,659,999	-	-	4,659,999
Accreted Interest - 2004, Series B					7,707,822	793,646	-	8,501,468
2014 Refunding	2014	2029	3.00%	2,835,000	1,980,000	-	400,000	1,580,000
2016 Refunding	2016	2037	1.50% - 5.00%	24,495,000	16,970,000	-	15,000,000	1,970,000
Election 2016, Series A	2018	2039	2.00% - 5.00%	12,999,993	12,574,993	-	-	12,574,993
Accreted Interest - 2016, Series A					1,752,327	355,602	-	2,107,929
Election 2016, Series B	2021	2046	4.00%	10,999,963	10,899,963	-	-	10,899,963
Accreted Interest - 2016, Series B					879,489	262,434	-	1,141,923
Election 2016, Series C	2023	2035	5.00%	9,000,000	9,000,000	-	235,000	8,765,000
2025 Refunding	2025	2031	5.00%	13,305,000	-	13,305,000	-	13,305,000
					\$ 67,239,593	\$ 14,716,682	\$ 16,450,000	\$ 65,506,275

The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 3,570,125	\$ 1,732,856	\$ 5,302,981
2027	3,506,689	2,448,061	5,954,750
2028	3,582,323	3,780,038	7,362,361
2029	3,936,869	4,951,569	8,888,438
2030	4,218,743	6,019,826	10,238,569
2031 - 2035	14,887,606	4,182,858	19,070,464
2036 - 2040	9,984,071	4,405,214	14,389,285
2041 - 2045	8,218,529	12,126,471	20,345,000
2041 - 2045	1,850,000	74,000	1,924,000
Accretion	11,751,320	(11,751,320)	-
<b>Total</b>	<b>\$ 65,506,275</b>	<b>\$ 27,969,573</b>	<b>\$ 93,475,848</b>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**B. Certificates of Participation**

On August 1, 2008, the District issued \$15,000,000 Certificates of Participation (2008 Financing Project) to finance a portion of the construction of Sierra Pacific High School. The Certificates were executed and delivered pursuant to a Trust Agreement with Wells Fargo Bank, National Association, the California School Boards Association Finance Corporation and the District. The interest rates vary from 3.0% to 5.125% and run for 30 years.

On July 8, 2020, the District issued \$17,510,000 Certificates of Participation (2020 Financing Project) to finance capital improvements to District sites and facilities, purchase insurance policy for deposit into a debt service reserve fund established for the Certificates, fund capitalized interest through December 1, 2021, and pay certain related costs related to the execution and delivery of the Certificates. The Certificates were executed and delivered pursuant to a Trust Agreement with U.S Bank National Association, the Local Facilities Finance Corporation, and the District. The interest rate is 4.0% and runs for 29 years.

The certificates mature through 2049 as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 365,000	\$ 1,166,043	\$ 1,531,043
2027	215,000	684,400	899,400
2028	245,000	675,800	920,800
2029	280,000	666,000	946,000
2030	310,000	654,800	964,800
2031 - 2035	2,150,000	2,512,800	4,662,800
2036 - 2040	3,360,000	2,716,800	6,076,800
2041 - 2045	4,925,000	1,744,000	6,669,000
2046 - 2049	4,975,000	581,600	5,556,600
<b>Total</b>	<b>\$ 16,825,000</b>	<b>\$ 11,402,243</b>	<b>\$ 28,227,243</b>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**C. Compensated Absences**

Beginning total unpaid employee compensated absences was \$289,703 and increased by a net amount of \$126,673 during the year ended June 30, 2025. The ending compensated absences at June 30, 2025 amounted to \$416,376. This amount is included as part of long-term liabilities in the government-wide financial statements.

**D. Other Postemployment Benefits**

The District's restated beginning total OPEB liability was \$14,831,726 and decreased by \$3,644 during the year ended June 30, 2025. The ending total OPEB liability at June 30, 2025 was \$14,828,082. See Note 10 for additional information regarding the total OPEB liability.

**E. Net Pension Liability**

The District's beginning net pension liability was \$47,920,847 and decreased by \$522,032 during the year ended June 30, 2025. The ending net pension liability at June 30, 2025 was \$47,398,815. See Note 11 for additional information regarding the net pension liability.

**NOTE 9 – FUND BALANCES**

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

	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable				
Revolving cash	\$ 345	\$ -	\$ 2,525	\$ 2,870
Stores inventory	-	-	78,851	78,851
Total non-spendable	345	-	81,376	81,721
Restricted				
Educational programs	6,799,657	-	2,372,397	9,172,054
Food service	-	-	3,117,301	3,117,301
Associated student body	-	-	1,012,074	1,012,074
Capital projects	-	17,590,187	16,767,427	34,357,614
Debt service	-	-	6,130,305	6,130,305
Total restricted	6,799,657	17,590,187	29,399,504	53,789,348
Committed				
Other commitments	7,249,310	-	1,125,485	8,374,795
Total committed	7,249,310	-	1,125,485	8,374,795
Assigned				
Other assignment	2,881,012	-	-	2,881,012
Total assigned	2,881,012	-	-	2,881,012
Unassigned	3,539,062	-	-	3,539,062
<b>Total</b>	<b>\$ 20,469,386</b>	<b>\$ 17,590,187</b>	<b>\$ 30,606,365</b>	<b>\$ 68,665,938</b>

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

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2025**

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**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**A. Plan Description**

The Hanford Joint Union High School District’s defined benefit OPEB plan, Hanford Joint Union High School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB

**B. OPEB Plan Fiduciary Net Position**

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

**C. Benefits Provided**

The District’s Health & Welfare Benefits include medical, dental, vision and hearing insurance benefits to eligible retirees and their spouses.

**D. Contributions**

For the measurement period, the District contributed \$363,574 to the Plan, all of which was used for current premiums. There is no actuarially determined contribution, nor any contribution requirement established by statute or contract. The District’s contribution is currently based on a projected pay as-you-go funding method, that is, benefits are payable when due.

**E. Plan Membership**

Membership of the Plan consisted of the following:

	<b><u>Number of participants</u></b>
Inactive employees receiving benefits	9
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	<u>351</u>
<b>Total number of participants**</b>	<b><u>360</u></b>

\*Information not provided

\*\*As of the July 1, 2023 valuation date

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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

**F. Total OPEB Liability**

The Hanford Joint Union High School District’s total OPEB liability of \$14,818,082 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

**G. Actuarial Assumptions and Other Inputs**

The total OPEB liability as of June 30, 2025 was determined by an actuarial valuation as of July 1, 2023 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, 2025.

**Economic assumptions:**

Inflation	2.50%
Salary increases	3.00%
Discount rate	5.20%
Healthcare cost trend rate	5.50%

**Non-economic assumptions:**

*Mortality:*

Certificated	2000-2019 CalSTRS Mortality Table
Classified	2000-2019 CalPERS Active Mortality for Miscellaneous Employees Table

*Retirement rates:*

Certificated	2000-2019 CalSTRS Retirement Rates Table
Classified	2000-2019 CalPERS Retirement Rates for School Employees Table

The actuarial assumptions used in the July 1, 2023 valuation were based on a review of plan experience during the period July 1, 2021 to June 30, 2023.

For OPEB Plans that are not administered through trusts that meet the criteria in Paragraph 4, GASB 75 requires a discount rate that is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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

**H. Changes in Total OPEB Liability**

	<u>June 30, 2025</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 1,142,770
Interest on total OPEB liability	627,041
Changes of assumptions	(1,409,881)
Benefits payments	<u>(363,574)</u>
Net change in total OPEB liability	(3,644)
Total OPEB liability - beginning	<u>14,821,726</u>
Total OPEB liability - ending	<u>\$ 14,818,082</u>
 Covered-employee payroll	 N/A*

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

**I. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Hanford Joint Union High School 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:

	<b>1% Decrease</b>	<b>Valuation Discount Rate</b>	<b>1% Increase</b>
	<b>(4.20%)</b>	<b>(5.20%)</b>	<b>(6.20%)</b>
Total OPEB liability	\$ 15,965,698	\$ 14,828,082	\$ 13,767,424

**J. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the total OPEB liability of the Hanford Joint Union High School District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
	<b>(4.50%)</b>	<b>(5.50%)</b>	<b>(6.50%)</b>
Total OPEB liability	\$ 13,096,830	\$ 14,828,082	\$ 16,871,634

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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

**K. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the Hanford Joint Union High School District recognized OPEB expense of \$1,579,428. At June 30, 2025, the Hanford Joint Union High School District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 922,279
Changes in assumptions	587,946	1,643,004
<b>Total</b>	<u>\$ 587,946</u>	<u>\$ 2,565,283</u>

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 146,929	\$ 337,312
2027	99,742	337,312
2028	87,944	337,312
2029	87,946	337,315
2030	34,813	261,274
Thereafter	130,572	954,758
<b>Total</b>	<u>\$ 587,946</u>	<u>\$ 2,565,283</u>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2025**

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**NOTE 11 – PENSION PLANS**

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	<u>Net pension liability</u>	<u>Deferred outflows related to pensions</u>	<u>Deferred inflows related to pensions</u>	<u>Pension expense</u>
CalSTRS Pension	\$ 26,076,147	\$ 9,712,451	\$ 3,337,591	\$ 3,217,364
CalPERS Pension	21,322,668	8,058,850	156,538	3,877,091
<b>Total</b>	<u>\$ 47,398,815</u>	<u>\$ 17,771,301</u>	<u>\$ 3,494,129</u>	<u>\$ 7,094,455</u>

**A. California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, CA 95851-0275.

**Benefits Provided**

The CalSTRS defined benefit plan has two benefit formulas:

1. 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 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, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. 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.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

**Contributions**

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2025, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2025 was 18.54% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$4,814,095 for the year ended June 30, 2025.

**On-Behalf Payments**

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$2,415,737 to CalSTRS.

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

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

District's proportionate share of the net pension liability	\$ 26,076,147
State's proportionate share of the net pension liability associated with the District	<u>21,709,363</u>
<b>Total</b>	<b><u>\$ 47,785,510</u></b>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District’s proportion was 0.039 percent, which was a decrease of 0.003 from its proportion measured as of June 30, 2023.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

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

For the year ended June 30, 2025, the District recognized pension expense of \$3,217,364. In addition, the District recognized pension expense and revenue of \$(1,143,085) for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 105,216
Differences between expected and actual experience	2,949,548	1,140,295
Changes in assumptions	114,146	1,780,910
Changes in proportion and differences between District contributions and proportionate share of contributions	1,834,662	311,170
District contributions subsequent to the measurement date	4,814,095	-
<b>Total</b>	<u>\$ 9,712,451</u>	<u>\$ 3,337,591</u>

The \$4,814,095 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 1,097,873	\$ 2,584,264
2027	982,947	(1,373,185)
2028	856,084	852,272
2029	856,082	679,826
2030	745,840	296,624
2031	359,530	297,790
<b>Total</b>	<u>\$ 4,898,356</u>	<u>\$ 3,337,591</u>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Growth	3.50%

\* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2021 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2024, are summarized in the following table:

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>
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%
	100%	

\*Real return is net of assumed 2.75% inflation.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2025**

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**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.10 percent. 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 increases 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 Plan’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.

**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:

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
District's proportionate share of the net pension liability	\$ 54,191,324	\$ 26,076,147	\$ 14,128,328

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees' Retirement System (CalPERS)**

**Plan Description**

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, CA 95811.

**Benefits Provided**

The benefits for the defined benefit plan 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 of credited service.

**Contributions**

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 8.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2025 was 27.05% of annual payroll. Contributions to the plan from the District were \$3,364,352 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$20,346,379 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.060 percent, which was an increase of 0.003 percent from its proportion measured as of June 30, 2023.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees’ Retirement System (CalPERS) (continued)**

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

For the year ended June 30, 2025, the District recognized pension expense of \$3,877,091. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ 828,263	\$ -
Differences between expected and actual experience	1,787,594	152,606
Changes in assumptions	471,303	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,607,338	3,932
District contributions subsequent to the measurement date	<u>3,364,352</u>	<u>-</u>
<b>Total</b>	<u>\$ 8,058,850</u>	<u>\$ 156,538</u>

The \$3,364,352 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 1,908,294	\$ 156,538
2027	2,420,273	-
2028	628,006	-
2029	<u>(262,075)</u>	<u>-</u>
<b>Total</b>	<u>\$ 4,694,498</u>	<u>\$ 156,538</u>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees’ Retirement System (CalPERS) (continued)**

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Discount Rate	6.90%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from 2000 through 2019.

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, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees’ Retirement System (CalPERS) (continued)**

**Actuarial Assumptions (continued)**

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. These geometric rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 – 10*</b>
Global Equity – cap-weighted	30.0%	4.54%
Global Equity – non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%
	<u>100.0%</u>	

\*An expected inflation of 2.30% used for this period. Figures are based on the 2021-22 CalPERS Asset Liability Management Study.

**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 Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS’ website.

**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:

	<b>1% Decrease (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>1% Increase (7.90%)</b>
District’s proportionate share of the net pension liability	\$ 37,412,182	\$ 21,322,668	\$ 16,344,356

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2025**

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**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

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

**C. Construction Commitments**

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

	<b>Remaining Construction Commitment</b>
Capital Projects	
District Office Improvement Project	\$ (3,139,168)
HOC Remodel Project	166,340
SPHS Building J3 & M1 Project	18,202,766
<b>Total</b>	<b>\$ 15,229,938</b>

**NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES**

The District participates in three joint ventures under joint powers authorities (JPAs), Kings County Self-Insured Schools (KCSIS), Self-Insured Schools of California II (SISC II), and the Kings Schools Transportation Authority (KTSA) joint powers authorities (JPAs). The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements. However, fund transactions between the JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2025**

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**NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

**A. Pension Plans**

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2025, total deferred outflows related to pensions was \$17,771,301 and total deferred inflows related to pensions was \$3,494,129.

**B. Other Postemployment Benefits**

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2025, total deferred outflows related to other postemployment benefits was \$587,946 and total deferred inflows related to other postemployment benefits was \$2,565,283.

**C. Refunded Debt**

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2025, the deferred outflow amount on refunding was \$425,953 and the deferred inflow amount on refunding was \$953,532.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
<b>REVENUES</b>				
LCFF sources	\$ 62,184,300	\$ 61,863,948	\$ 62,863,383	\$ 999,435
Federal sources	2,315,942	2,912,459	3,741,619	829,160
Other state sources	6,612,530	6,580,974	7,180,982	600,008
Other local sources	2,666,979	2,668,978	5,314,884	2,645,906
<b>Total Revenues</b>	<b>73,779,751</b>	<b>74,026,359</b>	<b>79,100,868</b>	<b>5,074,509</b>
<b>EXPENDITURES</b>				
Certificated salaries	26,114,205	26,034,781	26,143,481	(108,700)
Classified salaries	10,635,245	10,902,565	11,635,070	(732,505)
Employee benefits	18,531,450	18,750,634	17,555,666	1,194,968
Books and supplies	3,640,402	3,922,253	3,377,403	544,850
Services and other operating expenditures	7,450,871	7,359,424	9,023,026	(1,663,602)
Capital outlay	4,152,500	4,708,105	5,986,938	(1,278,833)
Other outgo				
Excluding transfers of indirect costs	4,065,632	3,568,433	3,618,979	(50,546)
Transfers of indirect costs	(153,150)	(153,150)	(162,878)	9,728
<b>Total Expenditures</b>	<b>74,437,155</b>	<b>75,093,045</b>	<b>77,177,685</b>	<b>(2,084,640)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(657,404)</b>	<b>(1,066,686)</b>	<b>1,923,183</b>	<b>2,989,869</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	60,000	-	-	-
Other sources	(1,788,000)	(1,788,000)	-	1,788,000
Transfers out	-	-	(2,600,557)	(2,600,557)
<b>Net Financing Sources (Uses)</b>	<b>(1,728,000)</b>	<b>(1,788,000)</b>	<b>(2,600,557)</b>	<b>(812,557)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,385,404)</b>	<b>(2,854,686)</b>	<b>(677,374)</b>	<b>2,177,312</b>
<b>Fund Balance - Beginning</b>	<b>19,979,199</b>	<b>19,979,199</b>	<b>19,979,199</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 17,593,795</b>	<b>\$ 17,124,513</b>	<b>\$ 19,301,825</b>	<b>\$ 2,177,312</b>

\* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- Actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Postemployment Benefits in accordance with the fund type definitions promulgated by GASB Statement No. 54.
- The schedule above does not reflect reclassifying journal entries.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>Total OPEB Liability</b>								
Service cost	\$ 1,142,770	\$ 1,130,067	\$ 780,572	\$ 986,039	\$ 739,093	\$ 717,566	\$ 593,914	\$ 576,615
Interest on total OPEB liability	627,041	561,779	485,062	299,364	256,841	241,631	339,359	317,835
Changes of benefit terms	-	-	500,239	-	-	-	-	-
Difference between expected and actual experience	-	(732,574)	-	(28,486)	-	(760,383)	-	-
Changes of assumptions	(1,409,881)	348,195	(181,494)	(418,294)	37,276	531,272	483,678	-
Benefits payments	(363,574)	(320,340)	(207,182)	(193,421)	(293,026)	(285,650)	(305,161)	(294,638)
Net change in total OPEB liability	(3,644)	987,127	1,377,197	645,202	740,184	444,436	1,111,790	599,812
Total OPEB liability - beginning	14,821,726	13,844,599	12,467,402	11,822,200	11,082,016	10,637,580	9,525,790	8,925,978
Total OPEB liability - ending	\$ 14,818,082	\$ 14,831,726	\$ 13,844,599	\$ 12,467,402	\$ 11,822,200	\$ 11,082,016	\$ 10,637,580	\$ 9,525,790
Covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
District's total OPEB liability as a percentage of covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*

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

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
District's proportion of the net pension liability	0.042%	0.036%	0.036%	0.034%	0.034%	0.034%	0.033%	0.032%	0.033%	0.034%
District's proportionate share of the net pension liability	\$ 26,076,147	\$ 27,574,468	\$ 25,005,683	\$ 15,653,465	\$ 33,587,704	\$ 30,558,258	\$ 30,229,096	\$ 29,863,274	\$ 27,027,567	\$ 22,907,262
State's proportionate share of the net pension liability associated with the District	21,709,363	13,211,942	12,522,748	7,876,217	17,314,465	16,671,570	17,307,571	17,666,861	15,386,312	12,115,416
<b>Total</b>	<u>\$ 47,785,510</u>	<u>\$ 40,786,410</u>	<u>\$ 37,528,431</u>	<u>\$ 23,529,682</u>	<u>\$ 50,902,169</u>	<u>\$ 47,229,828</u>	<u>\$ 47,536,667</u>	<u>\$ 47,530,135</u>	<u>\$ 42,413,879</u>	<u>\$ 35,022,678</u>
District's covered payroll	\$ 25,214,777	\$ 22,299,466	\$ 20,577,086	\$ 18,775,666	\$ 18,616,485	\$ 18,361,173	\$ 17,602,578	\$ 17,375,946	\$ 17,042,637	\$ 15,449,167
District's proportionate share of the net pension liability as a percentage of its covered payroll	103.42%	123.66%	121.52%	83.37%	180.42%	166.43%	171.73%	171.87%	158.59%	148.28%
Plan fiduciary net position as a percentage of the total pension liability	83.55%	80.60%	81.20%	87.20%	71.80%	72.60%	71.00%	69.46%	70.04%	74.02%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS  
 FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
District's proportion of the net pension liability	0.071%	0.056%	0.055%	0.054%	0.053%	0.053%	0.051%	0.051%	0.051%	0.050%
District's proportionate share of the net pension liability	\$ 21,322,668	\$ 20,346,379	\$ 19,041,631	\$ 10,929,044	\$ 16,206,327	\$ 15,489,892	\$ 13,639,440	\$ 12,217,576	\$ 10,091,844	\$ 7,326,695
District's covered payroll	\$ 11,778,267	\$ 9,702,192	\$ 8,472,903	\$ 7,708,415	\$ 7,600,989	\$ 7,355,110	\$ 6,721,254	\$ 6,518,786	\$ 6,124,580	\$ 5,504,664
District's proportionate share of the net pension liability as a percentage of its covered payroll	181.03%	209.71%	224.74%	141.78%	213.21%	210.60%	202.93%	187.42%	164.78%	133.10%
Plan fiduciary net position as a percentage of the total pension liability	72.29%	70.00%	69.80%	81.00%	70.00%	70.00%	70.80%	71.87%	73.90%	79.43%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Contractually required contribution	\$ 4,814,095	\$ 4,673,805	\$ 4,259,198	\$ 3,481,643	\$ 3,032,270	\$ 3,183,419	\$ 2,989,199	\$ 2,540,052	\$ 2,185,894	\$ 1,828,675
Contributions in relation to the contractually required contribution*	(4,814,095)	(4,673,805)	(4,259,198)	(3,481,643)	(3,032,270)	(3,183,419)	(2,989,199)	(2,540,052)	(2,185,894)	(1,828,675)
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	\$ 25,661,116	\$ 25,214,777	\$ 22,299,466	\$ 20,577,086	\$ 18,775,666	\$ 18,616,485	\$ 18,361,173	\$ 17,602,578	\$ 17,375,946	\$ 17,042,637
Contributions as a percentage of covered payroll	18.76%	18.54%	19.10%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%

\*Amounts do not include on-behalf contributions

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Contractually required contribution	\$ 3,364,352	\$ 3,132,868	\$ 4,259,198	\$ 3,481,643	\$ 3,032,270	\$ 3,183,419	\$ 2,989,199	\$ 2,540,052	\$ 2,185,894	\$ 1,828,675
Contributions in relation to the contractually required contribution*	(3,364,352)	(3,132,868)	(4,259,198)	(3,481,643)	(3,032,270)	(3,183,419)	(2,989,199)	(2,540,052)	(2,185,894)	(1,828,675)
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	\$ 12,483,708	\$ 11,778,267	\$ 9,702,192	\$ 8,472,903	\$ 7,708,415	\$ 7,600,989	\$ 7,355,110	\$ 6,721,254	\$ 6,518,786	\$ 6,124,580
Contributions as a percentage of covered payroll	26.95%	26.60%	43.90%	41.09%	39.34%	41.88%	40.64%	37.79%	33.53%	29.86%

\*Amounts do not include on-behalf contributions

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 1 – PURPOSE OF SCHEDULES**

**Budgetary Comparison Schedule**

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

**Schedule of Changes in Total OPEB Liability and Related Ratios**

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, including the total OPEB liability as a percentage of covered-employee payroll.

**Changes in Benefit Terms**

There were no changes in benefit terms since the previous measurement.

**Changes in Assumptions**

The discount rate increased from 3.97% to 5.20% from the previous measurement.

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

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

**Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuations for CalSTRS or CalPERS.

**Changes in Assumptions**

There were no changes in economic assumptions since the previous valuations for CalSTRS or CalPERS.

**Schedule of District Contributions**

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued  
 FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2025, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	<b>Expenditures and Other Uses</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Excess</b>
General Fund			
Certificated salaries	\$ 26,034,781	\$ 26,143,481	\$ 108,700
Classified salaries	\$ 10,902,565	\$ 11,635,070	\$ 732,505
Services and other operating expenditures	\$ 7,359,424	\$ 9,023,026	\$ 1,663,602
Capital outlay	\$ 4,708,105	\$ 5,986,938	\$ 1,278,833
Other outgo			
Excluding transfers of indirect costs	\$ 3,568,433	\$ 3,618,979	\$ 50,546

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## **SUPPLEMENTARY INFORMATION**

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**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u>	<u>AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 1,459,827
Comprehensive Support and Improvement for LEAs	84.010	15438	<u>155,160</u>
Subtotal Title I, Part A			<u>1,614,987</u>
Adult Education			
Adult Education: Adult Basic Education & ESL	84.002A	14508	68,916
Adult Education: Adult Secondary Education	84.002	13978	<u>240,950</u>
Subtotal Adult Education			<u>309,866</u>
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	154,407
Title III, English Learner Student Program	84.365	14346	65,313
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	95,362
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	194,965
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	<u>48,803</u>
Subtotal Special Education Cluster			<u>243,768</u>
Strengthening Career and Technical Education for the 21st Century (Perkins V)	84.048	14894	180,143
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	1,088,377
American Rescue Plan - Homeless Children and Youth II (ARP HYC II) Program	84.425	15566	<u>16,147</u>
Subtotal Education Stabilization Fund Discretionary Grants			<u>1,104,524</u>
<b>Total U. S. Department of Education</b>			<u>3,768,370</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	739,181
National School Lunch Program	10.555	13391	1,037,779
USDA Commodities	10.555	*	146,723
Local Food for Schools	10.555	15708	<u>6,513</u>
Subtotal Child Nutrition Cluster			<u>1,930,196</u>
Pandemic EBT Local Administrative Grant	10.649	15644	<u>285,031</u>
<b>Total U. S. Department of Agriculture</b>			<u>2,215,227</u>
<b>Total Federal Expenditures</b>			<u>\$ 5,983,597</u>

\* - Pass-Through Entity Identifying Number not available or not applicable

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)  
FOR THE YEAR ENDED JUNE 30, 2025**

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	<b>Second Period Report</b>	<b>Annual Report</b>
HANFORD JOINT UNION HIGH SCHOOL DISTRICT		
Ninth through Twelfth		
Regular ADA	3,801.73	3,764.05
Special Education - Nonpublic Schools	1.09	1.11
Community Day School	21.71	20.36
Total Ninth through Twelfth	<u>3,824.53</u>	<u>3,785.52</u>
TOTAL SCHOOL DISTRICT	<u>3,824.53</u>	<u>3,785.52</u>

	<b>Second Period Report</b>	<b>Annual Report</b>
HANFORD ONLINE CHARTER SCHOOL		
Nonclassroom-based Ninth through Twelfth		
Regular ADA	134.19	142.71
Total Nonclassroom-based Ninth through Twelfth	<u>134.19</u>	<u>142.71</u>
TOTAL CHARTER SCHOOL	<u>134.19</u>	<u>142.71</u>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 SCHEDULE OF INSTRUCTIONAL TIME  
 FOR THE YEAR ENDED JUNE 30, 2025**

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<b>Grade Level</b>	<b>Minutes Requirement</b>	<b>2024-25 Actual Instructional Minutes</b>	<b>Number of Days</b>	<b>Status</b>
Grade 9	64,800	65,123	180	Complied
Grade 10	64,800	65,123	180	Complied
Grade 11	64,800	65,123	180	Complied
Grade 12	64,800	65,123	180	Complied

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2025**

	<b>2026 (Budget)</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 77,882,273	\$ 79,100,868	\$ 80,994,396	\$ 74,921,716
Expenditures And Other Financing Uses	76,190,112	79,778,242	81,474,723	66,726,551
Net change in Fund Balance	\$ 1,692,161	\$ (677,374)	\$ (480,327)	\$ 8,195,165
Ending Fund Balance	\$ 20,993,986	\$ 19,301,825	\$ 19,979,199	\$ 20,459,527
Available Reserves*	\$ 4,948,813	\$ 3,539,062	\$ 2,464,118	\$ 2,876,207
Available Reserves As A Percentage Of Outgo	6.50%	4.44%	3.02%	4.31%
Long-term Liabilities	\$ 146,193,605	\$ 150,748,441	\$ 154,305,040	\$ 152,088,042
Average Daily Attendance At P-2	3,823	3,825	3,729	3,773

The General Fund ending fund balance has decreased by \$1,157,702 over the past two years. However, the fiscal year 2025-26 budget projects an increase of \$1,692,161. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in two of the past three years but anticipates incurring an operating surplus during the 2025-26 fiscal year. Total long-term obligations have decreased by \$1,339,601 over the past two years.

Average daily attendance has increased by 52 ADA over the past two years. A slight decrease of 2 ADA is anticipated during the 2025-26 fiscal year.

\*Available reserves consist of all unassigned fund balance within the General Fund.

\*\*The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Postemployment Benefits in accordance with the fund type definitions promulgated by GASB Statement No. 54.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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	<b>General Fund</b>	<b>Cafeteria Fund</b>	<b>Special Reserve Fund for Postemployment Benefits</b>
June 30, 2025, annual financial and budget report fund balance	\$ 19,301,825	\$ 3,462,088	\$ 1,167,561
Adjustments and reclassifications:			
Increase (decrease) in total fund balances:			
Accounts receivable	-	(263,461)	-
Fund balance transfer (GASB 54)	1,167,561	-	(1,167,561)
Net adjustments and reclassifications	<u>1,167,561</u>	<u>(263,461)</u>	<u>(1,167,561)</u>
June 30, 2025, audited financial statement fund balance	<u>\$ 20,469,386</u>	<u>\$ 3,198,627</u>	<u>\$ -</u>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2025**

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<b>Charter #</b>	<b>Charter School</b>	<b>Status</b>	<b>Included in Audit Report</b>
1997	Hanford Online Charter School	Active	Yes

See accompanying notes to supplementary information.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
JUNE 30, 2025**

	Student Activity Fund	Charter Schools Fund	Adult Education Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds
<b>ASSETS</b>									
Cash and investments	\$ 1,012,074	\$ 1,681,831	\$ 1,773,019	\$ 2,446,361	\$ 3,098,626	\$ 6,674,600	\$ 6,803,920	\$ 6,130,305	\$ 29,620,736
Accounts receivable	-	11,097	102,180	671,590	-	447,017	-	-	1,231,884
Due from other funds	-	126,264	-	5,960	-	643,907	750,000	-	1,526,131
Stores inventory	-	-	-	78,851	-	-	-	-	78,851
<b>Total Assets</b>	<b>\$ 1,012,074</b>	<b>\$ 1,819,192</b>	<b>\$ 1,875,199</b>	<b>\$ 3,202,762</b>	<b>\$ 3,098,626</b>	<b>\$ 7,765,524</b>	<b>\$ 7,553,920</b>	<b>\$ 6,130,305</b>	<b>\$ 32,457,602</b>
<b>LIABILITIES</b>									
Accrued liabilities	\$ -	\$ 137,335	\$ 59,124	\$ 4,135	\$ -	\$ 256,736	\$ -	\$ -	\$ 457,330
Due to other funds	-	-	-	-	-	750,000	643,907	-	1,393,907
<b>Total Liabilities</b>	<b>-</b>	<b>137,335</b>	<b>59,124</b>	<b>4,135</b>	<b>-</b>	<b>1,006,736</b>	<b>643,907</b>	<b>-</b>	<b>1,851,237</b>
<b>FUND BALANCES</b>									
Non-spendable	-	-	50	81,326	-	-	-	-	81,376
Restricted	1,012,074	556,372	1,816,025	3,117,301	3,098,626	6,758,788	6,910,013	6,130,305	29,399,504
Committed	-	1,125,485	-	-	-	-	-	-	1,125,485
<b>Total Fund Balances</b>	<b>1,012,074</b>	<b>1,681,857</b>	<b>1,816,075</b>	<b>3,198,627</b>	<b>3,098,626</b>	<b>6,758,788</b>	<b>6,910,013</b>	<b>6,130,305</b>	<b>30,606,365</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,012,074</b>	<b>\$ 1,819,192</b>	<b>\$ 1,875,199</b>	<b>\$ 3,202,762</b>	<b>\$ 3,098,626</b>	<b>\$ 7,765,524</b>	<b>\$ 7,553,920</b>	<b>\$ 6,130,305</b>	<b>\$ 32,457,602</b>

See accompanying notes to supplementary information.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2025**

	Student Activity Fund	Charter Schools Fund	Adult Education Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds
<b>REVENUES</b>									
LCFF sources	\$ -	\$ 2,170,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,170,472
Federal sources	-	-	311,784	1,930,194	-	-	-	-	2,241,978
Other state sources	-	175,524	1,094,372	1,285,064	-	-	-	23,818	2,578,778
Other local sources	1,595,545	82,365	132,579	204,468	302,460	1,956,122	3,936,810	4,902,244	13,112,593
<b>Total Revenues</b>	<b>1,595,545</b>	<b>2,428,361</b>	<b>1,538,735</b>	<b>3,419,726</b>	<b>302,460</b>	<b>1,956,122</b>	<b>3,936,810</b>	<b>4,926,062</b>	<b>20,103,821</b>
<b>EXPENDITURES</b>									
Current									
Instruction	-	1,457,417	684,514	-	-	-	-	-	2,141,931
Instruction-related services									
School site administration	-	426,703	406,841	-	-	-	-	-	833,544
Pupil services									
Food services	-	-	-	2,960,222	-	-	-	-	2,960,222
All other pupil services	-	120,991	39,724	-	-	-	-	-	160,715
General administration									
All other general administration	-	62,782	36,693	63,403	-	-	-	-	162,878
Plant services	-	30,900	148,466	213	-	-	-	-	179,579
Facilities acquisition and construction	-	166,450	(2,503)	-	2,182,722	-	232,554	-	2,579,223
Ancillary services	1,429,472	-	-	-	-	-	-	-	1,429,472
Debt service									
Principal	-	-	-	-	-	-	-	2,098,803	2,098,803
Interest and other	-	-	-	-	-	-	-	2,572,700	2,572,700
<b>Total Expenditures</b>	<b>1,429,472</b>	<b>2,265,243</b>	<b>1,313,735</b>	<b>3,023,838</b>	<b>2,182,722</b>	<b>-</b>	<b>232,554</b>	<b>4,671,503</b>	<b>15,119,067</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>166,073</b>	<b>163,118</b>	<b>225,000</b>	<b>395,888</b>	<b>(1,880,262)</b>	<b>1,956,122</b>	<b>3,704,256</b>	<b>254,559</b>	<b>4,984,754</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	-	-	-	2,973,945	-	2,973,945
Other sources	-	-	-	-	-	-	-	14,237,782	14,237,782
Transfers out	-	(2,670)	(1,372)	(1,925)	(2,223,945)	(750,000)	-	-	(2,979,912)
Other uses	-	-	-	-	-	-	-	(14,002,185)	(14,002,185)
<b>Net Financing Sources (Uses)</b>	<b>-</b>	<b>(2,670)</b>	<b>(1,372)</b>	<b>(1,925)</b>	<b>(2,223,945)</b>	<b>(750,000)</b>	<b>2,973,945</b>	<b>235,597</b>	<b>229,630</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>166,073</b>	<b>160,448</b>	<b>223,628</b>	<b>393,963</b>	<b>(4,104,207)</b>	<b>1,206,122</b>	<b>6,678,201</b>	<b>490,156</b>	<b>5,214,384</b>
<b>Fund Balance - Beginning</b>	<b>846,001</b>	<b>1,521,409</b>	<b>1,592,447</b>	<b>2,804,664</b>	<b>7,202,833</b>	<b>5,552,666</b>	<b>231,812</b>	<b>5,640,149</b>	<b>25,391,981</b>
<b>Fund Balance - Ending</b>	<b>\$ 1,012,074</b>	<b>\$ 1,681,857</b>	<b>\$ 1,816,075</b>	<b>\$ 3,198,627</b>	<b>\$ 3,098,626</b>	<b>\$ 6,758,788</b>	<b>\$ 6,910,013</b>	<b>\$ 6,130,305</b>	<b>\$ 30,606,365</b>

See accompanying notes to supplementary information.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

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**NOTE 1 – PURPOSE OF SCHEDULES**

**Schedule of Expenditures of Federal Awards**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The District has not elected to use the de minimis indirect cost rate of up to 15 percent.

**Schedule of Average Daily Attendance (ADA)**

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

**Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the article 8 (commencing with section 46200) of chapter 2 of part 26 of the *Education Code*.

**Schedule of Financial Trends and Analysis**

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

**Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

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

**Schedule of Charter Schools**

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

**Combining Statements – Non-Major Funds**

These statements provide information on the District's non-major funds.

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## **OTHER INFORMATION**

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**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
 JUNE 30, 2025**

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The Hanford Joint Union High School District was established in 1892 and is comprised of an area of approximately 248.5 square miles located in Kings County. There were no changes in the boundaries of the District during the current year. The District operates three comprehensive high schools, a community day school, a continuation school, an adult school and one online charter school.

**GOVERNING BOARD**

<b>Member</b>	<b>Office</b>	<b>Term Expires</b>
Paul Gillum	President	2028
Melonie Robinson	Clerk	2026
Lisa Chavarin	Member	2026
Alicia Martella	Member	2026
Janet Barbeiro	Member	2028

**DISTRICT ADMINISTRATORS**

Dr. Victor Rosa  
*Superintendent*

Renee Creech  
*Assistant Superintendent  
 of Business and Operations*

Julie Fagundes  
*Director of Business*

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**OTHER INDEPENDENT AUDITORS' REPORTS**

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**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**Independent Auditors' Report

Governing Board  
Hanford Joint Union High School District  
Hanford, 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 Hanford Joint Union High School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Hanford Joint Union High School District's basic financial statements, and have issued our report thereon dated January 19, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Hanford Joint Union High 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 Hanford Joint Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Hanford Joint Union High 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Hanford Joint Union High 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*.

### **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.

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive, flowing style.

San Diego, California

January 19, 2026

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

Governing Board  
Hanford Joint Union High School District  
Hanford, California

**Report on Compliance for Each Major Federal Program*****Opinion on Each Major Federal Program***

We have audited Hanford Joint Union High 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 each of Hanford Joint Union High School District's major federal programs for the year ended June 30, 2025. Hanford Joint Union High School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hanford Joint Union High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) 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 Hanford Joint Union High 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 audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of Hanford Joint Union High 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 the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Hanford Joint Union High School District's federal programs.

## ***Auditor's Responsibilities for the Audit for 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 Hanford Joint Union High 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about Hanford Joint Union High School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *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 Hanford Joint Union High School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Hanford Joint Union High 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 Hanford Joint Union High 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 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.

**Report on Internal Control Over Compliance (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 blue ink that reads "Christy White, Inc". The signature is written in a cursive style.

San Diego, California  
January 19, 2026

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL  
OVER COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

Governing Board  
Hanford Joint Union High School District  
Hanford, California

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

We have audited Hanford Joint Union High School District's compliance with the requirements specified in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to Hanford Joint Union High School District's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2025.

In our opinion, Hanford Joint Union High School District complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 2025.

***Basis for Opinion on State Compliance***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

We are required to be independent of Hanford Joint Union High 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. Our audit does not provide a legal determination of Hanford Joint Union High 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 the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Hanford Joint Union High School District's state programs.

**Auditor’s Responsibilities for the Audit of State Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Hanford Joint Union High 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 generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide 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 Hanford Joint Union High School District's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, 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 Hanford Joint Union High School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of Hanford Joint Union High 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 K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Hanford Joint Union High School District's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine Hanford Joint Union High School District's compliance with the state laws and regulations applicable to the following items:

<u>PROGRAM NAME</u>	<u>PROCEDURES PERFORMED</u>
<b>Local Education Agencies Other Than Charter Schools</b>	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	No
Continuation Education	No
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools or Programs	Not Applicable
K-3 Grade Span Adjustment	Not Applicable
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes

**Auditor’s Responsibilities for the Audit of State Compliance (continued)**

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
<b>School Districts, County Offices of Education, and Charter Schools</b>	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Not Applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Not Applicable
Transitional Kindergarten	Not Applicable
Kindergarten Continuance	Not Applicable
<b>Charter Schools</b>	
Attendance; for charter schools	Yes
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Yes
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Yes
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

We did not perform testing for Independent Study and Continuation Education because the ADA was not material.

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

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

**Report on Internal Control Over Compliance**

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

**Report on Internal Control Over Compliance (continued)**

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive, flowing style.

San Diego, California  
January 19, 2026

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## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I, Part A, Basic Grants Low-Income and Neglected

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	<u>Yes</u>

**STATE AWARDS**

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with 2024-25 Guide for Annual Audits of California K-12 Local Education Agencies ?	<u>No</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2025**

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**FIVE DIGIT CODE**

20000  
30000

**AB 3627 FINDING TYPE**

Inventory of Equipment  
Internal Control

There were no financial statement findings for the year ended June 30, 2025.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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**FIVE DIGIT CODE**

50000

**AB 3627 FINDING TYPE**

Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2025.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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**FIVE DIGIT CODE**

10000  
40000  
42000  
43000  
60000  
61000  
62000  
70000  
71000  
72000

**AB 3627 FINDING TYPE**

Attendance  
State Compliance  
Charter School Facilities Programs  
Apprenticeship: Related and Supplemental Instruction  
Miscellaneous  
Classroom Teacher Salaries  
Local Control Accountability Plan  
Instructional Materials  
Teacher Misassignments  
School Accountability Report Card

There were no state award findings or questioned costs for the year ended June 30, 2025.

**HANFORD JOINT UNION HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2025**

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*There were no findings or questioned costs for the year ended June 30, 2024.*

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## APPENDIX C

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Hanford Joint Union High School District (the “District”) in connection with the issuance of \$ \_\_\_\_\_ of the District’s 2026 General Obligation Refunding Bonds (the “Bonds”). The Bonds are being issued pursuant to a Resolution of the District adopted on May 12, 2026 (the “Resolution”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

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

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean initially the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Financial Obligation” shall mean (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Rulemaking Board consistent with the Rule.

“Holders” shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Sections 5(a) or 5(b) of this Disclosure Certificate.

“Official Statement” shall mean the Official Statement dated as of \_\_\_\_\_, 2026 and relating to the offer and sale of the Bonds.

“Participating Underwriter” shall mean Stifel, Nicolaus & Co., Inc., as the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Repository” shall mean the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

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

“State” shall mean the State of California.

### SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (presently ending June 30), commencing with the report for the 2025-26 fiscal year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a notice in a timely manner to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

### SECTION 4. Content and Form of Annual Reports.

(a) The District’s Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District’s audited financial statements):

(a) State funding received by the District for the last completed fiscal year;

- (b) average daily attendance of the District for the last completed fiscal year;
- (c) outstanding District indebtedness;
- (d) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;
- (e) assessed valuation of taxable property within the District, for the current fiscal year;
- (f) secured *ad valorem* tax charges and delinquencies within the District, for the last completed year; and
- (g) largest twenty local secured taxpayers within the District, for the current fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

#### SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.
2. tender offers.
3. defeasances.
4. rating changes.
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
6. unscheduled draws on the debt service reserves reflecting financial difficulties.
7. unscheduled draws on credit enhancement reflecting financial difficulties.
8. substitution of the credit or liquidity providers or their failure to perform.
9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other

proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. optional, contingent or unscheduled bond calls.
4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.
8. incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bond Owners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file

any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and
- (d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the

financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2026

HANFORD JOINT UNION HIGH SCHOOL  
DISTRICT

By \_\_\_\_\_  
Dr. Victor Rosa  
Superintendent

**EXHIBIT A**

**NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT**

Name of District: HANFORD JOINT UNION HIGH SCHOOL DISTRICT

Name of Bond Issue: 2026 General Obligation Refunding Bonds

Date of Issuance: \_\_\_\_\_, 2026

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

HANFORD JOINT UNION HIGH SCHOOL  
DISTRICT

By \_\_\_\_\_ [form only; no signature required]

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## APPENDIX D

### GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR KINGS COUNTY AND THE CITY OF HANFORD

*The portion of Tulare County served by the District represents less than one percent of the assessed valuation of the District as a whole. Therefore, additional economic or demographic data on Tulare County is not provided in this Official Statement. The following information regarding the City of Hanford (the "City") and Kings County (the "County") is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the City, the County or Tulare County. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District, Bond Counsel, the Underwriter or the municipal advisor.*

#### **General**

***The City of Hanford.*** Named for James Madison Hanford, auditor of the Southern Pacific Railroad, the City is the seat of the County and has long been the major trading center of the area. Incorporated in 1891 as a general law city, it utilizes the council-manager form of government. The five-member City Council is elected by district to serve four-year, staggered terms, and selects two of its members to serve as the Mayor and the Vice-Mayor every year. The City Council also appoints the city manager. The City is approximately 16.6 square miles, located in the south-central section of the San Joaquin Valley, and is known for its downtown historic district.

***Kings County.*** Incorporated in 1893, the County is located midway between Los Angeles and the Bay Area, in the San Joaquin Valley. Because of its central location and easy access to major distribution networks, it is a regional hub for business and industry. Comprised of 1,391 square miles, the County is a general law county and is governed by a five-member Board of Supervisors elected by district biennially to four-year staggered terms. Home to two major California State Prisons, as well as the Lemoore Naval Air Station, the economy of the County is primarily governmental, with agriculture and trade making up other large sectors.

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## Population

The following table shows the historical population figures for the City, the County and the State for the past 10 years.

**POPULATION ESTIMATES  
2017 through 2026  
City of Hanford, Kings County and State of California**

<u>Year</u>	<u>City of Hanford</u>	<u>Kings County</u>	<u>State of California</u>
2017 <sup>(1)</sup>	56,221	148,079	39,273,915
2018 <sup>(1)</sup>	57,012	150,058	39,429,439
2019 <sup>(1)</sup>	57,724	151,918	39,503,656
2020 <sup>(2)</sup>	58,123	152,486	39,538,223
2021 <sup>(2)</sup>	58,663	151,068	39,380,058
2022 <sup>(2)</sup>	58,212	151,600	39,159,480
2023 <sup>(2)</sup>	58,949	151,443	39,167,274
2024 <sup>(2)</sup>	59,722	153,491	39,446,835
2025 <sup>(2)</sup>	61,113	153,833	39,646,907
2026 <sup>(2)</sup>	60,837	153,754	39,592,978

<sup>(1)</sup> As of January 1.

<sup>(2)</sup> As of May 1.

Source: 2017-19 (2010 Demographic Research Unit Benchmark): California Department of Finance for January 1. 2020-26 (2020 Demographic Research Unit Benchmark): California Department of Finance for May 1.

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## Income

The following table summarizes per capita personal income for the County, the State, and the United States for the past 10 years that statistics are currently available.

**PER CAPITA PERSONAL INCOME**  
**2015 through 2024**  
**Kings County, the State of California and United States**

<u>Year</u>	<u>Kings County</u>	<u>State of California</u>	<u>United States</u>
2015	\$32,758	\$53,816	\$48,062
2016	34,192	55,862	48,974
2017	35,431	58,214	51,006
2018	35,083	60,984	53,311
2019	36,435	64,219	55,567
2020	41,497	70,100	59,151
2021	43,931	77,134	64,692
2022	43,286	77,196	66,298
2023	44,338	81,196	70,002
2024	47,718	86,232	73,204

Note: Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. Last updated: February 5, 2026 – new statistics for 2024; revised statistics for 2020-2023.

All dollar estimates are in current dollars (not adjusted for inflation).

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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## Principal Employers

The following tables list the principal employers in the City and the County.

### PRINCIPAL EMPLOYERS June 30, 2025 City of Hanford

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
Adventist Health Hanford	Services: Health	1,713
Central Valley Meat Co.	Manufacturing: Food and Kindred Products	822
Del Monte Foods Inc	Manufacturing: Food and Kindred Products	750
Hanford Elementary School District	Services: Educational	734
Hanford Joint Union High School District	Services: Educational	472
Walmart Supercenter City of Hanford	Retail Trade: General Merchandise Stores Public Administration	412 306
Costco Wholesale	Wholesale Trade-non-durable Goods	255
Marquez Brothers International	Wholesale Trade-non-durable Goods	230
College of the Sequoias	Services: Educational	183

Source: City of Hanford Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2025.

### PRINCIPAL EMPLOYERS 2026 Kings County

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
Naval Air Station Lemoore	National Security	5,000 – 9,999
Adventist Health Hanford	Services: Health	1,000 – 4,999
California State Prison	Public Administration: Correctional Institutions	1,000 – 4,999
California State Prison	Public Administration: Correctional Institutions (Government Offices)	1,000 – 4,999
Del Monte Foods Inc	Manufacturing: Food and Kindred Products	1,000 – 4,999
Kings County Admin	Public Administration	1,000 – 4,999
Walmart Supercenter	Retail Trade: General Merchandise Stores	500 – 999
Central Valley Meat Co.	Manufacturing: Food and Kindred Products	250 – 499
Lemoore High School	Services: Educational	250 – 499
Naval Health Clinic Lemoore	Services: Health	250 – 499

Source: State of California, Employment Development Department, as extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2026 1<sup>st</sup> Edition.

## Employment

The following table summarizes the labor force, employment, and unemployment figures for years 2020 through 2024 for the City, the County, the State, and the United States.

### LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGES 2020 through 2024<sup>(1)</sup> City of Hanford, Kings County, State of California, and United States

<u>Year and Area</u>	<u>Labor Force</u>	<u>Employment<sup>(2)</sup></u>	<u>Unemployment<sup>(3)</sup></u>	<u>Unemployment Rate (%)</u>
<u>2020</u>				
City of Hanford	23,300	20,600	2,700	11.7
Kings County	54,900	48,100	6,800	12.3
State of California	18,821,200	16,913,100	1,908,100	10.0
United States	160,742,000	147,795,000	12,947,000	8.1
<u>2021</u>				
City of Hanford	23,000	20,900	2,100	9.1
Kings County	53,900	48,400	5,400	10.1
State of California	19,041,000	18,127,700	913,300	4.8
United States	161,204,000	152,581,000	8,623,000	5.3
<u>2022</u>				
City of Hanford	23,300	21,800	1,500	6.5
Kings County	54,700	50,600	4,100	7.4
State of California	19,252,900	18,440,900	811,100	4.2
United States	164,287,000	158,291,000	5,996,000	3.6
<u>2023</u>				
City of Hanford	24,400	22,600	1,800	7.2
Kings County	56,800	52,000	4,800	8.5
State of California	19,308,300	18,388,300	920,000	4.8
United States	167,116,000	161,037,000	6,080,000	3.6
<u>2024</u>				
City of Hanford	25,100	23,100	2,000	7.9
Kings County	58,400	53,200	5,200	8.9
State of California	19,644,100	18,600,900	1,043,100	5.3
United States	168,106,000	161,346,000	6,761,000	4.0

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department, March 2024 Benchmark.

## Industry

The County is located in the Hanford-Corcoran Metropolitan Statistical Area. The distribution of employment is presented in the following table for the last five years. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

### INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES 2021 through 2025 Kings County (Hanford-Corcoran Metropolitan Statistical Area)

<u>Category</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Farm	9,600	9,500	9,700	9,600	9,100
Total Nonfarm	39,500	41,500	42,600	43,400	43,800
Total Private	25,500	27,100	27,600	28,100	28,400
Goods Producing	5,500	5,900	5,800	5,800	5,500
Mining, Logging and Construction	1,000	1,200	1,200	1,200	1,200
Manufacturing	4,500	4,700	4,700	4,600	4,300
Service Providing	34,000	35,700	36,800	37,600	38,300
Private Service Providing	20,000	21,200	21,700	22,300	22,900
Trade, Transportation and Utilities	6,500	6,700	6,600	6,500	6,600
Wholesale Trade	600	600	600	700	700
Retail Trade	4,400	4,400	4,400	4,300	4,500
Transportation, Warehousing and Utilities	1,600	1,600	1,500	1,400	1,400
Information	200	200	200	200	200
Financial Activities	900	900	800	800	800
Professional and Business Services	1,300	1,700	1,700	2,000	2,000
Private Education and Health Services	6,500	6,800	7,600	8,100	8,600
Leisure and Hospitality	3,900	4,200	4,100	4,100	4,100
Other Services	700	800	700	700	700
Government	14,000	14,500	15,100	15,300	15,400
Total, All Industries	<u>49,100</u>	<u>51,000</u>	<u>52,300</u>	<u>53,000</u>	<u>52,800</u>

Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.

Source: State of California, Employment Development Department, Labor Market Information Division, Annual Average Labor Force and Industry Employment. March 2025 Benchmark.

## Commercial Activity

Summaries of annual taxable sales for the City and the County for the last five years are shown in the following tables.

**ANNUAL TAXABLE SALES  
2021 through 2025  
City of Hanford  
(Dollars in Thousands)**

<u>Year</u>	Total Retail and Food Services: <u>Permits</u>	Retail and Food		Total All Outlets: <u>Permits</u>	Total All Outlets: Taxable <u>Transactions</u>
		Services: Taxable <u>Transactions</u>			
2021	912	\$1,128,477		1,392	\$1,265,601
2022	945	1,151,268		1,459	1,298,626
2023	910	1,114,926		1,421	1,277,228
2024	929	1,106,898		1,423	1,445,318
2025	925	1,102,481		1,430	1,281,256

*Source: "Taxable Sales in California," California Department of Tax and Fee Administration.*

**ANNUAL TAXABLE SALES  
2021 through 2025  
Kings County  
(Dollars in Thousands)**

<u>Year</u>	Total Retail and Food Services: <u>Permits</u>	Retail and Food		Total All Outlets: <u>Permits</u>	Total All Outlets: Taxable <u>Transactions</u>
		Services: Taxable <u>Transactions</u>			
2021	1,652	\$1,743,794		2,685	\$2,467,534
2022	1,703	1,769,714		2,789	2,608,548
2023	1,599	1,697,956		2,663	2,544,221
2024	1,610	1,684,085		2,657	2,562,326
2025	1,592	1,704,256		2,664	2,476,051

*Source: "Taxable Sales in California," California Department of Tax and Fee Administration.*

## Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued for the past five years for the City and the County are shown in the following tables.

### BUILDING PERMITS AND VALUATIONS 2020 through 2024 City of Hanford (Dollars in Thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Valuation					
Residential	\$49,637	\$101,298	\$106,307	\$127,531	\$121,880
Non-Residential	<u>25,402</u>	<u>19,363</u>	<u>23,945</u>	<u>66,009</u>	<u>38,529</u>
Total	<u>\$75,039</u>	<u>\$120,661</u>	<u>\$130,252</u>	<u>\$193,540</u>	<u>160,409</u>
Units					
Single Family	163	278	249	318	355
Multiple Family	<u>0</u>	<u>92</u>	<u>90</u>	<u>23</u>	<u>10</u>
Total	<u>163</u>	<u>370</u>	<u>339</u>	<u>341</u>	<u>365</u>

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board.

### BUILDING PERMITS AND VALUATIONS 2020 through 2024 Kings County (Dollars in Thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Valuation					
Residential	\$73,899	\$134,184	\$144,837	\$196,716	\$160,318
Non-Residential	<u>50,874</u>	<u>94,669</u>	<u>64,325</u>	<u>115,982</u>	<u>57,566</u>
Total	<u>\$124,773</u>	<u>\$228,853</u>	<u>\$209,162</u>	<u>\$312,698</u>	<u>\$217,884</u>
Units					
Single Family	223	386	378	582	425
Multiple Family	<u>34</u>	<u>92</u>	<u>100</u>	<u>27</u>	<u>144</u>
Total	<u>257</u>	<u>478</u>	<u>478</u>	<u>609</u>	<u>569</u>

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board.

## APPENDIX E

### KINGS COUNTY INVESTMENT POOL

*The following information concerning the Kings County Investment Pool (the "Investment Pool") has been provided by the Director of Finance (the "Director of Finance") of Kings County (the "County"), and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriter. The District, the Municipal Advisor and the Underwriter have not made an independent investigation of the investments in the Investment Pool and have made no assessment of the current County investment policy. The value of the various investments in the Investment Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Director of Finance, with the consent of the County Board of Supervisors, may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Investment Pool will not vary significantly from the values described herein. Finally, none of the District, the Municipal Advisor or the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Investment Pool may be obtained from the Director of Finance at <http://www.kingcounty.gov>; however, the information presented on such website is not incorporated herein by any reference.*

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**COUNTY OF KINGS  
DEPARTMENT OF FINANCE**


Erik Ureña, CPA – Director of Finance  
1400 W. LACEY BLVD • HANFORD, CA 93230

ACCOUNTING DIVISION  
(559) 852-2455 • FAX: (559) 587-9935

TAX COLLECTOR • TREASURER DIVISION  
TAX: (559) 852-2479 • TREASURER (559) 852-2477  
FAX: (559) 582-1236

DATE: April 27, 2026

TO: Treasury Depositors  
Board of Supervisors  
County Treasury Oversight Committee

FROM: Erik Ureña, CPA, Director of Finance 

SUBJECT: Quarterly Portfolio Compliance Report

Enclosed is the Kings County Treasurer's - Quarterly Compliance Report for the period January 1 – March 31, 2026. The interest rate for the quarter for funds held by the Treasury was 3.8451%.

If you have any questions on the report or the portfolio, please feel free to call Tammy Phelps, Assistant Director of Finance – Treasury and Tax, at 852-2462.

Encl. 1

## Kings County Treasurer's Statement of Interest Earnings

For the Period January 1, 2026 -March 31, 2026	
<b>POOLED INVESTMENT ACCOUNT:</b>	
<b>Gross Interest Earnings (on Accrual Basis)</b>	\$8,974,583
Less: Administrative Expenses	(125,899)
Gains/Losses	7,008
Banking Expenses	(23,107)
Prior Qtr/yr int adjustments	2,845
<b>Net Interest Earnings Apportioned</b>	\$8,835,430
<b>Portfolio Return of Investment:</b>	
Average Pooled Funds Invested	\$930,134,668
Gross Yield on Investments	3.9131%
Net Yield on Investments	3.8524%
<b>Treasury Return on Investment:</b>	
Average Pooled Funds In Treasury	\$931,894,130
Gross Yield Pooled Treas Funds	3.9057%
Net Yield on Pooled Treasury Funds	3.8451%
<b>DIRECT INVESTMENT ACCOUNT:</b>	
Average Direct Funds Invested	\$0
<b>TOTAL AVERAGE FUNDS INVESTED:</b>	\$930,134,668

YIELD TRENDS Gross Yield History*		
Quarter	Pool	LAIF
Mar-26	3.9131%	3.9808%
Dec-25	3.7148%	4.2019%
Sep-25	3.8329%	4.3411%
Jun-25	3.5763%	4.4018%
Mar-25	3.6998%	4.4772%
Dec-24	3.2407%	4.6224%
Sep-24	3.3716%	4.7129%
Jun-24	3.0055%	4.5454%
Mar-24	2.9005%	4.3000%
Dec-23	2.5577%	3.9904%
Sep-23	2.3832%	3.5914%
Jun-23	2.2199%	3.1522%
Mar-23	1.8470%	2.7353%
Dec-22	1.3220%	2.0735%
Sep-22	1.0753%	1.3503%
Jun-22	0.8680%	0.7510%
Mar-22	0.7687%	0.3196%
Dec-21	0.7776%	0.2284%

\*The yield history represents gross portfolio yields; costs have not been deducted.

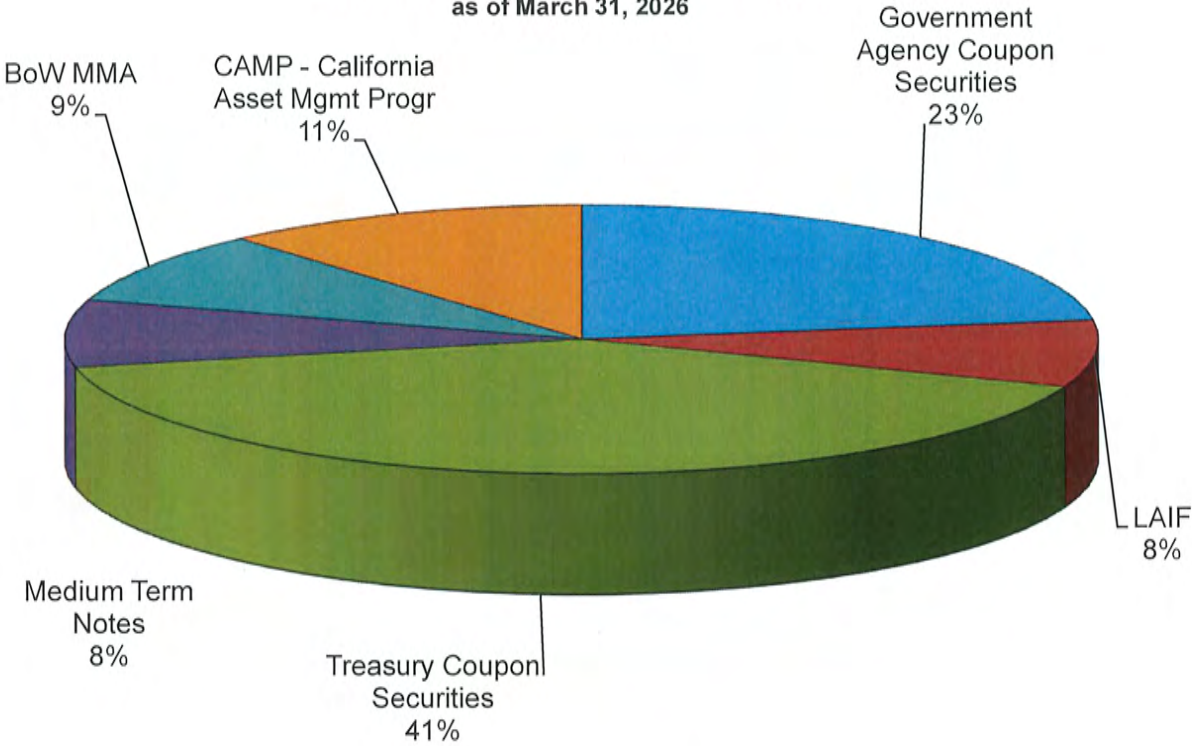
## Kings County Treasurer's Liquidity Projections for the Period April 1, 2026 - March 31, 2027 (In Thousands)

ACTUAL MONTH/ YEAR	A	B	C	D				E	F	G
	TREASURER'S RECEIPTS ACTUAL	TREASURER'S DISBURSEMENTS ACTUAL	TREASURER'S SURPLUS or (DEFICIT) (A-B)	INVESTMENTS				TOTAL (D+E)	ESTIMATE SURPLUS (F+C)	
				MONTH YEAR	PORTFOLIO MATURITIES	LAIF				
Jul-25	60,002	111,295	(51,293)	Jul-26	10,000	75,000	85,000	33,707		
Aug-25	85,655	105,345	(19,690)	Aug-26	8,000	33,707	41,707	22,017		
Sep-25	105,890	94,682	11,208	Sep-26	20,000	22,017	42,017	53,225		
Oct-25	89,866	104,187	(14,321)	Oct-26	10,000	53,225	63,225	48,904		
Nov-25	108,223	95,089	13,134	Nov-26	10,000	48,904	58,904	72,038		
Dec-25	195,533	100,813	94,720	Dec-26	10,000	72,038	82,038	176,758		
Jan-26	114,227	149,609	(35,382)	Jan-27	15,000	75,000	90,000	54,618		
Feb-26	80,831	95,909	(15,078)	Feb-27	10,000	54,618	64,618	49,540		
Mar-26	115,339	106,612	8,727	Mar-27	10,000	49,540	59,540	68,267		
Apr-25	138,305	97,968	40,337	Apr-26	14,000	75,000	89,000	129,337		
May-25	95,691	125,099	(29,408)	May-26	5,000	75,000	80,000	50,592		
Jun-25	120,893	106,352	14,541	Jun-26	15,000	50,592	65,592	80,133		
<b>TOTALS</b>	1,310,455	1,292,960	17,495		137,000					

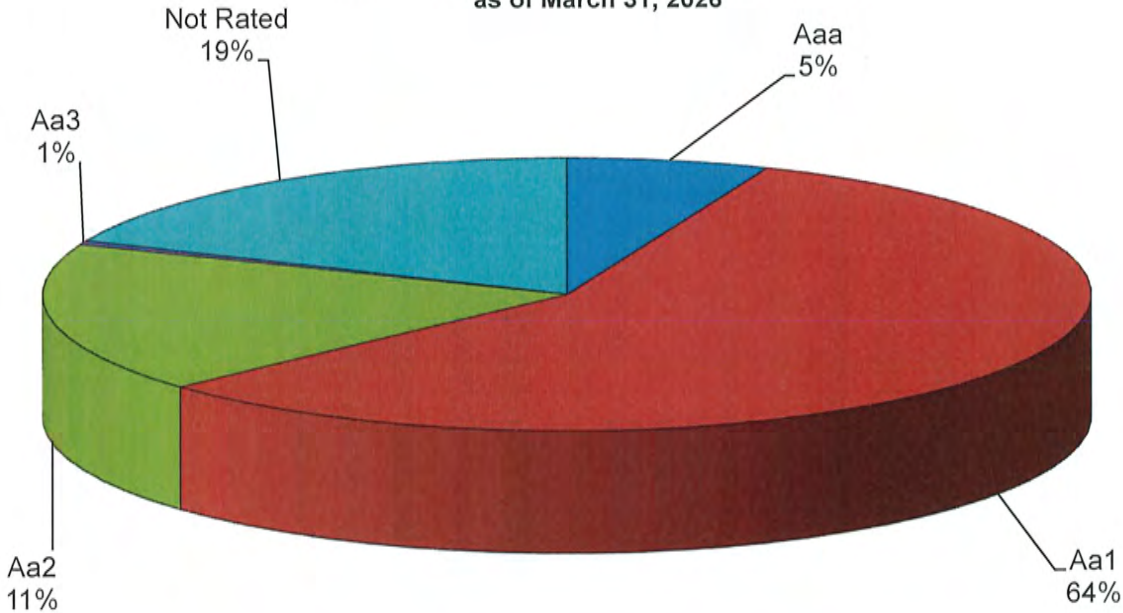
Sufficient liquidity exists to meet the mandated six months cash flow expenditure requirements. The historical receipts have been adjusted for expected non-re-occurring participant activity.

**KINGS COUNTY POOLED INVESTMENTS  
PORTFOLIO STATISTICS**

**Book Value by Investment Type**  
as of March 31, 2026



**Market Value Quality Allocation**  
as of March 31, 2026





**Kings County Investment Pool  
Portfolio Management  
Portfolio Summary  
March 31, 2026**

Kings County  
1400 W. Lacey Blvd.  
Kings County Govt. Center  
Hanford, CA  
(559)582-3211


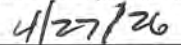
Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	YTM 365 Equiv.	YTM 360 Equiv.
Government Agency Coupon Securities	214,000,000.00	213,496,750.00	213,971,720.43	22.83	1,204	4.008	3.953
LAIF - Local Agency Investment Pool	75,000,000.00	75,000,000.00	75,000,000.00	8.00	1	4.025	3.970
Treasury Coupon Securities	390,000,000.00	383,689,950.00	382,875,730.64	40.85	840	3.868	3.815
Medium Term Notes	78,000,000.00	76,265,460.00	75,943,930.03	8.10	640	4.044	3.988
BofW MMA Deposit Account	81,295,354.72	81,295,354.72	81,295,354.72	8.67	1	3.310	3.265
CAMP - California Asset Mgmt Progr	108,125,396.98	108,125,396.98	108,125,396.98	11.54	1	3.810	3.758
<b>Investments</b>	<b>946,420,751.70</b>	<b>937,872,911.70</b>	<b>937,212,132.80</b>	<b>100.00%</b>	<b>670</b>	<b>3.872</b>	<b>3.819</b>
<b>Cash and Accrued Interest</b>							
Accrued Interest at Purchase *		0.00	0.00				
Ending Accrued Interest		5,868,784.94	5,868,784.94				
Subtotal		5,868,784.94	5,868,784.94				
<b>Total Cash and Investments</b>	<b>946,420,751.70</b>	<b>943,741,696.64</b>	<b>943,080,917.74</b>		<b>670</b>	<b>3.872</b>	<b>3.819</b>

Total Earnings	March 31 Month Ending	Fiscal Year To Date
Current Year	3,080,712.84	25,813,308.62

\* 350,390.62 Accrued at Purchase is Included in Book Value.

Average Daily Balance	916,709,850.17	899,335,150.90
Effective Rate of Return	3.96%	3.82%

The Pooled Portfolio was in compliance during the quarter ending March 31, 2026, with California Government Code Sections 53601 et.seq. and 53635, and the Director of Finance's Statement of Investment Policy dated January 1, 2026. Market prices are provided by U.S. Bank and are as of the last business day of the month. Ratings listed in the Portfolio Reports are issued by Moody's Rating Agency. If you have any questions about the Pooled Investment Fund, please call Tammy Phelps, Assistant Director of Finance - Treasury & Tax, at (559) 852-2462.

  
  
 Erik Ureña, CPA, Director of Finance

Reporting period 03/01/2026-03/31/2026

Run Date: 04/01/2026 - 13:44

Portfolio POOL  
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PM (PRF\_PM1) 7.3.11  
Report Ver. 7.3.11

**Kings County Investment Pool  
Portfolio Management  
Portfolio Details - Investments  
March 31, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
<b>Government Agency Coupon Securities</b>												
3130ALS47	200048	Federal Home Loan Banks		04/07/2021	3,000,000.00	2,997,660.00	3,000,000.00	1.020	Aa1	1.006	6	04/07/2026
3130ALTE4	200052	Federal Home Loan Banks		04/21/2021	3,000,000.00	2,995,440.00	3,000,000.00	1.000	Aa1	0.986	20	04/21/2026
3130ALXV1	200055	Federal Home Loan Banks		04/22/2021	3,000,000.00	2,995,350.00	3,000,000.00	1.100	Aa1	1.085	21	04/22/2026
3130AWLZ1	230014	Federal Home Loan Banks		11/20/2023	5,000,000.00	5,009,200.00	5,001,142.08	4.750	Aa1	4.636	72	06/12/2026
3130ANN48	210008	Federal Home Loan Banks		09/09/2021	5,000,000.00	4,939,850.00	5,000,000.00	1.000	Aa1	0.986	161	09/09/2026
3130AXU63	230015	Federal Home Loan Banks		11/20/2023	5,000,000.00	5,027,100.00	4,998,146.52	4.625	Aa1	4.601	230	11/17/2026
3133EPW76	230027	Federal Farm Credit Bank		01/19/2024	5,000,000.00	5,002,450.00	4,987,100.00	3.875	Aa1	4.095	293	01/19/2027
3133EPX91	230031	Federal Farm Credit Bank		01/25/2024	5,000,000.00	5,015,100.00	4,997,916.67	4.125	Aa1	4.113	299	01/25/2027
3133EWHM5	250040	Federal Farm Credit Bank		03/27/2026	5,000,000.00	4,981,700.00	4,975,034.72	3.625	Aa1	3.890	716	03/17/2028
3130AYMV5	230033	Federal Home Loan Banks		01/24/2024	5,000,000.00	5,006,200.00	5,000,000.00	4.450	Aa1	4.389	845	07/24/2028
3130AWTR1	230001	Federal Home Loan Banks		09/22/2023	5,000,000.00	5,064,650.00	4,966,363.38	4.375	Aa1	4.613	891	09/08/2028
3133EPWK7	230002	Federal Farm Credit Bank		09/22/2023	5,000,000.00	5,077,600.00	4,983,450.00	4.500	Aa1	4.586	905	09/22/2028
3130AXQK7	230025	Federal Home Loan Banks		01/18/2024	5,000,000.00	5,114,400.00	5,092,045.45	4.750	Aa1	4.009	982	12/08/2028
3130AY3Z7	230023	Federal Home Loan Banks		12/18/2023	5,000,000.00	5,008,150.00	5,000,000.00	4.750	Aa1	4.685	992	12/18/2028
3130AYLD6	230028	Federal Home Loan Banks		01/19/2024	5,000,000.00	4,996,900.00	5,000,000.00	4.250	Aa1	4.192	1,002	12/28/2028
3130AYJ31	230029	Federal Home Loan Banks		01/19/2024	5,000,000.00	4,994,950.00	4,994,834.26	4.375	Aa1	4.353	1,022	01/17/2029
3133EPW84	230026	Federal Farm Credit Bank		01/18/2024	5,000,000.00	5,003,100.00	4,975,850.00	3.875	Aa1	3.999	1,023	01/18/2029
3130B2XY6	240016	Federal Home Loan Banks		10/02/2024	5,000,000.00	4,967,750.00	5,000,000.00	3.900	Aa1	3.848	1,188	07/02/2029
3130B2P58	240013	Federal Home Loan Banks		09/26/2024	5,000,000.00	4,977,400.00	5,000,000.00	3.875	Aa1	3.822	1,258	09/10/2029
3130B2V77	240014	Federal Home Loan Banks		09/26/2024	5,000,000.00	4,939,250.00	5,000,000.00	3.750	Aa1	3.699	1,260	09/12/2029
3130B3NF6	240017	Federal Home Loan Banks		11/08/2024	5,000,000.00	5,003,350.00	5,000,000.00	4.500	Aa1	4.438	1,315	11/06/2029
3134HAYV9	240018	Federal Home Loan Mort. Co.		11/12/2024	10,000,000.00	9,958,800.00	10,000,000.00	4.670	Aa1	4.606	1,316	11/07/2029
3134HAYW7	240019	Federal Home Loan Mort. Co.		11/13/2024	10,000,000.00	9,962,900.00	10,000,000.00	4.550	Aa1	4.488	1,322	11/13/2029
3136GAEL9	240042	Federal Nat'l Mortgage Assoc.		04/01/2025	5,000,000.00	5,002,900.00	5,000,000.00	4.460	Aa1	4.399	1,454	03/25/2030
3136GC2C8	250006	Federal Nat'l Mortgage Assoc.		10/29/2025	5,000,000.00	4,961,750.00	5,000,000.00	4.010	Aa1	3.956	1,547	06/26/2030
3136GAVA4	250003	Federal Nat'l Mortgage Assoc.		09/26/2025	5,000,000.00	4,958,250.00	4,969,583.87	3.700	Aa1	3.798	1,560	07/09/2030
3136GC2G9	250009	Federal Nat'l Mortgage Assoc.		10/30/2025	5,000,000.00	4,963,550.00	5,000,000.00	4.000	Aa1	3.946	1,610	08/28/2030
3136GAUX5	250004	Federal Nat'l Mortgage Assoc.		09/26/2025	5,000,000.00	4,980,900.00	5,000,000.00	4.130	Aa1	4.073	1,639	09/26/2030
3134HBW31	250011	Federal Home Loan Mort. Co.		10/31/2025	5,000,000.00	4,961,450.00	5,012,777.78	4.000	Aa1	3.945	1,651	10/08/2030
3134HBX48	250012	Federal Home Loan Mort. Co.		10/31/2025	5,000,000.00	4,966,850.00	5,012,222.22	4.000	Aa1	3.945	1,652	10/09/2030
3136GAZZ5	250007	Federal Nat'l Mortgage Assoc.		10/29/2025	5,000,000.00	4,945,950.00	5,000,000.00	4.000	Aa1	3.945	1,659	10/16/2030
3133ETJ73	250005	Federal Farm Credit Bank		10/28/2025	5,000,000.00	4,964,100.00	5,000,255.56	4.120	Aa1	4.080	1,664	10/21/2030
3136GAZY8	250008	Federal Nat'l Mortgage Assoc.		10/30/2025	5,000,000.00	4,963,450.00	4,986,500.00	3.950	Aa1	3.955	1,673	10/30/2030
3136GC2F1	250010	Federal Nat'l Mortgage Assoc.		11/05/2025	5,000,000.00	4,990,600.00	5,000,000.00	4.100	Aa1	4.044	1,679	11/05/2030
3136GC3P8	250013	Federal Nat'l Mortgage Assoc.		11/10/2025	5,000,000.00	4,956,750.00	5,000,000.00	4.030	Aa1	3.975	1,682	11/08/2030
3136GCAG0	250015	Federal Nat'l Mortgage Assoc.		12/10/2025	5,000,000.00	4,959,350.00	5,000,000.00	4.000	Aa1	3.945	1,714	12/10/2030
3136GCAH8	250016	Federal Nat'l Mortgage Assoc.		12/11/2025	5,000,000.00	4,938,900.00	5,000,000.00	4.000	Aa1	3.945	1,714	12/10/2030
3136GCAK1	250017	Federal Nat'l Mortgage Assoc.		12/16/2025	5,000,000.00	4,939,550.00	5,000,000.00	3.970	Aa1	3.916	1,720	12/16/2030

Portfolio POOL  
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**Kings County Investment Pool  
Portfolio Management  
Portfolio Details - Investments  
March 31, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
<b>Government Agency Coupon Securities</b>												
3130B8VB5	250014	Federal Home Loan Banks		12/23/2025	5,000,000.00	4,945,150.00	5,000,000.00	3.950	Aa1	3.896	1,727	12/23/2030
3136GCYX7	250042	Federal Nat'l Mortgage Assoc.		03/30/2026	5,000,000.00	5,010,750.00	5,000,000.00	4.125	Aa1	4.069	1,801	03/07/2031
3130AVJY9	250041	Federal Home Loan Banks		03/27/2026	5,000,000.00	5,038,100.00	5,018,497.92	4.125	AAA	4.019	1,808	03/14/2031
3136GCYZ2	250043	Federal Nat'l Mortgage Assoc.		03/30/2026	5,000,000.00	5,009,200.00	5,000,000.00	4.400	Aa1	4.340	1,811	03/17/2031
<b>Subtotal and Average</b>			<b>208,934,443.62</b>		<b>214,000,000.00</b>	<b>213,496,750.00</b>	<b>213,971,720.43</b>			<b>3.953</b>	<b>1,204</b>	
<b>LAIF - Local Agency Investment Pool</b>												
SYS990001	990001	Local Agency Investment Fund			75,000,000.00	75,000,000.00	75,000,000.00	4.025	N/R	3.970	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>3.970</b>	<b>1</b>	
<b>Treasury Coupon Securities</b>												
91282CBW0	210016	United States Treasury		08/26/2021	5,000,000.00	4,988,200.00	4,999,668.84	0.750	Aa1	0.754	29	04/30/2026
91282BR36	210017	United States Treasury		08/26/2021	5,000,000.00	4,986,700.00	5,020,845.73	1.625	Aa1	0.757	44	05/15/2026
91282CHH7	230038	United States Treasury		05/21/2024	5,000,000.00	5,004,000.00	4,984,368.79	4.125	Aa1	4.724	75	06/15/2026
91282CCJ8	210018	United States Treasury		08/26/2021	5,000,000.00	4,964,550.00	5,001,998.39	0.875	Aa1	0.782	90	06/30/2026
91282CHM6	230039	United States Treasury		05/21/2024	5,000,000.00	5,010,500.00	4,993,785.33	4.500	Aa1	4.699	105	07/15/2026
91282CCP4	210046	United States Treasury		01/31/2022	5,000,000.00	4,948,500.00	4,976,575.82	0.625	Aa1	1.586	121	07/31/2026
91282CCW9	210047	United States Treasury		01/31/2022	5,000,000.00	4,938,300.00	4,979,292.44	0.750	Aa1	1.585	152	08/31/2026
91282CCZ2	210048	United States Treasury		01/31/2022	5,000,000.00	4,929,550.00	4,982,286.31	0.875	Aa1	1.590	182	09/30/2026
91282CJC6	230040	United States Treasury		05/21/2024	5,000,000.00	5,022,600.00	4,996,098.20	4.625	Aa1	4.642	197	10/15/2026
912828YQ7	250031	United States Treasury		01/21/2026	5,000,000.00	4,937,700.00	4,942,818.76	1.625	Aa1	3.573	213	10/31/2026
91282CJP7	240020	United States Treasury		11/14/2024	5,000,000.00	5,021,450.00	5,005,152.30	4.375	Aa1	4.206	258	12/15/2026
91282CME8	240028	United States Treasury		01/15/2025	5,000,000.00	5,017,550.00	4,994,316.82	4.250	Aa1	4.309	274	12/31/2026
91282CJT9	230041	United States Treasury		05/21/2024	5,000,000.00	5,009,850.00	4,969,100.72	4.000	Aa1	4.599	289	01/15/2027
91282CKE0	230042	United States Treasury		05/21/2024	5,000,000.00	5,024,150.00	4,982,247.08	4.250	Aa1	4.567	348	03/15/2027
91282CEF4	230043	United States Treasury		05/21/2024	5,000,000.00	4,941,250.00	4,853,049.42	2.500	Aa1	4.551	364	03/31/2027
91282CKJ9	230044	United States Treasury		05/21/2024	5,000,000.00	5,038,050.00	4,991,929.30	4.500	Aa1	4.552	379	04/15/2027
91282CEN7	230045	United States Treasury		05/21/2024	5,000,000.00	4,945,850.00	4,870,522.00	2.750	Aa1	4.557	394	04/30/2027
91282CET4	240029	United States Treasury		01/15/2025	5,000,000.00	4,932,250.00	4,874,658.99	2.625	Aa1	4.343	425	05/31/2027
91282CKV2	240021	United States Treasury		11/14/2024	5,000,000.00	5,046,900.00	5,026,624.02	4.625	Aa1	4.187	440	06/15/2027
91282CEW7	240034	United States Treasury		01/17/2025	5,000,000.00	4,965,250.00	4,930,576.24	3.250	Aa1	4.177	455	06/30/2027
91282CKZ3	240022	United States Treasury		11/14/2024	5,000,000.00	5,034,000.00	5,007,891.19	4.375	Aa1	4.202	470	07/15/2027
91282CNP2	250034	United States Treasury		03/13/2026	5,000,000.00	5,001,950.00	5,029,756.56	3.875	Aa1	3.705	486	07/31/2027
91282CFH9	230046	United States Treasury		05/21/2024	5,000,000.00	4,951,000.00	4,899,312.73	3.125	Aa1	4.519	517	08/31/2027
91282CLL3	240030	United States Treasury		01/15/2025	5,000,000.00	4,967,400.00	4,925,723.84	3.375	Aa1	4.372	532	09/15/2027
91282CFM8	230047	United States Treasury		05/23/2024	5,000,000.00	5,020,500.00	4,969,594.39	4.125	Aa1	4.502	547	09/30/2027
91282CLO2	240023	United States Treasury		11/14/2024	5,000,000.00	5,003,150.00	4,963,853.44	3.875	Aa1	4.204	562	10/15/2027
9128283F5	230048	United States Treasury		05/23/2024	5,000,000.00	4,875,600.00	4,788,656.82	2.250	Aa1	4.499	593	11/15/2027

**Kings County Investment Pool  
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
<b>Treasury Coupon Securities</b>												
91282CFZ9	230049	United States Treasury		05/23/2024	5,000,000.00	5,002,950.00	4,938,245.71	3.875	Aa1	4.488	608	11/30/2027
91282CMB4	240031	United States Treasury		01/15/2025	5,000,000.00	5,013,500.00	4,958,191.38	4.000	Aa1	4.388	623	12/15/2027
91282CBB6	240024	United States Treasury		11/14/2024	5,000,000.00	4,730,650.00	4,661,657.87	0.625	Aa1	4.218	639	12/31/2027
91282CMF5	250035	United States Treasury		03/13/2026	5,000,000.00	5,035,350.00	5,077,209.94	4.250	Aa1	3.700	654	01/15/2028
91282CGH8	230050	United States Treasury		05/23/2024	5,000,000.00	4,971,500.00	4,905,653.05	3.500	Aa1	4.473	670	01/31/2028
9128283W8	230051	United States Treasury		05/23/2024	5,000,000.00	4,904,100.00	4,837,651.32	2.750	Aa1	4.471	685	02/15/2028
91282CGP0	230052	United States Treasury		05/23/2024	5,000,000.00	5,016,400.00	4,951,475.69	4.000	Aa1	4.469	699	02/29/2028
91282CMS7	240037	United States Treasury		03/28/2025	5,000,000.00	5,005,650.00	4,989,453.49	3.875	Aa1	3.933	714	03/15/2028
91282CGT2	230053	United States Treasury		05/23/2024	5,000,000.00	4,981,850.00	4,918,675.93	3.625	Aa1	4.456	730	03/31/2028
9128284N7	230054	United States Treasury		05/23/2024	5,000,000.00	4,904,900.00	4,815,132.48	2.875	Aa1	4.447	775	05/15/2028
91282CHE4	230055	United States Treasury		05/23/2024	5,000,000.00	4,980,300.00	4,900,703.87	3.625	Aa1	4.441	791	05/31/2028
91282CNH0	250029	United States Treasury		01/20/2026	5,000,000.00	5,006,650.00	5,050,021.47	3.875	Aa1	3.554	806	06/15/2028
91282CHK0	230056	United States Treasury		05/23/2024	5,000,000.00	5,020,900.00	4,943,437.29	4.000	Aa1	4.439	821	06/30/2028
91282CNM9	250036	United States Treasury		03/13/2026	5,000,000.00	5,005,850.00	5,044,570.10	3.875	Aa1	3.695	836	07/15/2028
91282CCR0	240025	United States Treasury		11/14/2024	5,000,000.00	4,688,650.00	4,624,557.20	1.000	Aa1	4.224	852	07/31/2028
9128284V9	230057	United States Treasury		05/23/2024	5,000,000.00	4,894,550.00	4,818,646.85	2.875	Aa1	4.423	867	08/15/2028
91282CHX2	230058	United States Treasury		05/23/2024	5,000,000.00	5,062,500.00	4,986,261.81	4.375	Aa1	4.434	883	08/31/2028
91282CNY3	250032	United States Treasury		01/21/2026	5,000,000.00	4,948,450.00	4,970,276.39	3.375	Aa1	3.575	898	09/15/2028
91282CCY5	250037	United States Treasury		03/13/2026	5,000,000.00	4,695,700.00	4,705,410.92	1.250	Aa1	3.691	913	09/30/2028
91282CPC9	250033	United States Treasury		01/21/2026	5,000,000.00	4,961,150.00	5,029,537.26	3.500	Aa1	3.585	928	10/15/2028
91282CJF9	240026	United States Treasury		11/14/2024	5,000,000.00	5,127,550.00	5,078,997.50	4.875	Aa1	4.237	944	10/31/2028
9128285M8	240027	United States Treasury		11/14/2024	5,000,000.00	4,912,900.00	4,841,576.18	3.125	Aa1	4.227	959	11/15/2028
91282CDL2	240001	United States Treasury		09/24/2024	5,000,000.00	4,708,200.00	4,724,436.56	1.500	Aa1	3.442	974	11/30/2028
91282CDW8	240002	United States Treasury		09/24/2024	5,000,000.00	4,722,850.00	4,758,742.14	1.750	Aa1	3.450	1,036	01/31/2029
9128286B1	240003	United States Treasury		09/24/2024	5,000,000.00	4,837,500.00	4,879,164.72	2.625	Aa1	3.453	1,051	02/15/2029
91282CEB3	240004	United States Treasury		09/24/2024	5,000,000.00	4,733,200.00	4,775,618.05	1.875	Aa1	3.453	1,064	02/28/2029
91282CEE7	250026	United States Treasury		01/14/2026	5,000,000.00	4,795,500.00	4,824,658.70	2.375	Aa1	3.573	1,095	03/31/2029
91282CEM9	240005	United States Treasury		09/24/2024	5,000,000.00	4,860,950.00	4,900,174.96	2.875	Aa1	3.449	1,125	04/30/2029
9128286T2	240006	United States Treasury		09/24/2024	5,000,000.00	4,787,100.00	4,820,227.53	2.375	Aa1	3.449	1,140	05/15/2029
91282CES5	240007	United States Treasury		09/24/2024	5,000,000.00	4,837,900.00	4,879,720.39	2.750	Aa1	3.453	1,156	05/31/2029
91282CKX8	240032	United States Treasury		01/15/2025	5,000,000.00	5,060,550.00	4,946,039.49	4.250	Aa1	4.531	1,186	06/30/2029
91282CFC0	240008	United States Treasury		09/24/2024	5,000,000.00	4,809,000.00	4,858,041.01	2.625	Aa1	3.466	1,217	07/31/2029
91282YB0	240009	United States Treasury		09/24/2024	5,000,000.00	4,652,950.00	4,705,618.79	1.625	Aa1	3.422	1,232	08/15/2029
91282CFJ5	240010	United States Treasury		09/24/2024	5,000,000.00	4,882,250.00	4,938,401.78	3.125	Aa1	3.462	1,248	08/31/2029
91282CLR0	240035	United States Treasury		01/17/2025	5,000,000.00	5,041,000.00	4,951,679.60	4.125	Aa1	4.334	1,309	10/31/2029
91282CGB1	240038	United States Treasury		03/28/2025	5,000,000.00	4,996,700.00	4,961,274.89	3.875	Aa1	4.033	1,370	12/31/2029
91282CMG3	240039	United States Treasury		03/28/2025	5,000,000.00	5,063,300.00	5,028,696.38	4.250	Aa1	4.033	1,401	01/31/2030
912828Z94	240040	United States Treasury		03/28/2025	5,000,000.00	4,575,400.00	4,534,805.02	1.500	Aa1	4.034	1,416	02/15/2030

**Kings County Investment Pool  
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
<b>Treasury Coupon Securities</b>												
91282CGQ8	240041	United States Treasury		03/28/2025	5,000,000.00	5,018,950.00	4,985,081.74	4.000	Aa1	4.027	1,429	02/28/2030
91282CMZ1	250027	United States Treasury		01/14/2026	5,000,000.00	4,994,550.00	5,072,172.82	3.875	Aa1	3.660	1,490	04/30/2030
91282ZQ6	250019	United States Treasury		12/24/2025	5,000,000.00	4,379,700.00	4,386,179.21	0.625	Aa1	3.645	1,505	05/15/2030
91282CHF1	250020	United States Treasury		12/24/2025	5,000,000.00	4,969,550.00	5,022,909.52	3.750	Aa1	3.647	1,521	05/31/2030
91282CNK3	250021	United States Treasury		12/24/2025	5,000,000.00	4,992,400.00	5,035,007.01	3.875	Aa1	3.654	1,551	06/30/2030
91282CNN7	250022	United States Treasury		12/24/2025	5,000,000.00	4,991,600.00	5,033,979.26	3.875	Aa1	3.658	1,582	07/31/2030
91282CAE1	250023	United States Treasury		12/24/2025	5,000,000.00	4,342,200.00	4,368,243.22	0.625	Aa1	3.657	1,597	08/15/2030
91282CPA3	250024	United States Treasury		12/24/2025	5,000,000.00	4,937,700.00	4,979,528.20	3.625	Aa1	3.673	1,643	09/30/2030
91282CPD7	250030	United States Treasury		01/20/2026	5,000,000.00	4,935,350.00	5,004,618.44	3.625	Aa1	3.738	1,674	10/31/2030
91282CAV3	250025	United States Treasury		12/24/2025	5,000,000.00	4,357,800.00	4,371,900.90	0.875	Aa1	3.678	1,689	11/15/2030
91282CPR6	250028	United States Treasury		01/14/2026	5,000,000.00	4,932,050.00	4,976,540.92	3.625	Aa1	3.709	1,735	12/31/2030
91282CJX0	250038	United States Treasury		03/13/2026	5,000,000.00	5,010,150.00	5,051,558.18	4.000	Aa1	3.815	1,766	01/31/2031
91282CKC4	250039	United States Treasury		03/13/2026	5,000,000.00	5,064,850.00	5,092,663.04	4.250	Aa1	3.816	1,794	02/28/2031
<b>Subtotal and Average</b>			<b>376,116,876.34</b>		<b>390,000,000.00</b>	<b>383,689,950.00</b>	<b>382,875,730.64</b>			<b>3.815</b>	<b>840</b>	
<b>Medium Term Notes</b>												
037833BZ2	230018	Apple Inc		12/08/2023	3,000,000.00	2,985,510.00	2,970,667.15	2.450	Aaa	4.485	125	08/04/2026
037833DN7	210049	Apple Inc		04/05/2022	5,000,000.00	4,962,700.00	4,983,392.86	2.050	Aaa	2.722	163	09/11/2026
931142ER0	210043	Wal-Mart Stores		01/31/2022	5,000,000.00	4,933,950.00	4,982,361.94	1.050	Aa2	1.764	169	09/17/2026
002824BF6	230016	Abbott Laboratories		11/20/2023	5,000,000.00	4,992,250.00	4,951,152.29	3.750	Aa3	4.745	243	11/30/2026
594918BY9	230006	Microsoft Corp		10/02/2023	5,000,000.00	4,973,200.00	4,924,307.31	3.300	Aaa	4.892	311	02/06/2027
037833CJ7	240011	Apple Inc		09/26/2024	5,000,000.00	4,976,550.00	4,987,570.93	3.350	Aaa	3.561	314	02/09/2027
037833CR9	240012	Apple Inc		09/26/2024	5,000,000.00	4,963,250.00	4,970,828.57	3.200	Aaa	3.561	405	05/11/2027
478160CP7	230007	JOHNSON & JOHNSON		10/02/2023	5,000,000.00	4,807,150.00	4,730,268.28	0.950	Aaa	4.882	518	09/01/2027
037833EC0	230035	Apple Inc		02/09/2024	5,000,000.00	4,761,600.00	4,719,054.90	1.200	Aaa	4.231	678	02/08/2028
931142FB4	230008	Wal-Mart Stores		10/02/2023	5,000,000.00	4,996,000.00	4,877,207.59	3.900	Aa2	4.941	745	04/15/2028
037833ET3	230030	Apple Inc		01/22/2024	5,000,000.00	5,005,950.00	4,981,598.84	4.000	Aaa	4.104	770	05/10/2028
931142EE9	230009	Wal-Mart Stores		10/02/2023	5,000,000.00	4,973,850.00	4,870,625.00	3.700	Aa2	4.803	817	06/26/2028
037833EH9	230032	Apple Inc		01/23/2024	5,000,000.00	4,723,250.00	4,677,880.51	1.400	Aaa	4.203	857	08/05/2028
931142EN9	250001	Wal-Mart Stores		09/24/2025	5,000,000.00	4,887,050.00	4,920,557.18	3.250	Aa2	3.689	1,194	07/08/2029
037833EN6	250018	Apple Inc		12/24/2025	5,000,000.00	4,883,650.00	4,910,717.79	3.250	Aaa	3.748	1,225	08/08/2029
478160CQ5	250002	JOHNSON & JOHNSON		09/24/2025	5,000,000.00	4,439,550.00	4,485,738.89	1.300	Aaa	3.778	1,614	09/01/2030
<b>Subtotal and Average</b>			<b>75,925,095.29</b>		<b>78,000,000.00</b>	<b>76,265,460.00</b>	<b>75,943,930.03</b>			<b>3.988</b>	<b>640</b>	
<b>BofW MMA Deposit Account</b>												
SYS999993	999993	Bank of the West		07/01/2019	81,295,354.72	81,295,354.72	81,295,354.72	3.310	Aa2	3.265	1	
<b>Subtotal and Average</b>			<b>72,944,229.55</b>		<b>81,295,354.72</b>	<b>81,295,354.72</b>	<b>81,295,354.72</b>			<b>3.265</b>	<b>1</b>	

**Kings County Investment Pool  
Portfolio Management  
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
<b>CAMP - California Asset Mgmt Progr</b>												
999995	999995	California Asset Mgmt Program		01/27/2023	108,125,396.98	108,125,396.98	108,125,396.98	3.810		3.758	1	
		<b>Subtotal and Average</b>	<b>107,789,205.37</b>		<b>108,125,396.98</b>	<b>108,125,396.98</b>	<b>108,125,396.98</b>			<b>3.758</b>	<b>1</b>	
		<b>Total and Average</b>	<b>916,709,850.17</b>		<b>946,420,751.70</b>	<b>937,872,911.70</b>	<b>937,212,132.80</b>			<b>3.819</b>	<b>670</b>	

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**APPENDIX F**  
**ACCRETED VALUES TABLE**



