PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 30, 2026

NEW ISSUE—FULL BOOK-ENTRY **RATING: Moody's: "Aa3"**
(See "MISCELLANEOUS – Rating" herein)

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

$11,110,000*
PERRIS UNION HIGH SCHOOL DISTRICT
(Riverside County, California)
2026 General Obligation Refunding Bonds

Dated: Date of Delivery **Due: September 1, as shown on the 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 not otherwise defined shall have the meanings set forth herein.

The Perris Union High School District (Riverside County, California) 2026 General Obligation Refunding Bonds (the "Bonds") are being issued to (i) current refund all or a portion of the District's outstanding General Obligation Bonds, 2012 Election, Series B, and (ii) pay the costs of issuing the Bonds.

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

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 ("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 issued as current interest bonds, such that interest thereon will accrue from the date of delivery and be payable semiannually on March 1 and September 1 of each year, commencing September 1, 2026. Principal of the Bonds is payable on September 1 in each of the years and amounts shown on the inside cover page hereof. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof.

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

Certain of the Bonds are subject to optional and mandatory 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. Certain legal matters will be passed upon (i) for the District by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, and for the Underwriter by Kutak Rock LLP, as Underwriter's Counsel. The Bonds, in book-entry form, will be available for delivery through the facilities of the DTC in New York, New York on or about February 25, 2026.**

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The date of this Official Statement is February __, 2026.

* Preliminary, subject to change.

MATURITY SCHEDULE

$11,110,000*
PERRIS UNION HIGH SCHOOL DISTRICT
(Riverside County, California)
2026 General Obligation Refunding Bonds

Base CUSIP[(1)]: _______

$__________ Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Yield	CUSIP[(1)] Suffix

$_______ – _____% Term Bonds due September 1, 20__; Yield: _____%; CUSIP[(1)] Suffix: ___

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* Preliminary, subject to change.

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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."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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.

PERRIS UNION HIGH SCHOOL DISTRICT
(Riverside County, California)

DISTRICT ADMINISTRATION

Dr. Jose Luis Araux, *Superintendent*
Dr. Marguerite Williams, *Assistant Superintendent of Business Services*

PROFESSIONAL SERVICES

BOND COUNSEL AND DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth LLP
San Francisco, California

FINANCIAL ADVISOR

Fieldman, Rolapp & Associates, Inc.
Irvine, California

PAYING AGENT

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

VERIFICATION AGENT

Causey Public Finance LLC
Denver, Colorado

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PERRIS UNION HIGH SCHOOL DISTRICT
(Riverside County, 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 Perris Union High School District (Riverside County, 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 Perris Union High School District (the "District") was incorporated on August 23, 1897, and covers approximately 182 square miles in the northwestern part of Riverside County (the "County") just south of the City of Riverside. A majority of the City of Perris, all of the City of Menifee, and all of the unincorporated communities of Sun City, Lakeview, Nuevo, Romoland, and Homeland are situated within the District's boundaries, as well as portions of the cities of Lake Elsinore, Murrieta, San Jacinto and Wildomar. The City of Perris is located 18 miles south of the City of Riverside, 75 miles northeast of the City of San Diego and 70 miles east of the City of Los Angeles.

The District currently operates one middle school, three comprehensive high schools, one continuation high school and one online independent study school. The District provides education for grades 7-12 for students generated by the Perris Elementary School District and grades 9-12 for students generated by the Menifee Union School District, the Nuview Union School District and the Romoland School District. The District additionally operates an adult education program, a functional skills special education school for students aged 18-22, and a military-based dependent charter school for grades 5-12.

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 key personnel. Dr. Jose Luis Araux is the Superintendent of the District.

See "TAX BASE FOR REPAYMENT OF BONDS" herein for more information regarding the District's assessed valuation, and "THE DISTRICT" and "DISTRICT FINANCIAL INFORMATION" herein for more information regarding the District generally. The District's audited financial statements for fiscal year ending June 30, 2025, are attached hereto as Appendix B, and should be read in their entirety.

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* Preliminary, subject to change.

Purpose of the Bonds

The Bonds are being issued to (i) current refund all or a portion of the District's outstanding General Obligation Bonds, 2012 Election, Series B (the "Prior Bonds") and (ii) pay the costs of issuing the Bonds. The Prior Bonds to be refunded with proceeds of the Bonds are referred to herein as the "Refunded Bonds."

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 issued pursuant to certain provisions of the Government Code and other applicable law, and pursuant to a resolution adopted by the Board on January 14, 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 the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy such *ad valorem* property taxes upon all property within the District subject to taxation thereby, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates), for the payment of the principal 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. Purchasers of the Bonds (the "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. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See "THE BONDS – General Provisions" and "THE BONDS – Book-Entry Only System" herein. 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; Payment to Beneficial Owners" herein.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bond Owners," or "Holders" of the Bonds (other than under the captions "INTRODUCTION – Tax Matters" and "TAX MATTERS" herein and in Appendix A hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

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

Redemption.*[*] Certain of the Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as further described herein. See "THE BONDS – Redemption" herein.

[*] Preliminary, subject to change.

Payments. The Bonds will be dated as of their date of initial delivery for each respective series of Bonds (each, a "Date of Delivery") and will be issued as current interest bonds, such that interest thereon will accrue from the Date of Delivery, and be payable semiannually on March 1 and September 1 of each year, commencing September 1, 2026 (each, a "Bond Payment Date"). Principal of the Bonds is payable on September 1 in the amounts and years set forth on the inside cover page hereof.

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

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 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 in book-entry form will be available for delivery through the facilities of DTC in New York, New York on or about February 25, 2026[*].

Bond Owner's Risks

The Bonds are general obligations of the District payable solely from the proceeds of *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 matters, see "TAX BASE FOR REPAYMENT OF BONDS" and "LIMITATION ON REMEDIES; BANKRUPTCY" herein.

Continuing Disclosure

Pursuant to that certain Continuing Disclosure Certificate relating to the Bonds, the District will covenant for the benefit of the registered 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 order to assist the Underwriter (as defined herein) in complying with Securities and Exchange Commission 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 under "LEGAL MATTERS – Continuing Disclosure" herein and "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

[*] Preliminary, subject to change.

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," "intend," "expect," "estimate," "project," "budget" 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.

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. Fieldman, Rolapp & Associates, Inc., Irvine, California, is acting as Municipal Advisor to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth LLP and Fieldman, Rolapp & Associates, Inc. will receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain matters will be passed on for the Underwriter by Kutak Rock LLP, Irvine, California. In addition to acting as Paying Agent, U.S. Bank Trust Company, National Association will act as Escrow Agent for the Refunded Bonds. Causey Public Finance LLC, Denver, Colorado, will act as Verification Agent for the Refunded Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Bonds or the District.

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 Perris Union High School District, 155 East Fourth Street, Perris, California 92570-2124. 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 such documents, statutes and constitutional provisions.

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

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

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PLAN OF FINANCE

The net proceeds from the sale of the Bonds will be used by the District to refund certain maturities of the District's General Obligation Bonds, 2012 Election, Series B (such maturities, the "Refunded Bonds"). The Refunded Bonds consist of current interest bonds (the "Refunded Current Interest Bonds") and capital appreciation bonds (the "Refunded Capital Appreciation Bonds"). The Refunded Bonds and the Prior Bonds to remain outstanding and unrefunded (the "Unrefunded Bonds") are listed in the following tables.

REFUNDED BONDS*
Perris Union High School District

General Obligation Bonds, 2012 Election, Series B

Maturity Date (September 1)	CUSIP†	Principal or Denominational Amount	Redemption Date	Redemption Price‡
2026	714398HR8	$340,000.00	March 27, 2026	100%
2027	714398HS6	445,000.00	March 27, 2026	100
2028	714398HT4	560,000.00	March 27, 2026	100
2029	714398HU1	685,000.00	March 27, 2026	100
2030	714398HV9	810,000.00	March 27, 2026	100
2031	714398HW7	940,000.00	March 27, 2026	100
2032§	714398HX5	515,926.80	March 27, 2026	100
2033§	714398HZ0	541,968.00	March 27, 2026	100
2034§	714398JA3	564,993.25	March 27, 2026	100
2035§	714398JB1	583,847.85	March 27, 2026	100
2036§	714398JC9	603,118.80	March 27, 2026	100
2037§	714398JD7	622,847.65	March 27, 2026	100
2038§	714398JE5	385,321.15	March 27, 2026	100
2039	714398JF2	2,840,000.00	March 27, 2026	100

A portion of the District's General Obligation Bonds, 2012 Election, Series B, as listed in the following table, are not being refunded from proceeds of the Bonds.

UNREFUNDED BONDS*
Perris Union High School District

General Obligation Bonds, 2012 Election, Series B

Maturity Date (September 1)	CUSIP†	Principal or Denominational Amount
2045	714398JH8	$23,365,000

The net proceeds from the sale of the Bonds shall be paid to U.S. Bank Trust Company, National Association, acting as escrow agent (the "Escrow Agent"), pursuant to an escrow agreement (the "Escrow Agreement") by and between the District and the Escrow Agent, to the credit of the "Perris Union High

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* 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. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. These data are not intended to create a database and do 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.
‡ Expressed as a percentage of (i) principal amount, in the case of Refunded Current Interest Bonds, or (ii) Accreted Value as of the date of redemption, in the case of Refunded Capital Appreciation Bonds.
§ Capital Appreciation Bonds.

School District 2026 General Obligation Refunding Bonds Escrow Fund" (the "Escrow Fund"). Pursuant to the Escrow Agreement, the 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 of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay the redemption prices of the Refunded Bonds on March 27, 2026*, as well as the interest due on the Refunded Current Interest Bonds due on such date. Amounts deposited into the Escrow Fund under the Escrow Agreement are not available to pay any other obligations of the District.

The sufficiency of the amounts on deposit in the Escrow Fund to pay the redemption prices of the Refunded Bonds, and the accrued interest due on the Refunded Bonds, on the above-referenced date, will be verified by Causey Public Finance LLC, Denver, Colorado, as Verification Agent. See "LEGAL MATTERS – Escrow Verification." As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the Verification Agent's computations, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* taxes for payment of the Refunded Bonds will cease. See "THE BONDS – Application and Investment of Bond Proceeds" herein.

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 the Resolution.

Security and Sources of Payment

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

Ad valorem property taxes levied to pay the Bonds will be levied annually in addition to all other taxes in an amount sufficient to pay the principal of and interest thereon when due, as described above. The levy of *ad valorem* property taxes for payment of the Bonds may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. However, the County is not obligated to establish or maintain such a reserve for any of the Bonds, and the District can make no representations that the County will do so. Such taxes, when collected, will be placed by the County in 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 County is 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 a debt of the County.

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

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* Preliminary, subject to change.

The rate of the annual *ad valorem* property taxes levied by the County to repay the Bonds as described above will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service 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, outbreaks 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, fire, wildfire, flood, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Statutory Lien

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

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIIIA of the State 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, but will instead receive credit balances on the books of their respective nominees. The Bonds will be dated as of the Date of Delivery.

Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each Bond Payment Date, commencing September 1, 2026. Interest on the Bonds will be computed on the basis of a 360-day year of 12, 30-day months. Each 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 that Bond Payment Date, inclusive, in which event it will bear interest from such Bond Payment Date, or unless it is authenticated on or before August 15, 2026, in which event it will bear interest from the Date of Delivery for each respective series of the Bonds. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof. Principal of the Bonds is payable on September 1 in the amounts and years set forth on the inside cover page hereof.

The principal of the Bonds will be payable in lawful money of the United States of America to the registered Owner thereof, upon the surrender thereof at the principal office of the Paying Agent. The interest on the Bonds will be payable in lawful money to the person whose name appears on the bond registration books of the Paying Agent as the registered Owner thereof as the of the close of business on the 15th day of the calendar month next preceding any Bond Payment Date (the "Record Date"). Such interest is to be paid by wire transfer on such Bond Payment Date to such registered Owner to the bank and account number on file with the Paying Agent as of the Record Date. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered Owner of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

Annual Debt Service

The following table summarizes the annual debt service requirements for the Bonds, assuming no optional redemptions are made:

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

[1] Interest payments on Bonds will be made semiannually on March 1 and September 1 of each year, commencing September 1, 2026.

See "THE DISTRICT – District Debt Structure" herein for a full debt service schedule of all the outstanding general obligation bonded debt of the District.

Application and Investment of Bond Proceeds

The proceeds from the sale of the Bonds will be used by the District to refund and defease the Refunded Bonds and to pay the costs of issuance of the Bonds. See "PLAN OF FINANCE."

Any accrued interest received from the sale of the Bonds, any surplus moneys in the Escrow Fund following the redemption of the Refunded Bonds, and any *ad valorem* taxes levied by the County for the payment of the Bonds, when collected, will be transferred to and accounted for in the debt service fund for the Bonds created by the Resolution (the "Debt Service Fund,") and used only for payment of principal of and interest on the Bonds and for no other purpose. 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 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.

Investment of Funds. Funds on deposit in the Escrow Fund will be invested as described above. Moneys in the Debt Service Fund may be invested in any one or more investments generally permitted to school districts under State laws or as permitted by the Resolution. Moneys in the Debt Service Fund are expected to be invested through the County's pooled investment fund. See "APPENDIX E – RIVERSIDE COUNTY INVESTMENT POOL" attached hereto.

Redemption

Optional Redemption.* The Bonds maturing on or before September 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The Bonds maturing on or after September 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after September 1, 20__, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

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

Redemption Date (September 1)	Principal Amount

(1) Maturity.

* Preliminary, subject to change.

In the event that a portion of the 20__ Term Bonds is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 of principal amount, in respect of the portion of such 20__ 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 Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select 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 will be in a principal amount of $5,000, or any integral multiple thereof.

Notice of Redemption. When optional redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a "Redemption Notice") of the redemption of the Bonds (or portions thereof). Such 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 principal amount of such Bond to be redeemed, and (g) the original issue date, interest 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; (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; and (d) provide the Redemption Notice 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 ("EMMA"); 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" means The Depository Trust Company, 140 58th Street, Brooklyn, New York 11220.

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. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number, if any, identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

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 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.

Payment of Redeemed Bonds. When notice of redemption has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is irrevocably set aside in trust for that purpose, as described in "– Defeasance" herein, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice, said Bonds will be redeemed and paid at the redemption price out of such funds. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

Effect of Notice of Redemption. Notice having been given as described above, and the moneys for the redemption (including the interest accrued 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 to such redemption date, will be held by the Paying Agent (or an independent escrow agent selected by the District) in trust as described in "– Defeasance" herein so as to be available therefor on such redemption date, and if a Redemption Notice thereof will have been given as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed will cease to accrue and become payable. All money held by or on behalf of the Paying Agent (or an independent escrow agent selected by the District) for the redemption of the Bonds shall be held in trust for the account of the Owners of the Bonds to be so redeemed.

All Bonds paid at maturity or redeemed prior to maturity as described above will be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District will be cancelled by the Paying Agent.

Conditional Notice of Redemption. With respect to any Redemption Notice in connection with the optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds shall be deemed to have been defeased as described in "-Defeasance" herein, such Redemption 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, 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 Redemption Notice will be of no force and effect, no portion of the Bonds will be subject to redemption on such date and the Bonds will 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 will have 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 notice in the same manner as such notice was originally provided.

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 interest thereon 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, DTC Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "MMI Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The DTC, New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "Participants"). DTC has an S&P (as defined herein) rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated by reference herein.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each 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 purchases. 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 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 payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying

Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its designated office all books and records necessary for the registration, exchange and transfer of such Bonds, which 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 described above 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 of the Bonds and any premium and interest upon the redemption thereof 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 tenor, series, maturity and principal amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the registration books of the Paying Agent 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 such exchange or transfer, the Paying Agent will complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

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 at any time 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 respective Debt Service Fund, if any, is sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, 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 cash and amounts transferred from the respective Debt Service Fund, if any, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, 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 Paying Agent or an 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 such designated Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or 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 (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) 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 (iii) 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 S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") or by Moody's Investors Service ("Moody's").

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds	**The Bonds**
Principal Amount of the Bonds	
[Plus/Minus] Original Issue [Premium/Discount]	
Total Sources	
Uses of Funds	
Deposit to Escrow Fund	
Underwriting Discount	
Costs of Issuance(1)	
Total Uses	

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

TAX BASE FOR REPAYMENT OF BONDS

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

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same rolls as county, city and special district property taxes. Assessed valuations are the same for 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. Unsecured property is assessed on the "unsecured roll." Unsecured property comprises certain property not attached to land such as personal property or business property. Boats and airplanes are examples of such property. A supplemental roll is developed when property changes hands or new construction is completed. The County levies and collects all property taxes for property falling within its taxing boundaries.

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

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

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

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

Assessed Valuations

Property within the District has a total assessed valuation for fiscal year 2025-26 of $32,209,852,111. Shown in the following table are the assessed valuations for the District since 1993-94. The District's assessed valuation increased by approximately 805.3% between fiscal year 1993-94 and fiscal year 2025-26, representing an approximate average annual compound growth rate of 7.13%.

ASSESSED VALUATION
Fiscal Years 1993-94 to 2025-26
Perris Union High School District

Fiscal Year	Secured	Utility[1]	Unsecured	Total Assessed Valuation	Annual % Change
1993-94	$3,492,180,699	$8,861,011	$56,817,546	$3,557,859,256	--
1994-95	3,478,209,532	630,961	60,313,656	3,539,154,149	-0.5%
1995-96	3,419,854,828	764,531	61,054,904	3,481,674,263	-1.6
1996-97	3,308,034,180	1,276,028	63,998,733	3,373,308,941	-3.1
1997-98	3,360,322,456	1,530,996	63,169,190	3,425,022,642	1.5
1998-99	3,310,227,382	1,627,152	64,356,862	3,376,211,396	-1.4
1999-00	3,392,375,501	2,571,131	61,862,429	3,456,809,061	2.4
2000-01	3,619,651,596	--	86,285,142	3,705,936,738	7.2
2001-02	3,944,827,039	--	134,308,141	4,079,135,180	10.1
2002-03	4,434,300,958	1,480,594	125,716,356	4,561,497,908	11.8
2003-04	5,088,665,652	1,228,881	103,270,476	5,193,165,009	13.8
2004-05	6,391,976,004	1,180,223	142,184,055	6,535,340,282	25.8
2005-06	8,243,542,907	1,160,065	156,426,241	8,401,129,213	28.5
2006-07	11,334,521,793	6,996,408	177,300,623	11,518,818,824	37.1
2007-08	13,524,748,395	246,949,439	189,562,117	13,961,259,951	21.2
2008-09	13,196,556,421	459,549,439	195,229,974	13,851,335,834	-0.8
2009-10	10,837,274,526	748,949,439	196,670,450	11,782,894,415	-14.9
2010-11	10,241,293,027	709,649,439	219,720,201	11,170,662,667	-5.2
2011-12	10,427,675,352	811,649,439	205,796,373	11,445,121,164	2.5
2012-13	10,201,916,776	577,544,771	247,425,679	11,026,887,226	-3.7
2013-14	10,829,455,653	440,244,771	294,904,763	11,564,605,187	4.9
2014-15	12,119,600,667	346,644,771	266,446,636	12,732,692,074	10.1
2015-16	13,165,252,706	295,044,771	244,154,999	13,704,452,476	7.6
2016-17	13,929,135,813	253,844,771	254,879,298	14,437,859,882	5.4
2017-18	15,051,726,350	105,844,771	300,051,253	15,457,622,374	7.1
2018-19	16,342,992,937	118,541,962	387,425,933	16,848,960,832	9.0
2019-20	17,714,769,391	14,241,962	336,848,965	18,065,860,318	7.2
2020-21	19,156,046,700	441,962	384,173,679	19,540,662,341	8.2
2021-22	20,717,267,190	441,962	426,903,004	21,144,612,156	8.2
2022-23	23,707,714,962	497,402	428,105,575	24,136,317,939	14.1
2023-24	26,094,152,225	497,402	510,711,160	26,605,360,787	10.2
2024-25	28,406,110,779	497,402	555,375,051	28,961,983,232	8.9
2025-26	31,090,806,319	497,402	1,118,548,390	32,209,852,111	11.2

(1) Excludes assessed valuation from unitary utility roll.
Source: California Municipal Statistics, Inc.

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.

Economic and other factors beyond the District's control, such as general market decline in property values, the outbreak of disease, disruption in financial markets that may reduce 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, fire (including wildfire), drought, flood, sea level rise, climate change, or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rates levied by the County to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

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

Seismic Events. The District is located a seismically active region of the State, into which extend several major earthquake faults. 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.

Droughts; Floods. California has experienced cyclical severe drought conditions over the past several years. According to the U.S. Drought Monitor, as of November 11, 2025, 52.09% of the County in the severe drought category and 47.91% of the County is classified in the moderate drought category. The District cannot predict if there will be future drought conditions and related water usage restrictions imposed in the future. The District can also make no representations regarding 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.

Wildfires. Major wildfires have occurred in recent years in different regions of the State, including in the fall of 2020, summer of 2021 and in January of 2025. Recently, the Palisades Fire, Eaton Fire and Hurst Fire are major wildfires that occurred within Los Angeles County. The District did not sustain any damage as a result of the recent fires. However, serious and significant property damage has resulted in other areas of the State, including within the County, 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. Portions of the northern part of the District are located within areas which the Department of Forestry and Fire Protection of the State of California have designated as a very high fire hazard severity zones. In addition, the Governor has issued executive orders in the past suspending penalties, costs and interest on late property tax payments for properties impacted by wildfires.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and raising sea levels. See also "– Drought; 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, an 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. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA 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, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution. Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the applicable county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS — Article XIIIA of the California Constitution" herein.

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

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

Assessed Valuations and Parcels by Land Use. The following table 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
Perris Union High School District

Non-Residential:	**2025-26 Assessed Valuation**[1]	**% of Total**	**No. of Parcels**	**% of Total**
Agricultural/Rural	$221,852,950	0.71%	400	0.49%
Commercial/Industrial	2,729,168,714	8.78	1,082	1.33
Vacant Commercial/Industrial	1,365,373,067	4.39	941	1.15
Vacant Unclassified	138,984,759	0.45	2,836	3.48
Subtotal Non-Residential	$4,455,379,490	14.33%	5,259	6.45%
Residential:				
Single Family Residence	$22,722,828,673	73.09%	55,654	68.23%
Condominium/Townhouse	378,598,401	1.22	1,490	1.83
Mobile Homes/Lots	1,719,621,419	5.53	9,828	12.05
2-3 Residential Units	140,526,987	0.45	374	0.46
4+ Residential Units/Apartments	654,666,795	2.11	89	0.11
Miscellaneous Residential	14,249,463	0.05	151	0.19
Vacant Residential	1,004,935,091	3.23	8,723	10.69
Subtotal Residential	$26,635,426,829	85.67%	76,309	93.55%
Total	$31,090,806,319	100.00%	81,568	100.00%

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

Assessed Valuation by Jurisdiction. The following table shows the distribution of taxable property within the boundaries of the District by jurisdiction, as measured by assessed valuation for fiscal year 2025-26.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2025-26
Perris Union High School District

Jurisdiction:	**Assessed Valuation in District**	**% of District**	**Assessed Valuation of Jurisdiction**	**% of Jurisdiction in District**
City of Lake Elsinore	$662,201,661	2.06%	$9,870,363,752	6.71%
City of Menifee	18,815,307,929	58.41	$18,815,307,929	100.00
City of Murrieta	1,585,998,380	4.92	$19,800,077,681	8.01
City of Perris	4,528,337,014	14.06	$13,655,156,085	33.16
City of San Jacinto	5,949,880	0.02	$5,184,329,525	0.11
City of Wildomar	62,045,453	0.19	$5,464,824,228	1.14
Unincorporated Riverside County	6,550,011,794	20.34	$75,438,139,524	8.68
Total District	$32,209,852,111	100.00%		
Riverside County	$32,209,852,111	100.00%	$450,641,568,216	7.15%

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
Perris Union High School District

	No. of Parcels	2025-26 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	55,654	$22,722,828,673	$408,287	$404,644

2025-26 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	262	0.471%	0.471%	$8,864,054	0.039%	0.039%
$50,000 - $99,999	1,165	2.093	2.564	92,365,487	0.406	0.445
$100,000 - $149,999	2,544	4.571	7.135	322,461,781	1.419	1.865
$150,000 - $199,999	3,739	6.718	13.853	657,706,229	2.894	4.759
$200,000 - $249,999	4,455	8.005	21.858	1,005,237,023	4.424	9.183
$250,000 - $299,999	4,733	8.504	30.363	1,302,503,488	5.732	14.915
$300,000 - $349,999	4,929	8.857	39.219	1,601,645,865	7.049	21.964
$350,000 - $399,999	5,488	9.861	49.080	2,063,419,418	9.081	31.045
$400,000 - $449,999	5,636	10.127	59.207	2,393,566,222	10.534	41.578
$450,000 - $499,999	5,431	9.759	68.965	2,578,239,389	11.346	52.925
$500,000 - $549,999	4,703	8.450	77.416	2,467,751,028	10.860	63.785
$550,000 - $599,999	4,274	7.680	85.095	2,455,300,362	10.805	74.590
$600,000 - $649,999	3,334	5.991	91.086	2,076,722,183	9.139	83.730
$650,000 - $699,999	2,123	3.815	94.901	1,427,058,804	6.280	90.010
$700,000 - $749,999	1,264	2.271	97.172	913,215,323	4.019	94.029
$750,000 - $799,999	655	1.177	98.349	506,233,652	2.228	96.257
$800,000 - $849,999	360	0.647	98.996	295,870,968	1.302	97.559
$850,000 - $899,999	206	0.370	99.366	180,003,663	0.792	98.351
$900,000 - $949,999	123	0.221	99.587	113,265,929	0.498	98.850
$950,000 - $999,999	81	0.146	99.732	79,020,769	0.348	99.197
$1,000,000 and greater	149	0.268	100.000	182,377,036	0.803	100.000
	55,654	100.000%		$22,722,828,673	100.000%	

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

Secured Tax Levies and Delinquencies

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of the calendar year, and if unpaid, become delinquent after December 10 and April 10, respectively. A 10% penalty attaches to any delinquent installment plus a minimum $10 cost on the second installment, plus any additional amount determined by the treasurer-tax collector of the County. See "– *Ad Valorem* Property Taxation" herein.

Pursuant to Revenue and Taxation Code Section 4985.2, a county treasurer-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 property tax levies within the District, and amounts delinquent as of June 30, for fiscal years 2012-13 through 2024-25.

SECURED TAX CHARGES AND DELINQUENCIES
Fiscal Years 2012-13 through 2024-25
Perris Union High School District

Fiscal Year	Secured Tax Charge(1)	Amount Delinquent June 30	Percent Delinquent June 30
2012-13	$3,620,756.49	$90,035.78	2.49%
2013-14	7,702,401.52	174,272.00	2.26
2014-15	7,734,501.66	140,824.28	1.82
2015-16	8,144,922.95	170,103.32	2.09
2016-17	8,529,850.47	179,619.56	2.11
2017-18	8,487,020.59	135,882.66	1.60
2018-19	8,596,201.41	179,335.10	2.09
2019-20	14,542,981.47	314,924.45	2.17
2020-21	16,232,312.84	239,638.10	1.48
2021-22	18,167,902.10	252,317.78	1.39
2022-23	20,860,079.23	316,517.46	1.52
2023-24	21,271,536.28	374,692.38	1.76
2024-25	19,390,608.91	400,193.30	2.06

(1) General obligation bond debt service levy only.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment – "Teeter Plan"

Under the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq.* of the State Revenue and Taxation Code, each participating local agency levying property taxes, including school districts, receives from the county or counties in which it is located the amount of uncollected secured property taxes credited to its fund, in the same manner as if the amount credited had been collected. In return, the applicable county or counties receive(s) and retain(s) delinquent payments, penalties and interest as collected that would have been due to the local agency. The Teeter Plan, once adopted by a county, remains in effect unless the applicable county board of supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year, the board of supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the applicable county. A board of supervisors may, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency in the county when delinquencies for taxes levied by that agency exceed 3%. The Teeter Plan applies to the 1% general purpose secured property tax levy. Whether or not the Teeter Plan is also applied to other tax levies for local agencies, such as the tax levy for general obligation bonds of a local agency, varies by county.

The Board of Supervisors of the County has approved the implementation of the Teeter Plan. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency. The secured *ad valorem* property tax to be levied by the County to pay the principal of and interest on the Bonds will be subject to the Teeter Plan, beginning in the first year of such levy. The District will receive 100% of the secured *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County. In the event the Board of Supervisors of the County is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected in the County would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency.

There can be no assurance that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of an outbreak of disease such as COVID-19, or natural or manmade disaster. However, notwithstanding any possible future change to or discontinuation of the Teeter Plan, State law requires the County to levy *ad valorem* property taxes sufficient to pay the Bonds when due.

Tax Rates

Three representative tax rate areas located within the District, Tax Rate Area 26-111, Tax Rate Area 26-72, and Tax Rate Area 26-056, accounted for approximately 7.8%, 5.3%, and 3.8%, respectively, of the District's total assessed valuation in fiscal year 2025-26. The tables below summarize the total *ad valorem* tax rates levied by all taxing entities in these three tax rate areas during the five-year period from 2021-22 to 2025-26.

SUMMARY OF *AD VALOREM* TAX RATES
\$1 Per \$100 Of Assessed Valuation
Perris Union High School District

Tax Rate Area 26-111: 2025-26 Assessed Valuation: \$2,256,370,560

	2021-22	2022-23	2023-24	2024-25	2025-26
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Menifee Union School District	.06319	.06201	.06063	.05080	.07500
Perris Union High School District	.08859	.08859	.08173	.06850	.04712
Mt. San Jacinto Community College District	.01320	.01320	.01320	.00268	.00254
Metropolitan Water District	.00350	.00350	.00350	.00700	.00700
Eastern Municipal Water District I.D. No. U-35	.01900	.00860	.00860	.00860	.00430
Eastern Municipal Water District I.D. No. U-36	.01900	.00860	.00860	.00860	.00430
Total	1.20648%	1.18450%	1.17626%	1.14618%	1.14026%

Tax Rate Area 26-72: 2025-26 Assessed Valuation: \$1,520,344,503

	2021-22	2022-23	2023-24	2024-25	2025-26
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Menifee Union School District	.06319	.06201	.06063	.05080	.07500
Perris Union High School District	.08859	.08859	.08173	.06850	.04712
Mt. San Jacinto Community College District	.01320	.01320	.01320	.00268	.00254
Metropolitan Water District	.00350	.00350	.00350	.00700	.00700
Total	1.16848%	1.16730%	1.15906%	1.12898%	1.13166%

SUMMARY OF *AD VALOREM* TAX RATES (continued)
\$1 Per \$100 Of Assessed Valuation
Perris Union High School District

Tax Rate Area 26-056: 2025-26 Assessed Valuation: \$1,098,384,479

	2021-22	2022-23	2023-24	2024-25	2025-26
General	\$1.00000	\$1.00000	\$1.00000	\$1.00000	\$1.00000
Menifee Union School District	.06319	.06201	.06063	.05080	.07500
Perris Union High School District	.08859	.08859	.08173	.06850	.04712
Mount San Jacinto Community College District	.01320	.01320	.01320	.00268	.00254
Metropolitan Water District	.00350	.00350	.00350	.00700	.00700
Eastern Municipal Water District I.D. No. U-2	.01000	.00750	.00750	.00750	.00413
Total	\$1.17848	\$1.17480	\$1.66560	\$1.13648	\$1.13579

Source: California Municipal Statistics, Inc.

Principal Taxpayers

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

LARGEST 2025-26 LOCAL SECURED PROPERTY TAXPAYERS
Perris Union High School District

	Property Owner	Primary Land Use	2025-26 Assessed Valuation	% of Total[(1)]
1.	IV4 Menifee Valley Business Park	Industrial	\$222,217,058	0.71%
2.	Recline Borrower LLC	Industrial	187,543,432	0.60
3.	Scott Road Property	Warehouse	132,999,330	0.43
4.	MG Artesa Apartments	Apartments	118,800,000	0.38
5.	Newport Properties	Shopping Center	114,956,400	0.37
6.	DSV Real Estate Los Angeles	Industrial	109,123,471	0.35
7.	Anatolia Perris	Industrial	100,851,001	0.32
8.	Malcom Jerome and Maxine Winer	Apartments	99,018,719	0.32
9.	Pulte Home Co.	Residential Development	91,696,362	0.29
10.	KB Home Coastal Inc.	Residential Development	88,312,653	0.28
11.	Jefferson Menifee	Apartments	78,039,611	0.25
12.	IDIL Perris Fulfillment Center	Industrial Land	68,248,775	0.22
13.	Nuevo Perris	Shopping Center	60,492,953	0.19
14.	EPC Holdings 938	Residential Development	57,889,012	0.19
15.	CR&R Inc.	Industrial	56,553,736	0.18
16.	Minor Ranch	Industrial Land	54,676,877	0.18
17.	CRP/NC South Perris Owner	Industrial Land	54,121,607	0.17
18.	Lennar Homes of Calif. Inc.	Residential Development	52,789,883	0.17
19.	Kaiser Foundation Hospitals	Medical Offices	51,943,625	0.17
20.	Antelope Ridge Apartments	Apartments	51,664,737	0.17
			\$1,851,939,242	5.96%

(1) The fiscal year 2025-26 local secured assessed valuation of the District is \$31,090,806,319.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report relating to the District (the "Debt Report") prepared by California Municipal Statistics, Inc. effective as of January 1, 2026 for debt issued as of December 8, 2025. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

The first column in the table names each public agency which has outstanding debt as of the date the Debt Report and whose territory overlaps the District, in whole or in part. Column 2 in the Debt Report 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 column 3 of the Debt Report, which is the apportionment of each overlapping agency's outstanding debt to taxable property located the District.

The table below includes obligations associated with two community facilities districts established within the District in an aggregate outstanding principal amount of $36,240,000 (the "Special Tax Bonds"). In each case, the Special Tax Bonds are secured by special taxes levied against the land within the respective community facilities districts to pay for certain improvements. See "THE DISTRICT – District Debt Structure – Non-Obligatory Debt; Community Facilities Districts."

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STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Perris Union High School District

2025-26 Assessed Valuation: $32,209,852,111

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 1/1/26
Metropolitan Water District	0.737	$126,432
Eastern Municipal Water District Improvement Districts	3.047-100.000	9,555,910
Mount San Jacinto Community College District	21.400	49,883,400
Perris Union High School District	**100.000**	**276,899,803**[1]
Menifee Union School District	100.000	179,566,292
Menifee Union School District Community Facilities Districts	100.000	291,607,505
Nuview School District	100.000	14,763,846
Perris School District	100.000	70,594,571
Perris School District Community Facilities District No. 2002-1	100.000	770,000
Perris Union High School District Community Facilities District Nos. 91-1 and 92-1	100.000	36,240,000
Romoland School District Community Facilities Districts	100.000	250,190,000
City of Lake Elsinore Community Facilities Districts	31.839-100.000	40,221,628
City of Menifee Community Facilities Districts	100.000	89,605,000
City of Murrieta Community Facilities Districts	100.000	27,295,000
City of Perris Community Facilities Districts	0.775-100.000	51,662,092
Riverside County Community Facilities Districts	44.512-100.000	48,990,755
Other Special District Community Facilities Districts	Various	109,533,804
City and Special District 1915 Act Bonds (Estimated)	Various	2,836,969
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,550,343,007
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Riverside County General Fund Obligations	7.148%	$ 78,817,192
Riverside County Pension Obligation Bonds	7.148	43,106,371
Perris Union High School District Certificates of Participation	**100.000**	**39,325,712**
Menifee Union School District Certificates of Participation	100.000	46,948,883
Nuview School District General Fund Obligations	100.000	4,280,664
Perris School District Certificates of Participation	100.000	3,530,000
City of Lake Elsinore General Fund Obligations	6.709	2,671,720
City of Menifee General Fund Obligations	100.000	4,390,961
City of Murrieta General Fund Obligations	8.010	109,337
City of Perris General Fund Obligations	33.162	1,100,462
City of Wildomar General Fund Obligations	1.135	12,068
Western Municipal Water District General Fund Obligations	0.108	748
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$224,294,118
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$46,507,564
COMBINED TOTAL DEBT		$1,821,144,689[2]

Ratios to 2025-26 Assessed Valuation:
Direct Debt ($276,899,803) 0.86%
Total Overlapping Tax and Assessment Debt 4.81%
Combined Direct Debt ($316,225,515) 0.98%
Combined Total Debt...5.65%

Ratios to Redevelopment Incremental Valuation ($5,049,998,873):
Total Overlapping Tax Increment Debt...0.92%

(1) Excludes the Bonds and includes the Refunded Bonds as described herein.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable from the proceeds of an ad valorem *property tax levied by the County for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein. Articles XIIIA, XIIIB, XIIIC and XIIID of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy 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 County on behalf of the District to levy* ad valorem *property taxes for payment of the Bonds.*

Article XIIIA of the California Constitution

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

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

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

Legislation Implementing Article XIIIA

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

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

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

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

Proposition 19

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

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIIIA of the State Constitution to allow owners of property that was "substantially damaged or destroyed" by a disaster, as declared by the Governor, (the "Damaged Property"), to transfer their existing base year value (the "Original Base Year Value") to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the "Original Cash Value"); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50 percent 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 percent 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 percent of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIIIA of the State Constitution 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 percent of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110 percent of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115 percent of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed unitary and certain other property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is not a community funded 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.

Article XIIIB of the California Constitution

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

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

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

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

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

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

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

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

Article XIIIC and Article XIIID of the 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 XIIIC and XIIID (respectively, “Article XIIIC” and “Article XIIID”), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIIIC establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the State Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

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

Proposition 26

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

Propositions 98 and 111

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act have, however, been 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, instead of being returned to taxpayers, is transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

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

On June 5, 1990, the 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 XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

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

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

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the 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 XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the State Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which was expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

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

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

Proposition 39

On November 7, 2000, 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 percent of the value of property, and property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

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

Jarvis vs. Connell

On May 29, 2002, the California 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 of California). 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 California 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 California 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.

Proposition 1A and Proposition 22

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

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

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

Proposition 2

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

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

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain

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

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as an emergency within the meaning of Article XIIIB of the State Constitution 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 funding 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 State 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 State Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an 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 basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

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

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the State Constitution and Propositions 22, 26, 30, 39, 98 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 and State funding of public education is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds are payable from the general fund of the District. The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem *property tax which is required to be levied by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

State Funding of Education

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

Revenue Limit Funding. Previously, school districts operated under general purpose revenue limits established by the State Department of Education. In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. Funding of a school district's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Since fiscal year 2013-14, school districts have been funded based on uniform 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"), as amended by Senate Bill 91 (Stats. 2013, Chapter 49) ("SB 91"), established the current system for funding school districts, charter schools and county offices of education.

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. Full implementation of the LCFF occurred over a period of eight fiscal years, concluding with the adoption of the State budget for fiscal year 2018-19. During the implementation period, 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 "– State Budget Measures" herein for information on the adjusted Base Grants provided by current State budgetary legislation.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in 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. AB 97 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.

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. 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.

School districts that serve students of limited English proficiency ("EL" students), students from low income families that are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced priced meals, and are therefore not discussed herein separately). The LCFF also 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 65% of the applicable

Base Grant multiplied the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold.

The following table shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2016-17 through 2024-25, and budgeted amounts for fiscal year 2025-26.

ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2016-17 through 2025-26
Perris Union High School District

	Average Daily Attendance[1]			Enrollment[2]	
Fiscal Year	7-8	9-12	Total ADA	Total Enrollment	% of EL/LI Enrollment
2016-17	1,103	7,967	9,069	9,755	73.87
2017-18	1,090	8,025	9,115	9,827	74.62
2018-19	1,116	8,050	9,166	9,844	71.44
2019-20	1,039	8,063	9,122	9,805	72.75
2020-21	1,039	8,063	9,122	9,864	73.15
2021-22	822	8,204	9,029	10,319	71.07
2022-23	801	8,622	9,423	10,725	71.38
2023-24	841	8,871	9,712	10,929	71.15
2024-25	848	8,943	9,791	10,801	74.13
2025-26[3]	789	8,994	9,783	10,793	74.35

(1) Except for fiscal year 2025-26, reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is each four week period of instruction beginning with the first day of school for any school district. For the 2019-20 school year, due to the outbreak of COVID-19, P-2 ADA only reflects full school months from July 1, 2019 through February 29, 2020. Excludes County operated programs. In addition, due to the hold harmless provision provided for in the 2020-21 State budget, the District was funded based on its 2019-20 ADA in fiscal year 2020-21.
(2) 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. For purposes of calculating Supplemental and Concentration Grants, a school district's percentage of unduplicated EL/LI students is 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.
(3) Budgeted.
Source: The 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 discontinuation of deficit revenue limit funding, implementation of COLAs in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on was paid incrementally over the implementation period of the LCFF. The District did not qualify for the ERT add-on.

The sum of a school district's adjusted Base, Supplemental and Concentration Grants is 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). This funding amount, together with any applicable ERT or categorical block grant add-ons, yields 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.

Certain school districts, known as "community funded" districts (or alternatively 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.

Recent deportation efforts initiated by the current Presidential administration may 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, to secure funding. If undocumented students or students who have undocumented parents or caretakers 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 current Presidential administration.

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

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district with identifying and implementing programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by the LCFF and charged with assisting school districts 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 is further authorized, with the approval of the State Board of Education, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized to (i) modify a district's LCAP, (ii) impose budget revisions designed to improve student outcomes, and (iii) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized to rescind an action required by a local collective bargaining agreement.

Other 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 of the District's programs, including special education programs, programs under the Every Student Succeeds Act, and specialized programs such as Drug Free Schools, Innovative Strategies, and Vocational & Applied Technology. However, no representation can be made that the District will continue to receive or be eligible for federal funding of education programs, including as a result of current efforts and proposals to reduce the size of the federal workforce, eliminate government programs, and/or eliminate or merge governmental agencies. 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, foundation revenues, and other local sources.

Federal and State COVID-19 Relief Funding. The District received or has been awarded COVID-19 relief funding of approximately: $31,402,026 in Elementary and Secondary School Emergency Relief ("ESSER") funding, $10,421,246 in Learning Loss Mitigation funding (comprising Coronavirus Relief funding, Governor's Emergency Education Relief funding, and additional Proposition 98 funding) and $7,330,206 in Expanded Learning Opportunity Grant funding. The District has expended all COVID-19 related funding.

Developer Fees. The District maintains a fund, separate and apart from the general fund, to account for developer fees collected by the District. The following table shows the District's developer fee revenues for fiscal years 2020-21 through 2024-25 and a budgeted amount for fiscal year 2025-26.

DEVELOPER FEES
Fiscal Years 2020-21 through 2025-26
Perris Union High School District

Fiscal Year	Developer Fees
2020-21	$4,091,127
2021-22	3,562,133
2022-23	2,533,869
2023-24	2,479,530
2024-25	3,953,276
2025-26(1)	3,000,000

(1) Budgeted.
Source: The 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. Subsequent legislation has made certain amendments to the budgeting process, including Senate Bill 97, effective as of September 26, 2013 (requiring budgets to include sufficient funds to implement LCAPs), Senate Bill 858, effective as of June 20, 2014 (requiring ending fund balances to exceed the minimum recommended reserve for economic uncertainties), and Assembly Bill 2585, effective as of September 9, 2014 (eliminating the dual budget cycle option for school districts).

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.

For districts whose budgets have been disapproved, the district 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 district budgets and not later than November 8, will 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 all school districts whose budget has been disapproved. Until a district's budget is approved, the 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 Reporting. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the current fiscal year or 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 subsequent two fiscal years.

The District has never had an adopted budget disapproved by the county superintendent of schools, and has never received a "negative" certification of an Interim Report pursuant to AB 1200. The District has received "positive" certifications of each of its interim reports for the last ten years.

Budgeting Trends. The District's general fund budgets for the fiscal years ending June 30, 2024, through June 30, 2026, actual results for the fiscal years ending June 30, 2024, through June 30, 2025, and projected actual results for the fiscal year ending June 30, 2026, are set forth in the following table.

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GENERAL FUND BUDGETS FOR
FISCAL YEARS ENDING JUNE 30, 2024 THROUGH JUNE 30, 2026 AND
ACTUAL RESULTS FOR FISCAL YEARS ENDING JUNE 30, 2024 THROUGH JUNE 30, 2026
Perris Union High School District

	2023-24 Budget[1]	2023-24 Actual[1]	2024-25 Budget[1]	2024-25 Actual[1]	2025-26 Budget[2]	2025-26 Projected[2]
REVENUES						
Local Control Funding Formula	$151,812,951	$148,987,394	$154,900,319	$154,889,587	$158,313,781	$158,552,211
Federal sources	11,684,336	15,300,901	7,197,833	8,530,554	7,294,395	9,332,177
Other State sources	14,944,671	18,073,281	24,395,977	27,904,511	17,751,553	22,336,976
Other local sources	11,515,598	16,651,968	13,750,212	16,614,302	16,414,078	20,302,975
Total Revenues	189,957,556	199,013,544	200,244,341	207,938,954	199,773,807	210,524,339
EXPENDITURES						
Current						
Certificated salaries	78,560,253	79,493,555	77,167,682	75,638,163	78,981,906	80,845,478
Classified salaries	35,588,635	34,154,440	35,270,289	33,808,424	35,762,082	38,140,224
Employee benefits	53,156,827	50,829,865	51,674,994	50,362,213	53,882,562	54,588,928
Books and supplies	9,529,275	8,894,748	10,028,863	8,099,788	9,064,083	13,291,434
Services and operating expenditures	26,814,847	27,043,226	29,576,742	29,578,400	31,171,531	33,212,863
Other Outgo	(19,611)	430,288	1,063,626	913,013	914,626	914,626
Transfers of Indirect Costs			(1,407,881)	(1,137,600)	(1,489,953)	(1,508,075)
Capital Outlay	8,940,671	4,855,062	1,558,582	6,393,219	1,674,511	1,515,902
Debt Service						
Principal	--	751,099	--	--	--	--
Interest	--	23,727	--	--	--	--
Total Expenditures	212,570,897	206,476,010	204,932,897	203,655,620	209,961,348	221,001,381
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,613,341)	(7,462,466)	(4,688,556)	4,283,334	(10,187,541)	(10,477,042)
Other Financing Sources (Uses):						
Transfers in	--	691,471	--	189	--	2,185,278[3]
Other sources	--	--	--	1,024,444	--	--
Transfers out	--	(4,382)	(110,157)	(211,942)	(143,781)	(148,777)
Net Financing Sources (Uses)	--	687,089	(110,157)	812,691	(143,781)	2,036,501
NET CHANGE IN FUND BALANCES	(22,613,341)	(6,775,377)	(4,798,713)	5,096,025	(10,331,322)	(8,440,541)
Fund Balance – Beginning	69,800,231	69,800,231	63,024,665	63,024,665	60,789,043	68,120,690
Fund Balances – Ending	$47,186,890	$63,024,854	$58,225,952	$68,120,690	$50,457,721	$59,680,149

(1) Sourced from the District's audited financial statements for each fiscal year. Budget figures reflect the District's original operating budget, which is developed by the District and approved by the Board prior to close of the accounting cycle for the prior fiscal year.
(2) Fiscal year 2025-26 adopted budget and projected actual results from the District's First Interim Financial Report for fiscal year 2025-26, approved December 10, 2025.
(3) This reflects the transfer of Former Redevelopment Agencies (RDAs) pass-through revenues to reimburse general fund contributions to the restricted maintenance account.

Source: The District.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Education Code Section 41010, is to be followed by all State school districts. Revenue is recorded on an accrual basis except for district property taxes which are considered revenue in the year collections are made and therefore are fully reserved. Expenditures are recorded according to receipt of goods and services on an accrual basis. Differences between estimated and actual accounts receivable and payable, as of the beginning of the fiscal year, are reflected as adjustments to fund balance.

Comparative Financial Statements

The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Certain information from the financial statements follows. The District's audited financial statements for the year ended June 30, 2025 are attached as Appendix B hereto. The table on the following page reflects the District's audited general fund revenues, expenditures and changes in fund balance for fiscal years 2020-21 through 2024-25.

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AUDITED FINANCIAL STATEMENTS
Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund – Fiscal Years 2020-21 through 2024-25(1)
Perris Union High School District

	2020-21	2021-22	2022-23	2023-24	2024-25
REVENUES					
Local Control Funding Formula	$107,583,250	$119,975,589	$136,514,198	$148,987,394	$154,889,587
Federal sources	18,502,227	18,453,997	19,498,107	15,300,901	8,530,554
Other State sources	14,961,733	18,211,076	33,429,617	18,073,281	27,904,511
Other local sources	8,223,446	5,800,336	10,267,464	16,651,968	16,614,302
Total Revenues	149,270,656	162,440,998	199,709,386	199,013,544	207,938,954
EXPENDITURES					
Current					
Instruction	74,680,441	86,910,779	104,895,702	113,511,568	114,047,237
Instruction-related activities:					
Supervision of instruction	3,281,960	3,543,155	5,159,719	7,835,095	5,158,262
Instructional library, media and technology	1,138,317	1,338,044	1,165,020	1,261,481	1,365,390
School site administration	7,561,900	10,382,580	12,465,621	15,459,659	13,355,477
Pupil Services:					
Home-to-school transportation	3,159,228	3,580,958	3,739,255	4,297,763	5,737,791
Food services	1,519	13,898	210,023	221,109	138,580
All other pupil services	10,133,376	14,912,270	17,156,512	18,186,549	18,058,563
Administration:					
Data processing	2,028,851	2,031,290	3,376,301	3,431,668	3,827,023
All other administration	5,657,770	5,841,344	8,015,521	8,601,846	8,803,447
Plant services	12,167,294	16,958,484	19,955,142	22,901,826	23,634,305
Ancillary services	1,802,014	3,304,739	4,607,811	5,052,832	4,562,964
Community services	3,892	32,569	42,896	46,277	82,477
Transfers to other agencies	--	--	--	--	913,013
Other outgo	1,037,796	810,610	870,494	827,861	--
Facility acquisition and construction	283,759	1,216,041	1,749,016	4,065,650	2,955,801
Debt service:					
Principal	178,497	14,317	448,184	751,099	960,305
Interest and other	4,462	4,259	104,395	23,727	54,985
Total Expenditures	123,121,076	150,895,337	183,961,612	206,476,010	203,655,620
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,149,580	11,545,661	15,747,774	(7,462,466)	4,283,334
Other Financing Sources (Uses):					
Transfers in	--	--	--	--	189
Other sources	--	--	759,409	691,471	1,024,444
Transfers out	(41,227)	(2,912,401)	(1,051,338)	(4,382)	(212,131)
Net Financing Sources (Uses)	(41,227)	(2,912,401)	(291,929)	687,089	812,502
NET CHANGE IN FUND BALANCES	26,108,353	8,633,260	15,455,845	(6,775,377)	5,095,836
Fund Balance – Beginning	19,602,773	45,711,126	54,344,386	69,800,231	63,024,854
Fund Balances – Ending	$45,711,126	$54,344,386	$69,800,231	$63,024,854	$68,120,690

(1) For projected general fund revenues, expenditures and changes in fund balance for fiscal year 2025-26, see " – Budget Process" below. Amounts reported here do not correspond exactly with figures shown in the budget comparison shown above, as the General Fund results reported in this table include the financial activity of the Deferred Maintenance Fund, in accordance with guidance from the Governmental Accounting Standards Board.

Source: The District.

State Budget Measures

The following information concerning the State's budgets 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 herein that the principal of or 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 by the County on taxable property within the District in an amount sufficient for the payment thereof.*

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

The 2025-26 State Budget 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 rebenched 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 an mathematics coaching in local educational agencies, including expanding upon collaboration with the Rural Math Collective and training mathematics coaches who can be deployed in schools with the highest need of support.

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

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

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

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

For additional information regarding the 2025-26 State Budget, see the DOF and LAO websites www.dof.ca.gov and 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 duel 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.

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

THE DISTRICT

The information in this section concerning the operations of the District are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or 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 by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources for Payment" herein.*

Introduction

The District was incorporated on August 23, 1897, and covers approximately 182 square miles in the northwestern part of the County just south of the City of Riverside. A majority of the City of Perris, all of the City of Menifee, and all of the unincorporated communities of Sun City, Lakeview, Nuevo, Romoland, and Homeland are situated within the District's boundaries, as well as a portion of the cities of Lake Elsinore, Murrieta, San Jacinto and Wildomar. The City of Perris is located 18 miles south of the City of Riverside, 75 miles northeast of the City of San Diego and 70 miles east of the City of Los Angeles.

The District currently operates one middle school, three comprehensive high schools, one continuation high school and one online independent study school, and will be opening a fourth comprehensive high school in August 2021. The District provides education for grades 7-12 for students generated by the Perris Elementary School District and grades 9-12 for students generated by the Menifee Union School District, the Nuview Union School District and the Romoland School District. The District additionally operates an adult education program, a functional skills special education school for students aged 18-22, and a military-based dependent charter school for grades 5-12.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of the most recent and subsequent audited financial reports of the District may be obtained by contacting: Perris Union High School District, 155 East Fourth Street, Perris, California 92570-2124, Attention: Assistant Superintendent, Business Services. 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 a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their office and the date their term expires, are listed below:

BOARD OF TRUSTEES
Perris Union High School District

Board Member	Office	Term Expires	Trustee Area
Edward Garcia Jr.	President	December 2026	5
Jamie Anaya	Vice President	December 2028	4
Anthony T. Stafford, Sr.	Clerk	December 2028	2
Steve Campos	Member	December 2026	1
Charles Hall	Member	December 2028	3

The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. Dr. Jose Luis Araux is the current Superintendent of the District.

Enrollment Trends

The following table reflects the enrollment history for the District for the last ten years.

ENROLLMENT HISTORY
Fiscal Years 2016-17 through 2025-26
Perris Union High School District

Fiscal Year	Enrollment[1]	Annual Change	Annual Percent Change
2016-17	9,755	--	--
2017-18	9,827	72	-0.10%
2018-19	9,844	17	0.17
2019-20	9,805	(39)	(0.4)
2020-21	9,864	59	0.6
2021-22	10,319	455	4.6
2022-23	10,725	406	3.9
2023-24	10,929	204	1.9
2024-25	10,801	(128)	(1.2)
2025-26	10,793	(8)	(0.1)

(1) Reflects CALPADS enrollment. Excludes charter school students.
Source: The District.

Labor Relations

The District currently employs 532 full-time certificated employees and 370 full-time classified employees. In addition, the District employs 237 part-time faculty and staff. District employees, except management and some part-time employees, are represented by two bargaining units as noted below.

BARGAINING UNITS
Perris Union High School District

Labor Organization	Number of Employees In Bargaining Unit	Contract Expiration Date
Perris Secondary Educators Association	488	June 30, 2026
California School Employees Association	560	June 30, 2025[1]

(1) Contract under negotiation. Employees continue to work under the terms of the expired contract.
Source: The 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 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)

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

Source: AB 1469.

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

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

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

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

Source: AB 1469.

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

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

The District recognized pension expense related to STRS of $14,471,473 in fiscal year 2020-21, $3,451,595 in fiscal year 2021-22, $7,774,370 in fiscal year 2022-23, $13,559,419 in fiscal year 2023-24 and $11,227,285 in fiscal year 2024-25. The District has budgeted a contribution of $16,009,813 to STRS for fiscal year 2025-26.

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

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

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

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

The District recognized pension expense related to PERS of $9,347,647 in fiscal year 2020-21, $2,990,821 in fiscal year 2021-22 $8,402,746 in fiscal year 2022-23, $12,275,677 in fiscal year 2023-24 and $12,938,752 in fiscal year 2024-25. The District has budgeted a contribution of $11,283,129 to PERS for fiscal year 2025-26.

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

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

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

STRS

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

PERS

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

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(1) Amounts may not add due to rounding.

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

(3) Reflects actuarial value of assets.

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

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

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

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

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

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

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

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

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

On November 7, 2024, STRS released its 2024 Review of Funding Levels and Risks (the "STRS 2024 Review of Funding Levels and Risks"), which is based on the 2023 STRS Actuarial Valuation. The STRS 2024 Review of Funding Levels and Risks notes that funding projections have improved slightly since the completion of the June 30, 2023 actuarial valuation that was presented to the Board in

May 2024 in part due to the 8.4% investment return earned by STRS in fiscal year 2023-24 and an increase of 9,000 active members, which contributed to an 8% increase in the payroll of active members.

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

The STRS 2024 Review of Funding Levels and Risks notes highlighted risks associated with longevity, the size of active membership and investments. The STRS 2024 review of Funding Levels and Risks notes that, overall, STRS experienced greater mortality than projected under previous assumptions, but it remains uncertain whether the pandemic will continue to impact mortality in the long term. In January 2024 the STRS Board adopted new mortality assumptions that were slightly lower than the data indicated, essentially not fully reflecting the impact of the pandemic. In January of 2024, the STRS Board also adopted a change to the rate at which the payroll is assumed to increase, from 3.5% to 3.25%, which reflects STRS assumption that the population of active teachers will decline slowly over time (approximately 5% through 2046). The STRS 2024 Review of Funding Levels and Risks notes that if the active membership declines and the payroll fails to grow as assumed, STRS ability to make progress toward full funding could be at risk. Retirements from active teachers are expected to increase significantly over the next 10 years. Although an increase in retirements does not necessarily impact long term funding, if school districts do not replace teachers who retire in the future, that could result in a reduction in the overall number of teachers and impact STRS ability to reach full funding by 2046. With the anticipated decline in the number of children enrolled in K-12 public schools, the risk that the number of teachers may go down in the future is real and was one of the considerations when the STRS Board lowered the payroll growth assumption. California experienced a significant decline in enrollment in both K-12 public schools and community colleges starting in 2020-21. Total enrollment in K-12 public schools dropped by approximately 310,000, or a 5% reduction, between 2019-20 and 2022-23, while the number of students enrolled at community colleges dropped by 310,000, or a 20% reduction, before increasing by approximately 30,000 in the fall of 2022. In October 2023, the State updated its projection of K-12 enrollments, with the most recent projection anticipating a decline of approximately 11% over the next 10 years and 15% over the next 20 years. If the anticipated reduction in enrolment results in a need for fewer teachers in California, it would impact the number of active teachers who participate in the STRS Defined Benefit Program and ultimately the growth in payroll. One countervailing force that could potentially offset some of the factors listed above would be the reduction of class sizes. The STRS 2024 Review of Funding Levels and Risks notes that investment volatility and the risk that STRS may not be able to meet its assumed investment return over the long-term remains the greatest risk facing STRS today. The combination of a maturing system and the decreasing timeframe of the funding plan only serves to increase this risk. STRS 2024 Review of Funding Levels and Risks notes that (i) when investment returns are below expectations, the unfunded actuarial obligation increases, requiring additional contributions to bridge the gap, however, the funding plan provides the board limited authority to increase contribution rates for both the State and employers; (ii) the State bears the greatest risk when it comes to investment volatility due to rules set in the funding plan that allocate the largest share of the assets to the state which results in its share of the unfunded actuarial obligation being the most sensitive to investment volatility; (iii) the STRS Board has authority to increase the State's contribution by a maximum of 0.5% of payroll each year with no limit on the maximum rate; however the State contribution rate will be reduced to 2.017% of payroll once the State has eliminated its share of the unfunded liability, and (iv) since the funding plan expires in 2046, after which the STRS Board's authority to adjust contribution rates terminates, the time period over which to fund an existing and new unfunded actuarial obligation is declining each year.

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

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

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

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

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

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

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

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

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

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

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

On July 14, 2025, PERS reported a preliminary net return on investment of 11.6% for PERF for the 12-month period ending June 30, 2025, bringing the PERF total assets under management to approximately $556.2 billion. Preliminary total fund annualized returns for the five-year period ending

June 30, 2025, stood at 8%; the 10-year period at 7.1%; the 20-year period at 6.7%; and the 30-year period at 7.6%. The ending value of the PERF for fiscal year 2024-25 will be based on additional factors beyond investment returns, including employer and employee contributions, monthly payments to retirees, and various investment fees. PERS will review the portfolio's performance in the subsequent few months to determine the final fiscal year returns for 2024-25. Once finalized, the fiscal year-end market value of PERS' assets is used to set contribution rates for the State and school districts in the 2026-27 fiscal year.

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

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

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

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

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
STRS	$82,622,017	$38,336,384	$10,802,942	$11,227,285
PERS	65,839,573	24,462,937	535,007	12,938,752
Total	$148,461,590	$62,799,321	$11,337,949	$24,166,037

For more information, see "– District Debt Structure – Long-Term Debt" herein and "APPENDIX B –AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2024-25 – Note 14" attached hereto.

Other Post-Employment Benefits

The Medicare Premium ("MPP Program") is administered by STRS. The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan established pursuant to Chapter 1032, Statutes 2000 (SB 1435). STRS administers the MPP Program through the Teachers' Health Benefits Fund.

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the STRP DB Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis. The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

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

At June 30, 2025, the District reported a liability of $478,341 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts, actuarially determined.

The District's proportionate share for the measurement period June 30, 2024, and June 30, 2023, was 0.179% and 0.169%, respectively, resulting in a net increase in proportionate share of 0.010%. For the year ended June 30, 2025, the District recognized OPEB expense/(benefit) of ($35,019).

See Note 10 to the fiscal year 2024-25 audited financial statements of the District included in Appendix B hereto.

Supplemental Employee Retirement Plan

The District offered a supplemental employee retirement plan ("SERP") in fiscal year 2024-25, whereby certain eligible classified and management employees were provided an early retirement incentive. As of June 30, 2025, the balance of the obligation associated with the SERP was $1,691,432. Future payments from the District as at June 30, 2025 were as follows:

Year Ending June 30	Total
2026	$422,858
2027	422,858
2028	422,858
2029	422,858
Total	$1,691,432

Source: The District.

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 has resulted in a breach of its cybersecurity systems that are in place. However, no assurances can be given that the District's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the District. Additionally, the District carries cybersecurity insurance.

Risk Management; Joint Powers Authorities

The District is exposed to various risks of loss related to torts, theft, damage, and destruction of assets; errors and omissions, injuries to employees, life, and health of employees and natural disasters. The District purchases coverage for property damage with limits up to a maximum of $250,000,000, subject to various policy sublimits generally ranging from $500 to $100,000,000 and deductibles ranging from $500 to $5,000. The District also purchases coverage for general liability claims with limits up to $1,000,000 per occurrence with excess liability coverage up to $25,000,000 per occurrence and $60,000,000 in the aggregate, all subject to various deductibles up to $5,000 per occurrence. The District participates in a finite risk sharing pool for workers' compensation coverage up to $150,000,000 per occurrence with no self-insured retention. Employee health benefits are covered by a commercial insurance policy purchased by the District. The District provides health insurance benefits to District employees electing to participate in the plan by paying a monthly premium based on the number of District employees participating in the plan.

During fiscal year ending June 30, 2025, the District pooled for property and liability coverage as a member of Riverside Schools' Insurance Authority ("RSIA"), a Joint Powers Authority. Settlement claims have not exceeded the limits of this coverage in any of the past three years.

For fiscal year 2025, the District participated in the Riverside Schools' Risk Management Authority ("RSRMA"), a workers' compensation coverage purchasing pool. The intent of RSRMA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants. RSRMA, in turn, pools for workers' compensation coverage through their membership in the Protected Insurance Program for Schools and Community Colleges ("PIPS"), a finite risk sharing pool. Pooling in this manner allows the member districts and joint powers authorities to take advantage of increased purchasing power and greater spread of risk. As a member of PIPS, RSRMA is assigned a rate based on the JPA's overall payroll and loss experience compared to the other members within PIPS. Each participant in RSRMA pays its workers' compensation premium based on its individual rate which is weighted based on their payroll and loss experience within RSRMA. This arrangement insures that each participant shares equally in the overall performance of RSRMA. Participation in RSRMA is limited to districts that can meet the selection criteria.

The District is also a member of the Riverside Employer/Employee Partnership ("REEP") to provide employee health benefits. REEP is a shared risk pool comprised of various school districts. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return moneys to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

The relationships between the District and each of the Joint Powers Authorities 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 District's financial statements; however, fund transactions between the entities and the District are included therein. Audited financial statements are generally available from the respective entities.

During the year ended June 30, 2025, the District made payments of $2,130,392, $13,878,051, and $2,008,696 to RSRMA, REEP, and RSIA, respectively.

District Debt Structure

Short-Term Debt. The District currently has no outstanding short-term debt obligations.

Schedule of Long-Term Debt. A schedule of changes in District's long-term liabilities other than pensions and OPEB for the year ended June 30, 2025, is shown below:

	Balance July 1, 2024[(1)]	Additions	Deductions	Balance June 30, 2025[(1)]
General obligation bonds	$308,428,106	$1,706,026	$10,130,000	$300,004,132
Certificates of participation	39,535,000	--	275,000	39,260,000
Qualified school construction bonds	589,345	--	128,779	460,566
Unamortized debt premiums	27,811,366	--	1,599,592	26,211,774
Leases	236,247	--	144,698	91,549
Subscription-based IT arrangements	982,161	1,024,444	815,607	1,190,998
Supplemental early retirement program	--	2,114,290	422,858	1,691,432
Compensated absences	8,430,474	1,531,851	--	9,962,325
Net pension liability	151,835,603	--	3,374,013	148,461,590
Net OPEB liability	513,360	--	35,019	478,341
Totals[(1)]	$538,361,662	$6,376,611	$16,925,566	$527,812,707

(1) Does not include the Special Tax Bonds of community facilities districts of the District. Debt service on such Special Tax Bonds is paid from the proceeds of special taxes levied against taxable real property within the respective community facilities districts. See "TAX BASE FOR REPAYMENT OF THE BONDS – Statement of Direct and Overlapping Debt" and " – Non-Obligatory Debt; Community Facilities Districts" below. Beginning balance reflects adjustments described in Note 17 to the fiscal year 2024-25 audited financial statements of the District included as Appendix B hereto.

Source: The District.

General Obligation Bonds. The District received authorization at an election held on November 2, 1999, by eligible voters within the District, to issue not to exceed $16,000,000 of general obligation bonds (the "1999 Authorization"). On May 25, 2000, the District issued an aggregate principal amount of $8,313,075.35 of its General Obligation Bonds, 1999 Election, Series A (the "1999 Election, Series A Bonds") pursuant to the 1999 Authorization. On November 19, 2002, the District issued an aggregate principal amount of $7,686,806.70 of its General Obligation Bonds, 1999 Election, Series B (the "1999 Election, Series B Bonds") pursuant to the 1999 Authorization. Approximately $117.95 remains available under the 1999 Authorization.

The District received authorization at an election held on November 2, 2004, by eligible voters within the District, to issue not to exceed $46,000,000 of general obligation bonds (the "2004 Authorization"). On March 29, 2005, the District issued (i) an aggregate principal amount of $38,764,557.85 of its General Obligation Bonds, 2004 Election, Series A (the "2004 Election Series A Bonds") pursuant to the 2004 Authorization and (ii) an aggregate principal amount of $7,805,000.00 of its 2005 General Obligation Refunding Bonds (the "2005 Refunding Bonds") the proceeds of which were used to refund certain maturities of each of the 1999 Election, Series A Bonds and the 1999 Election, Series B Bonds. On April 27, 2006, the District issued an aggregate principal amount of $7,232,820 of its General Obligation Bonds, 2004 Election, Series B (the "2004 Election Series B Bonds") pursuant to the 2004 Authorization. Approximately $2,622.15 remains available under the 2004 Authorization.

The District received authorization at an election held on November 6, 2012, by more than 55% of the votes cast by eligible voters within the District to issue not to exceed $153,420,000 of general obligation bonds (as previously defined, the "Measure T Authorization"). On August 6, 2013, the District issued an aggregate principal amount of $35,000,000 of its General Obligation Bonds, 2012 Election, Series A (the "2012 Election Series A Bonds") pursuant to the Measure T Authorization. On October 20, 2015, the District issued an aggregate principal amount of $40,413,023.50 of its General Obligation

Bonds, 2012 Election, Series B (the "2012 Election Series B Bonds") pursuant to the Measure T Authorization.

On December 4, 2014, the District issued an aggregate principal amount of $26,510,000 of its 2014 General Obligation Refunding Bonds (the "2014 Refunding Bonds") the proceeds of which were used to advance refund certain maturities of the 2004 Election Series A Bonds.

The District received authorization at an election held on November 6, 2018, by more than 55% of the votes cast by eligible voters within the District to issue not to exceed $148,000,000 of general obligation bonds (the "2018 Authorization"). On July 25, 2019, the District issued an aggregate principal amount of $148,000,000 of its Election of 2018 General Obligation Bonds, Series A (the "2018 Election Series A Bonds") pursuant to the 2018 Authorization.

On August 19, 2021, the District issued (i) an aggregate principal amount of $78,005,000 of its General Obligation Bonds, 2012 Election, Series C (the "2012 Election Series C Bonds") pursuant to the Measure T Authorization, and (ii) an aggregate principal amount of $33,355,000 of its 2021 General Obligation Refunding Bonds (Federally Taxable) (the "2021 Refunding Bonds") the proceeds of which were used to advance refund certain maturities of the 2012 Election Series A Bonds.

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The table below presents the annual debt service requirements on all of the District's outstanding general obligation bonded debt, including the Bonds.

GENERAL OBLIGATION BOND DEBT SERVICE
Perris Union High School District

Year Ending (September 1)	1999 Election Series B	2004 Election Series A[1]	2014 Refunding	2012 Election Series B[2]	2018 Election Series A	2012 Election Series C	2021 Refunding Bonds	2026 Refunding Bonds	Total Annual Debt Service
2026	$2,235,000	--	$4,071,600	$1,566,350	$6,038,650	$3,232,294	$1,686,955		
2027	2,345,000	$4,835,000	--	1,654,350	6,283,250	3,356,094	1,745,961		
2028	--	5,115,000	--	1,747,100	6,537,050	3,478,294	1,801,857		
2029	--	5,410,000	--	1,844,100	6,797,300	3,613,694	1,854,659		
2030	--	2,700,000	--	1,948,550	7,071,550	3,726,494	1,914,198		
2031	--	--	--	2,054,250	7,358,300	3,832,294	1,981,095		
2032	--	--	--	2,163,700	7,651,050	3,981,094	2,045,002		
2033	--	--	--	2,283,700	7,958,550	4,125,894	2,110,590		
2034	--	--	--	2,408,700	8,274,050	4,276,494	2,181,930		
2035	--	--	--	2,538,700	8,611,650	4,437,294	2,248,673		
2036	--	--	--	2,673,700	8,955,050	4,587,494	2,321,237		
2037	--	--	--	2,818,700	9,313,250	4,733,444	2,399,734		
2038	--	--	--	2,973,700	9,689,850	4,907,194	2,473,143		
2039	--	--	--	3,129,063	10,073,250	5,087,694	2,561,215		
2040	--	--	--	3,299,600	10,482,250	5,269,494	2,639,385		
2041	--	--	--	3,475,000	10,899,850	5,457,294	2,728,775		
2042	--	--	--	3,664,600	11,339,650	5,660,500	2,813,980		
2043	--	--	--	5,312,400	11,794,650	7,544,850	--		
2044	--	--	--	5,564,600	12,258,050	7,798,300	--		
2045	--	--	--	5,829,200	12,758,200	7,997,950	--		
2046	--	--	--	--	13,271,400	--	--		
2047	--	--	--	--	13,801,800	--	--		
2048	--	--	--	--	14,357,200	--	--		
Totals[3]	$4,580,000	$18,060,000	$4,071,600	$58,950,063	$221,575,850	$97,104,150	$37,508,389		

(1) Final maturity is March 1, 2030.
(2) Includes the Refunded Bonds.
(3) Figures may not sum to totals due to rounding.

Certificates of Participation. On December 20, 2007, the District caused the execution and delivery of its 2007 Certificates of Participation (School Refinancing Project) (the "2007 COPs") in the aggregate principal amount of $9,100,000, the net proceeds of which were used to defease and prepay the District's then-outstanding Convertible Capital Appreciation Certificates of Participation (2000 School Facilities Project).

On May 22, 2019, the District caused the execution and delivery of its 2019 Certificates of Participation (the "2019 COPs") in the aggregate principal amount of $41,160,000. The proceeds of the 2019 COPs are being used to prepay the 2007 COPs, fund additional District capital facilities improvements, fund a debt service reserve fund established for the 2019 COPs, and pay the costs related to the execution and delivery of the 2019 COPs. The 2019 COPs are an obligation of the District payable from any source of legally available funds, and the obligation of the District to make payments does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The 2019 COPs evidence fractional and undivided interests in the right to receive certain lease payments, and any prepayments thereof, to be made by the District pursuant to the Lease by and between the District and the Perris Valley Schools Capital Facilities Corporation. Such lease payments are designed to pay, when due, the principal and interest with respect to the 2019 COPs. The District has covenanted in the Lease to take such action as may be necessary to include such lease payments and other payments due under the Lease in its annual budgets and to make the necessary annual appropriations therefor. The District expects to pay lease payments in connection with the 2019 COPs from surplus special tax revenues from CFD No. 92-1 available following the payment of debt service on the 2015 Financing Authority Bonds. See "– Non-Obligatory Debt; Community Facilities Districts" below.

The following table displays the total annual lease payment requirements of the District related to the 2019 COPs (and assuming no optional prepayments):

Year Ending (October 1)	Total Annual Lease Payments
2026	$2,047,800.00
2027	2,093,800.00
2028	2,131,550.00
2029	2,176,300.00
2030	2,217,550.00
2031	2,095,300.00
2032	2,122,550.00
2033	2,162,050.00
2034	2,133,050.00
2035	2,193,800.00
2036	2,204,800.00
2037	2,303,300.00
2038	2,449,200.00
2039	3,514,850.00
2040	3,557,500.00
2041	3,563,300.00
2042	3,555,100.00
2043	3,553,300.00
2044	3,462,500.00
2045	3,444,500.00
2046	3,230,750.00
2047	2,880,750.00
2048	2,651,500.00
2049	2,592,500.00
2050	2,516,250.00
Total	$66,853,850.00

Qualified School Construction Bonds. On September 15, 2011, the District entered into a lease purchase agreement in the aggregate principal amount of $2,100,000 (the "QSCB Lease Agreement"), which was designated as a "Qualified School Construction Bond" for purposes of the American Recovery and Reinvestment Act of 2009. The District expects to receive, on or about each lease payment date under the QSCB Lease Agreement, a cash subsidy payment (each a "Subsidy Payment") from the United States Treasury (the "Treasury") equal to the lesser of (a) the interest component of the lease payment due on such lease payment date or (b) an amount equal to the interest component that would have been payable on such lease payment date if such interest were determined at a federal tax credit rate applicable to the QSCB Lease Agreement (the "Tax Credit Rate"), which Tax Credit Rate is published by the Treasury and determined under Section 54A(b)(3) of the Code.

The Subsidy Payment does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the Treasury. However, the Subsidy Payment is subject to reduction (the "Sequestration Reduction") pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the Subsidy Payment by 5.7% through the end of the federal fiscal year ending September 30, 2030. In the absence of action by the U. S. Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect Subsidy Payments currently scheduled for receipt in future federal fiscal years.

The District's annual requirements to make lease payments with respect to the QSCB Lease Agreement are as follows:

Year Ending (September 1)	Amount Attributable to Principal	Amount Attributable to Interest	Total Annual Lease Payments[1]
2026	$130,643.14	$20,226.37	$150,869.51
2027	131,900.33	12,932.08	144,832.41
2028	133,169.62	5,567.60	138,737.22
Total	$395,713.09	$38,726.05	$434,439.14

[1] Does not reflect receipt of Subsidy Payments.

Capital Leases. The District has entered into agreements to lease equipment, consisting of copiers and postage equipment. The District's liability, as of June 30, 2025, on such lease agreements is summarized below:

Year Ending June 30	Lease Payment
2026	$93,525
Total	$93,525

Subscriptions-Based Information Technology Arrangements. The District has entered into certain subscription-based information technology arrangements ("SBITAs") for various software related to digital licensing for student curriculum and school management. At June 30, 2025, the District has recognized a right-to-use subscriptions information technology asset of $1,254,764 and a SBITA liability of $1,190,998 related to these agreements. During the fiscal year ending June 30, 2025, the District recorded $1,046,299 in amortization expense. The District is required to make annual principal and interest payments through June 2026 in respect of these SBITAs.

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

Year Ending June 30	Principal	Interest	Total
2026	$745,992	$44,073	$790,065
2027	347,808	13,070	360,878
2028	97,198	2,556	99,754
Total	$1,190,998	$59,699	1,250,697

Non-Obligatory Debt; Community Facilities Districts. The District has established two Mello-Roos community facilities districts pursuant to the Mello-Roos Community Facilities District Act of 1982, as amended. The District's Community Facilities District No. 91-1 ("CFD No. 91-1") was established in March 1991 and the District's Community Facilities District No. 92-1 ("CFD No. 92-1") was established in July 1992. The outstanding Special Tax Bonds issued by each of these community facilities districts were acquired by the Perris Union High School District Financing Authority (the "District Financing Authority") and provide revenues to pay debt service on the District Financing Authority's 2015 Revenue Bonds (the "2015 Financing Authority Bonds"). The annual payments for the Special Tax Bonds are secured solely by the special taxes levied on taxable property in the respective community facilities district and are not obligations of the District. See " – Certificates of Participation" above and "TAX BASE FOR REPAYMENT OF THE BONDS – Statement of Direct and Overlapping Debt" herein.

TAX MATTERS

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

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

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

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

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

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

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

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

A copy of the proposed form of opinion of Bond Counsel for the Bonds are attached hereto as Appendix A.

LIMITATION ON REMEDIES; BANKRUPTCY

General

State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – Budget Process" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the 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.

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 local agency or its governing board, and is valid and binding from the time the Bonds are executed and delivered. See "THE BONDS – Statutory Lien" 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 revenues should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the bonds and the bond proceeds can only be used to finance or refinance the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies

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

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights

The proposed form of the approving opinion of Bond Counsel attached hereto as Appendix A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Legality for Investment in California

Under provisions of the Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the State 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 the Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (each, an "Annual Report") 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" attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Prior Undertakings. Although the District has generally complied within the past five years with its prior obligations pursuant to the Rule to provide annual reports and notices of enumerated events, the District missed tagging a CUSIP (714398CA0) for a notice filed on April 2, 2021, with respect to a Moody's rating change. In addition, while the District timely filed copies of its fiscal year 2020-21 audited financial statements and fiscal year 2021-22 adopted budget for certain issues, it failed to file such documents in connection with its 2021 Refunding Bonds and 2012 Election Series B Bonds. Additionally, the District's adopted budget for fiscal year 2021-22 was not filed in connection with the 2012 Election Series A Bonds, the 2012 Election Series B Bonds, the 2012 Election Series C Bonds, and the 2021 Refunding Bonds. The District has subsequently corrected such omissions.

In order to ensure compliance with its existing and future continuing disclosure obligations, the District has retained Fieldman, Rolapp & Associates, Inc. dba Applied Best Practices, as its dissemination agent to assist it in preparing and filing future annual reports and notices of listed events required thereunder.

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 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.

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 litigation and claims in the ordinary course of its operations. The District has received a claim related to construction of a bond-financed project, and has asserted counterclaims related to the same project. At this time, the District can make no representation as to the ultimate resolution of these matters or whether they may materially affect its finances or operations.

In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under other lawsuits and claims, if determined adversely to the District, would not materially affect the finances or operations of the District.

Legal Opinion

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

MISCELLANEOUS

Rating

The Bonds have been assigned a rating of "Aa3" with a positive outlook 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 such rating agency. 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 agency. There is no assurance that the rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

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

Financial Statements

The District's audited financial statements with required supplemental information for the year ended June 30, 2025, the independent auditor's report of the District, the related statements of activities and of cash flows for the year then ended, and the report dated December 14, 2025 of CWDL, Certified Public Accounts (the "Auditor"), are attached to this Official Statement as Appendix B. In connection with the inclusion of the financial statements and the report of the Auditor thereon in Appendix B to this Official Statement, 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.

Municipal Advisor

The District has retained Fieldman Rolapp & Associates, Inc., as Municipal Advisor (the "Municipal Advisor") in connection with the issuance of the Bonds and certain other financial matters. The Municipal Advisor is a municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other negotiable instruments. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the District, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting the accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

Underwriting

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed, pursuant to a purchase contract by and between the District and the Underwriter (the "Purchase Contract"), to purchase all of the Bonds at a price of $____________ (consisting of the principal amount of the Bonds of $____________ plus [net] original issue premium of $______________, and less an 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 said agreement, the approval of certain legal matters by Bond Counsel and certain other conditions. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover pages. The offering prices may be changed from time to time by the Underwriter.

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 not be construed as a representation of the District.

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

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

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

Additional Information

The 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.

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

[REMAINDER OF PAGE LEFT BLANK]

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.

PERRIS UNION HIGH SCHOOL DISTRICT

By: ____

Dr. Jose Luis Araux
Superintendent

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APPENDIX A

FORM OF OPINION OF BOND COUNSEL

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

[Closing Date]

Board of Trustees
Perris 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 $__________ Perris Union High School District (Riverside County, 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 California Government Code, and a resolution of the Board of Trustees of the District adopted on January 14, 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 in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted 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 constitutes original issue discount.

Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income.

6. The amount by which a Bondowner'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 Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner'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 Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. 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,

Stradling Yocca Carlson & Rauth

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2024-25

CWDL

See what's possible.

PERRIS UNION HIGH SCHOOL DISTRICT

AUDIT REPORT

JUNE 30, 2025

858.387.2500
www.cwdl.com

PERRIS UNION HIGH SCHOOL DISTRICT
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CWDL

INDEPENDENT AUDITORS' REPORT

Governing Board
Perris Union High School District
Perris, California

Report on the Audit of the Financial Statements

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

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

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

Change in Accounting Principle
As discussed in Note 1 to the financial statements, the District adopted GASB Statement No. 101, Compensated Absences which required a restatement of net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
December 14, 2025

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

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

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

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

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

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

- The *Fiduciary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

The primary unit of the government is the Perris Union High School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

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

Governmental Activities - The District reports all of its services in this category. This includes the education of seventh through twelfth grade students, adult education students, the operation of a charter school, and the on-going effort to expand, improve, and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

THE DISTRICT AS A TRUSTEE

Reporting the District's Fiduciary Responsibilities

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

Local Control Accountability Goals

With the Local Control Funding Formula or LCFF, the District is granted the flexibility to make funding decisions that have the greatest impact and benefit to our students. At Perris Union High School District (PUHSD), we have embraced this opportunity for local control and are committed to offering a wide range of innovative programs and opportunities that cater to the diverse needs of our students.

- Goal #1: All students will attain proficiency in English Language Arts and mathematics.
- Goal #2: All students will graduate from high school prepared for postsecondary and career options or obtain a certificate of high school completion.
- Goal #3: All departments and sites will provide a safe and positive learning environment for all students and staff.
- Goal #4: Secure and strengthen home-school-community connections and communications.
- Goal #5: Targeted intervention and services to improve student performance and promote academic success for students with disabilities and students experiencing homelessness.

These goals form the foundation of our District's approach to developing and implementing new programs and opportunities for students. Every decision about funding and resource allocation is guided by these goals, ensuring that our efforts are focused on supporting student achievement and creating an environment where all students can thrive.

FINANCIAL HIGHLIGHTS

Net Position

The District's net position as of June 30, 2025, was $349,870,108. Of this amount, $116,475,737 represents an unrestricted net position deficit. 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 net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities		
	2025	2024	Net Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	$ 214,214,871	$ 205,708,607	$ 8,506,264
Non-current assets	645,902,101	628,344,982	17,557,119
Deferred outflows of resources	65,448,751	64,208,457	1,240,294
Total Assets and Deferred Outflows of Resources	925,565,723	898,262,046	27,303,677
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	49,772,131	22,235,159	27,536,972
Non-current liabilities	513,905,501	530,697,948	(16,792,447)
Deferred inflows of resources	12,017,983	8,203,980	3,814,003
Total Liabilities and Deferred Inflows of Resources	575,695,615	561,137,087	14,558,528
NET POSITION			
Net investment in capital assets	336,912,564	319,764,118	17,148,446
Restricted	129,433,281	94,660,296	34,772,985
Unrestricted	(116,475,737)	(77,299,455)	(39,176,282)
Total Net Position	$ 349,870,108	$ 337,124,959	$ 12,745,149

The ($116,475,737) unrestricted net position deficit in governmental activities represents the accumulated results of all prior years' operations.

FINANCIAL HIGHLIGHTS, 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* on page 16. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities		
	2025	2024	Net Change
REVENUES			
Program revenues			
Charges for services	$ 4,214,771	$ 2,449,821	$ 1,764,950
Operating grants and contributions	65,868,629	53,429,585	12,439,044
General revenues			
Property taxes	78,928,799	118,113,065	(39,184,266)
Federal and state aid not restricted for specific purposes	121,264,834	78,355,286	42,909,548
Other	11,472,588	20,916,595	(9,444,007)
Total Revenues	281,749,621	273,264,352	8,485,269
EXPENSES			
Instruction	123,860,107	122,731,902	1,128,205
Instruction-related services	25,139,870	28,656,883	(3,517,013)
Pupil services	33,338,935	30,657,528	2,681,407
General administration	18,199,078	13,957,646	4,241,432
Plant services	22,487,366	23,844,548	(1,357,182)
Ancillary services	8,134,922	8,237,203	(102,281)
Community services	82,477	46,277	36,200
Interest on long-term debt	12,099,135	12,272,312	(173,177)
Other outgo	929,388	885,141	44,247
Depreciation (unallocated)	16,302,143	12,035,469	4,266,674
Amortization (unallocated)	1,186,359	910,731	275,628
Total Expenses	261,759,780	254,235,640	7,524,140
CHANGES IN NET POSITION	19,989,841	19,028,712	961,129
NET POSITION - BEGINNING	337,124,959	318,096,247	19,028,712
PRIOR PERIOD ADJUSTMENT (NOTE 17)	(7,244,692)	-	(7,244,692)
NET POSITION - ENDING	$ 349,870,108	$ 337,124,959	$ 12,745,149

FINANCIAL HIGHLIGHTS, continued

Governmental Activities

As reported in the Statement of Activities on page 16, the cost of all of our governmental activities this year was $261,759,780. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $78,928,799, because the cost was paid by those who benefited from the programs $4,214,771, or by other governments and organizations who subsidized certain programs with grants and contributions $65,868,629. We paid for the remaining "public benefit" portion of our governmental activities with $121,264,834 in Federal and State funds, and with $11,472,588 in other revenues, like interest and general entitlements. In Table 3, we have presented the cost of each of the District's largest functions. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Governmental Activities	
	Net Cost of Services	
	2025	2024
Instruction	$ 95,764,227	$ 99,515,710
Instruction-related services	21,013,248	23,114,535
Pupil services	13,677,410	18,258,520
General administration	14,862,765	12,312,240
Plant services	22,430,883	23,371,425
Ancillary services	4,716,035	5,138,457
Community services	13,441	625
Interest on long-term debt	12,099,135	12,272,312
Other outgo	(10,389,266)	(8,573,790)
Depreciation (unallocated)	16,302,143	12,035,469
Amortization (unallocated)	1,186,359	910,731
Total	$ 191,676,380	$ 198,356,234

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $182,221,549 which is a decrease of $4,197,107 from last year (Table 4).

Table 4

GOVERNMENTAL FUNDS	July 01, 2024	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2025
General Fund	$ 63,024,854	$ 208,963,587	$ 203,867,751	$ 68,120,690
Student Activity Special Revenue Fund	1,255,262	3,244,118	3,044,457	1,454,923
Charter School Fund	9,320,278	17,561,141	18,449,570	8,431,849
Adult Education Fund	48,066	481,926	527,518	2,474
Cafeteria Special Revenue Fund	8,100,812	9,834,233	7,841,308	10,093,737
Building Fund	37,184,368	1,883,448	19,708,725	19,359,091
Capital Facilities Fund	8,324,554	7,756,009	7,614,158	8,466,405
County School Facilities Fund	(2)	2	-	-
Special Reserve for Capital Outlay Projects Fund	811,477	2,253,303	427,653	2,637,127
Capital Project for Blended Component Units Fund	12,203,926	5,959,715	5,344,267	12,819,374
Bond Interest and Redemption Fund	46,140,692	24,907,431	20,239,721	50,808,402
Debt Service for Blended Component Units Fund	4	1,964,796	1,964,800	-
Debt Service Fund	4,365	1,987,908	1,964,796	27,477
Total Governmental Funds	$ 186,418,656	$ 286,797,617	$ 290,994,724	$ 182,221,549

The primary reasons for the changes to the District's fund balances are:

1. The General Fund is the District's principal operating fund. The fund balance in the General Fund increased by $5,095,836 is primarily attributable to higher revenues from Local Control Funding Formula (LCFF) sources and the receipt of one-time state grant funding. This increase was partially offset by reductions in full-time equivalent (FTE) positions, as well as expenditures that were not realized. In addition, the expiration of one-time COVID-19 funding recognized in the prior year resulted in lower expenditures in the current year, contributing to year-over-year changes.
2. The Cafeteria Special Revenue Fund increased by $1,992,925 from the previous year due to higher meal program revenues, driven by increased student participation and higher state and federal reimbursement rates.
3. The Building Fund decreased by $17,825,277 from the previous year due to multi-year construction projects.
4. The Special Reserve for Capital Outlay Projects Fund increased by $1,825,650 from the previous year due to the completion of prior year construction projects.
5. The Bond Interest and Redemption Fund increased by $4,667,710 as property values increased during the year making the tax base higher for collections and the development of new properties within the District boundaries.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to manage unexpected changes in revenues and expenditures. Changes are also made to the budget due to having the actual fund balances from previous year are made in September, when the Unaudited Actuals Report is submitted to the Board.

First and Second Interim Financial Reports provide the Board with a comprehensive review of the District budgets and is used to make appropriation adjustments as needed. In addition, the Board approves Resolutions to Budget for Grants and Awards throughout the fiscal year to account for new and/or revised allocations. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our audit report on page 64

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets and Right-to-Use Assets

At June 30, 2025, the District reported $645,100,472 in capital assets and right-to-use assets (net of depreciation and amortization), including land and construction in progress, buildings and improvements, furniture and equipment, right-to-use leased assets, and right-to-use subscription IT assets. This reflects a net increase of $16,336,468, or 2.6%, from the prior year, inclusive of additions, retirements, depreciation, and amortization (Table 5).

Table 5

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS AND RIGHT-TO-USE ASSETS			
Land	$ 11,545,012	$ 11,545,012	$ -
Construction in progress	133,230,918	115,764,260	17,466,658
Land improvements	76,326,177	73,621,597	2,704,580
Buildings and improvements	582,939,837	572,805,736	10,134,101
Furniture and equipment	21,359,398	18,864,211	2,495,187
Accumulated depreciation	(181,639,331)	(165,337,188)	(16,302,143)
Right-to-use assets*	3,369,956	2,904,470	465,486
Accumulated amortization*	(2,031,495)	(1,404,094)	(627,401)
Total Capital Assets and Right-to-Use Assets	$ 645,100,472	$ 628,764,004	$ 16,336,468

*2024 amount as restated, see Note 17.

This year's increase is primarily a result of facilities improvement projects, including new construction and modernization projects. We present more detailed information about our capital assets in Note 4 to the financial statements.

CAPITAL ASSETS AND LONG-TERM LIABILITIES, continued

Long-Term Liabilities

At the end of this year, the District had $527,812,707 in long-term liabilities outstanding versus $538,361,662 last year, an increase of $10,548,955 or 1.96%. These long-term liabilities consisted of:

Table 6

	Governmental Activities		
	2025	2024*	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	$ 300,004,132	$ 308,428,106	$ (8,423,974)
Certificates of participation (COP)	39,260,000	39,535,000	(275,000)
Qualified zone academy bond (QZAB)	460,566	589,345	(128,779)
Unamortized debt premiums/(discounts)	26,211,774	27,811,366	(1,599,592)
Lease liability	91,549	236,247	(144,698)
Subscription-based IT arrangements*	1,190,998	982,161	208,837
Supplemental early retirement program	1,691,432	-	1,691,432
Compensated absences*	9,962,325	8,430,474	1,531,851
Net pension liability	148,461,590	151,835,603	(3,374,013)
Net OPEB liability	478,341	513,360	(35,019)
Total Long-Term Liabilities	527,812,707	538,361,662	(10,548,955)
Less: Long-Term Liabilities, Current Portion	(13,907,206)	(9,955,905)	(3,951,301)
Long-term Liabilities, Non-Current Portion	$ 513,905,501	$ 528,405,757	$ (14,500,256)

*2024 amount as restated, see Note 17.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2024-25

The 2025 Local Control and Accountability Plan (LCAP) for the Perris Union High School District (PUHSD) highlights notable growth in academic achievement, student wellness, and college- and career-readiness, alongside major facility and programmatic investments that continue to expand opportunities for all learners.

Academic and Student Outcome Gains (Based on 2024 California School Dashboard Data)

PUHSD achieved record-high graduation outcomes in 2024–25, with a 94.2 percent graduation rate, a 2.6 percent increase from the prior year, earning a Green indicator status.

- African American students improved by +10.6 percent (Blue).
- Homeless students improved by +12.8 percent, and
- Students with Disabilities improved by +6.1 percent.

The Suspension Rate declined by 3 percent to 3.4 percent, moving the district from Yellow to Blue, supported by the continued expansion of Alternatives to Suspension (ATS) and restorative practices across all schools. Foster Youth (–6 percent), African American students (–4.8 percent), and Students with Disabilities (–3.7 percent) showed the greatest gains.

Academic performance also strengthened:

- English Language Arts scores rose by +5.6 points, and
- Mathematics scores increased by +12 points on the state assessment scale.

In addition, the College and Career Indicator (CCI) increased by 2 percent to 34.4 percent prepared, with Filipino students improving +14.5 percent (Blue) and African American students +12 percent (Green). These results reflect the District's ongoing focus on instructional coherence, early college opportunities, and equitable access to rigorous coursework.

Student Wellness and Systems of Support

PUHSD maintained fully staffed Wellness Centers at all comprehensive high schools, offering coordinated services through social workers, wellness counselors, and ERMHS behavioral and substance-abuse therapists. This work, aligned to the district's MTSS framework, continues to strengthen student well-being, reduce disciplinary incidents, and promote safe, supportive learning environments.

Facility Modernization and Pathway Expansion

Significant facility upgrades advanced both student learning and career-technical education:

- Paloma Valley High School celebrated the completion of its Auto Technology and Culinary Arts facilities, now open and welcoming students into their pathways, providing state-of-the-art, industry-aligned spaces that connect academics with hands-on technical learning.
- Construction continues on Paloma Valley's new administrative entry complex, which will enhance campus safety, student services, and family access.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2024-25, continued

Community Schools Partnership Program

The Community Schools Partnership Program (CCSPP) continued to expand across PUHSD in 2024–25, deepening collaboration among students, families, and community partners to address academic, social, and wellness needs holistically. Each participating site convened a Community Schools Parent Advisory Committee and developed shared goals aligned with LCAP Goals 3 and 4. Schools implemented monthly collaboration days led by Community Liaisons and site teams, integrating attendance improvement, family workshops, and student wellness initiatives into schoolwide events. Through these partnerships, PUHSD strengthened connections with local agencies, health providers, and higher-education institutions—delivering wraparound supports that improve attendance, engagement, and access to services for our highest-need students and families. The District's CCSPP model has become a cornerstone of its equity-driven approach to supporting the "whole child".

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2025-26 year, the governing board and management used the following criteria at adoption:

1. District enrollment of 10,651 and the Charter School's enrollment of 1,031 were projected to be 11,682 in total. This represented a total decrease of 1.40%. Overall District Average Daily Attendance (ADA) including charters was projected to be 10,593.23. This represents a decrease of 135.42 ADA.
2. Lottery funding for 2025-26 was projected to be $273 per prior-year annual ADA. This per pupil rate reflects $191 per pupil for unrestricted lottery revenues and $82 per pupil for lottery funding restricted to the purchase of instructional materials.
3. LCFF was calculated at $16,275 per ADA for grades 9-12 and $13,687 for grades 7-8. This included a statutory Cost of Living Adjustment (COLA) of 2.30% and an unduplicated pupil count (UPP) of 74.63%.

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 Dr. Marguerite Williams, Assistant Superintendent, Business Services, at Perris Union High School District, 155 E. 4th Street, Perris, California 92570, or marguerite.williams@puhsd.org.

FINANCIAL SECTION

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

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	$ 195,685,085
Accounts receivable	18,411,275
Inventory	91,632
Lease receivables, current portion	26,879
Total Current Assets	214,214,871
Non-Current Assets	
Lease receivables, non-current portion	801,629
Capital assets, net	643,762,011
Right-to-use assets, net	1,338,461
Total Non-Current Assets	645,902,101
TOTAL ASSETS	860,116,972
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on debt refunding	2,649,430
Deferred outflows related to pensions	62,799,321
TOTAL DEFERRED OUTFLOWS OF RESOURCES	65,448,751
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 925,565,723
LIABILITIES	
Current Liabilities	
Accrued liabilities	$ 30,698,017
Interest payable	3,750,008
Unearned revenue	1,416,900
Long-term debt, current portion	13,907,206
Total Current Liabilities	49,772,131
Non-Current Liabilities	
Net pension liability	148,461,590
Net OPEB liability	478,341
Long-term debt, non-current portion	364,965,570
Total Non-Current Liabilities	513,905,501
TOTAL LIABILITIES	563,677,632
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to lease receivables	680,034
Deferred inflows related to pensions	11,337,949
TOTAL DEFERRED INFLOWS OF RESOURCES	12,017,983
NET POSITION	
Net investment in capital assets	336,912,564
Restricted	
Educational programs	18,293,360
Capital projects	43,974,378
Child nutrition	10,070,308
Student activity funds	1,380,867
Other restrictions	4,878,489
Unrestricted	(116,475,737)
TOTAL NET POSITION	349,870,108
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 925,565,723

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

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense)/ Revenues and Changes in Net Position: Governmental Activities
Governmental Activities				
Instruction	$ 123,860,107	$ 4,047	$ 28,091,833	$ (95,764,227)
Instruction-related services				
Instructional supervision and administration	7,202,090	7,851	2,104,003	(5,090,236)
Instructional library, media, and technology	1,673,765	-	101,583	(1,572,182)
School site administration	16,264,015	387	1,912,798	(14,350,830)
Pupil services				
Home-to-school transportation	6,231,713	-	607,411	(5,624,302)
Food services	7,912,650	252,893	8,686,303	1,026,546
All other pupil services	19,194,572	91,910	10,023,008	(9,079,654)
General administration				
Centralized data processing	5,638,373	-	1,227,127	(4,411,246)
All other general administration	12,560,705	81,473	2,027,713	(10,451,519)
Plant services	22,487,366	466	56,017	(22,430,883)
Ancillary services	8,134,922	-	3,418,887	(4,716,035)
Community services	82,477	1,141	67,895	(13,441)
Interest on long-term debt	12,099,135	-	-	(12,099,135)
Other outgo	929,388	3,774,603	7,544,051	10,389,266
Depreciation (unallocated)	16,302,143	-	-	(16,302,143)
Amortization (unallocated)	1,186,359	-	-	(1,186,359)
Total	$ 261,759,780	$ 4,214,771	$ 65,868,629	(191,676,380)
	General Revenues			
	Taxes and subventions			
	Property taxes, levied for general purposes			54,248,701
	Property taxes, levied for debt service			22,488,543
	Property taxes, levied for other specific purposes			2,191,555
	Federal and state aid not restricted for specific purposes			121,264,834
	Interest and investment earnings			5,362,677
	Interagency revenues			120,419
	Miscellaneous			5,989,492
	Total General Revenues			211,666,221
	CHANGES IN NET POSITION			19,989,841
	NET POSITION - BEGINNING			337,124,959
	PRIOR PERIOD ADJUSTMENT (NOTE 17)			(7,244,692)
	NET POSITION - ENDING			$ 349,870,108

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

	General Fund	Charter School Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 77,135,285	$ 11,191,056	$ 22,323,859	$ 50,808,402	$ 34,226,483	$ 195,685,085
Accounts receivable	14,145,991	1,221,997	240,096	-	2,803,191	18,411,275
Due from other funds	2,138,266	763,459	-	-	3,180,680	6,082,405
Inventory	-	-	-	-	91,632	91,632
Lease receivables	828,508	-	-	-	-	828,508
Total Assets	$ 94,248,050	$ 13,176,512	$ 22,563,955	$ 50,808,402	$ 40,301,986	$ 221,098,905
LIABILITIES						
Accrued liabilities	$ 23,240,121	$ 2,798,914	$ 3,204,864	$ -	$ 1,454,118	$ 30,698,017
Due to other funds	803,544	1,945,749	-	-	3,333,112	6,082,405
Unearned revenue	1,403,661	-	-	-	13,239	1,416,900
Total Liabilities	25,447,326	4,744,663	3,204,864	-	4,800,469	38,197,322
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to lease receivables	680,034	-	-	-	-	680,034
Total Deferred Inflows of Resources	680,034	-	-	-	-	680,034
FUND BALANCES						
Nonspendable	25,000	-	-	-	96,102	121,102
Restricted	22,339,747	1,578,990	19,359,091	50,808,402	35,347,051	129,433,281
Assigned	33,585,356	6,852,859	-	-	58,364	40,496,579
Unassigned	12,170,587	-	-	-	-	12,170,587
Total Fund Balances	68,120,690	8,431,849	19,359,091	50,808,402	35,501,517	182,221,549
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 94,248,050	$ 13,176,512	$ 22,563,955	$ 50,808,402	$ 40,301,986	$ 221,098,905

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

Total Fund Balances - Governmental Funds		$ 182,221,549
Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Capital assets and right-to-use assets:		
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation, and right-to-use assets and accumulated amortization:		
Capital assets	$ 825,401,342	
Accumulated depreciation	(181,639,331)	
Right-to-use assets	3,369,956	
Accumulated amortization	(2,031,495)	645,100,472
Unmatured interest on long-term debt:		
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:		(3,750,008)
Long-term liabilities:		
In governmental funds, only current liabilities are reported. In the government-wide statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
General obligation bonds	$ 300,004,132	
Certificates of participation (COP)	39,260,000	
Qualified zone academy bond (QZAB)	460,566	
Unamortized debt premiums/(discounts)	26,211,774	
Lease liability	91,549	
Subscription-based IT arrangements	1,190,998	
Supplemental early retirement program	1,691,432	
Compensated absences	9,962,325	
Net pension liability	148,461,590	
Net OPEB liability	478,341	(527,812,707)
Deferred gain or loss on debt refunding:		
In the government-wide financial statements deferred gain or loss on debt refunding is recognized as a deferred outflow of resources (for a loss) or deferred inflow of resources (for a gain) and subsequently amortized over the life of the debt. Deferred gain or loss on debt refunding recognized as a deferred outflow of resources or deferred inflow of resources on the statement of net position was:		2,649,430
Deferred outflows and inflows of resources relating to pensions:		
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In government-wide the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:		
Deferred outflows related to pensions	$ 62,799,321	
Deferred inflows related to pensions	(11,337,949)	51,461,372
Total Net Position - Governmental Activities		$ 349,870,108

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

	General Fund	Formerly Non-Major Fund Charter School Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
LCFF sources	$ 154,889,587	$ 15,331,249	$ -	$ -	$ -	$ 170,220,836
Federal sources	8,530,554	-	-	-	5,871,142	14,401,696
Other state sources	27,904,511	1,575,620	-	121,588	3,556,169	33,157,888
Other local sources	16,614,302	654,272	1,883,448	24,785,843	16,571,722	60,509,587
Total Revenues	207,938,954	17,561,141	1,883,448	24,907,431	25,999,033	278,290,007
EXPENDITURES						
Current						
Instruction	114,047,237	9,296,958	-	-	75,068	123,419,263
Instruction-related services						
Instructional supervision and administration	5,158,262	1,634,136	-	-	294,665	7,087,063
Instructional library, media, and technology	1,365,390	271,198	-	-	-	1,636,588
School site administration	13,355,477	2,456,818	-	-	117,881	15,930,176
Pupil services						
Home-to-school transportation	5,737,791	493,922	-	-	-	6,231,713
Food services	138,580	-	-	-	7,619,608	7,758,188
All other pupil services	18,058,563	785,084	-	-	-	18,843,647
General administration						
Centralized data processing	3,827,023	130,074	-	-	-	3,957,097
All other general administration	8,803,447	1,133,565	-	-	668,223	10,605,235
Plant services	23,634,305	1,532,589	-	-	37,566	25,204,460
Facilities acquisition and maintenance	2,955,801	43,185	19,708,725	-	7,619,279	30,326,990
Ancillary services	4,562,964	512,223	-	-	3,044,457	8,119,644
Community services	82,477	-	-	-	-	82,477
Transfers to other agencies	913,013	-	-	-	-	913,013
Other outgo	-	-	-	-	16,375	16,375
Debt service						
Principal	960,305	128,779	-	-	275,000	1,364,084
Interest and other	54,985	31,039	-	10,109,721	1,689,800	11,885,545
Redemptions	-	-	-	10,130,000	-	10,130,000
Total Expenditures	203,655,620	18,449,570	19,708,725	20,239,721	21,457,922	283,511,558
Excess/(Deficiency) of Revenues Over Expenditures	4,283,334	(888,429)	(17,825,277)	4,667,710	4,541,111	(5,221,551)
OTHER FINANCING SOURCES/(USES)						
Transfers in	189	-	-	-	7,482,977	7,483,166
Other sources	1,024,444	-	-	-	-	1,024,444
Transfers out	(212,131)	-	-	-	(7,271,035)	(7,483,166)
Other Financing Sources/(Uses), Net	812,502	-	-	-	211,942	1,024,444
NET CHANGE IN FUND BALANCES	5,095,836	(888,429)	(17,825,277)	4,667,710	4,753,053	(4,197,107)
FUND BALANCES - BEGINNING	63,024,854	-	37,184,368	46,140,692	40,068,742	186,418,656
Change with financial reporting entity (non-major to major fund)	-	9,320,278	-	-	(9,320,278)	-
FUND BALANCES - BEGINNING, AS RESTATED	63,024,854	9,320,278	37,184,368	46,140,692	30,748,464	186,418,656
FUND BALANCES - ENDING	$ 68,120,690	$ 8,431,849	$ 19,359,091	$ 50,808,402	$ 35,501,517	$ 182,221,549

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

Net Change in Fund Balances - Governmental Funds		$ (4,197,107)
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, lease assets and subscription-based IT arrangements are reported as expenditures in the period when the assets are acquired. In the government-wide statement of activities, costs of capital assets, lease assets and subscription-based IT arrangements are allocated over their estimated useful lives and their lease terms as depreciation expense and amortization expense respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:		
Expenditures for capital outlay	$ 33,824,970	
Depreciation expense	(16,302,143)	
Amortization expense	(1,186,359)	16,336,468
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:		11,494,084
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:		(1,024,444)
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:		48,693
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.		(1,706,026)
Compensated absences:		
In governmental funds, compensated absences are measured by the amounts paid during the period. In the government-wide statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:		(1,531,851)
Pensions:		
In government funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		782,694
Postemployment benefits other than pensions (OPEB):		
In governmental funds, OPEB expenses are recognized when employer contributions are made. In the government-wide statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was:		35,019
Other liabilities not normally liquidated with current financial resources:		
In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were:		(1,691,432)
Amortization of deferred gain or loss from debt refunding:		
In the government-wide statements, any deferred gain or loss from debt refunding is amortized as interest over the life of the debt. Amortization of deferred gain or loss from debt refunding for the period is:		(155,849)
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:		1,599,592
Change in Net Position of Governmental Activities		$ 19,989,841

PERRIS UNION HIGH SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

	Custodial Fund
ASSETS	
Cash and cash equivalents	$ 6,105,906
TOTAL ASSETS	6,105,906
NET POSITION	
Held in trust	6,105,906
TOTAL NET POSITION	$ 6,105,906

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

PERRIS UNION HIGH SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Fund
ADDITIONS	
Contributions	
Special tax revenues	$ 7,062,841
Investment earnings	
Interest	129
Total Additions	7,062,970
DEDUCTIONS	
Payments to bondholders	3,167,125
Administrative expenses	28,098
Contributions to other governments	3,473,412
Total Deductions	6,668,635
CHANGE IN NET POSITION	394,335
NET POSITION - BEGINNING	5,711,571
NET POSITION - ENDING	$ 6,105,906

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Perris Union High School District (the "District") was incorporated on August 23, 1897, under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades 7 - 12 as mandated by the State and/or Federal agencies. The District operates a middle school, four high schools, a continuation school, an independent study school, one charter school, and an adult education school.

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

Component Units

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

The Perris Valley Schools Capital Facilities Corporation's (the "Corporation") financial activity is presented in the financial statements in the Capital Projects for Blended Component Units Fund and the Debt Service for Blended Component Units Fund. Certificates of participation issued by the Corporation are included as long-term liabilities in the government-wide financial statements. Individually-prepared financial statements are not prepared for the Corporation.

Other Related Entities

Charter School - The District has an approved Charter for California Military Institute pursuant to *Education Code* Section 47605. The California Military Institute is operated by the District, and its financial activity is presented in the Charter School Special Revenue Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

One fund currently defined as a special revenue fund in the *California State Accounting Manual (CSAM)* does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 14, Deferred Maintenance Fund, is not substantially composed of restricted or committed revenue sources. While this fund is authorized by statute and will remain open for internal reporting purposes, the fund functions effectively as extension of the General Fund, and accordingly have been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of $199.

Charter School Fund - The Charter School Fund may be used by authorizing districts to account separately for the operating activities of district-operated charter schools that would otherwise be reported in the authorizing District's General Fund.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation - Fund Accounting, continued

Non-Major Governmental Funds

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

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

- **Adult Education Fund** - The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation - Fund Accounting, continued

Non-Major Governmental Funds, continued

Capital Project Funds, continued

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

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

- **Debt Service Fund** - The Debt Service Fund is used for the accumulation of resources for and the retirement of principal and interest on general long-term liabilities.

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

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are not available to support the District's own programs. Fiduciary funds are split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics.

Trust funds are used to account for resources held by the District under a trust agreement for individuals, private organizations, or other governments. Custodial funds are used to account for resources, not in a trust, that are held by the District for other parties outside the District's reporting entity. The District's custodial funds account for the accumulation of resources for the payment of the principal and interest on the Special Tax Bonds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting - Measurement Focus

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting - Measurement Focus, continued

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

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

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

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

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 and equivalents also include cash in county treasury for purposes of the statement of cash flows. 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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Receivable

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

Prepaid Expenditures (Expenses)

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

Inventories

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

Capital Assets and Right-to-Use Assets

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

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

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 7 to 30 years; furniture and equipment, 5 to 20 years.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets and Right-to-Use Assets, continued

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

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

Interfund Balances

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

Compensated Absences

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accrued Liabilities and Long-Term Liabilities

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

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

Debt Issuance Costs, Premiums, and Discounts

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

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

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Postemployment Benefits Other Than Pensions (OPEB)

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

Leases

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

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

Subscriptions

The District recognizes a subscription liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the subscription term, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over shorter of the subscription term or useful life of the underlying asset. The amortization period varies from 2 to 5 years.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances - Governmental Funds

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

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

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District did not have any committed funds.

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $78,597,402 of net position restricted by enabling legislation.

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

Estimates

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

Property Tax

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Adoption of New Accounting Standards

The following Governmental Accounting Standards Board (GASB) Pronouncements were adopted by the District during the year ended June 30, 2025:

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The financial impact of this Statement is reflected in Notes 8 and 17.

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

Upcoming GASB Pronouncements

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

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

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

NOTE 2 – CASH AND CASH EQUIVALENTS

Summary of Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2025 are classified in the financial statements and consist of the following:

	Governmental Activities	Fiduciary Fund
Cash in county treasury	$ 177,492,594	$ -
Cash on hand and in banks	1,430,940	-
Cash with fiscal agent	15,960,168	6,105,906
Cash in revolving fund	29,470	-
Cash awaiting deposit	328,183	-
Fair market value adjustment	443,730	-
Total	$ 195,685,085	$ 6,105,906

Policies and Practices

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

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

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

General Authorizations

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Riverside County Investment Pool. The District maintains an investment of $177,492,594 with the Riverside County Investment Pool that has an average weighted maturity of 456 days.

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Riverside County Treasury Investment Pool has been rated Aaa-bf by Moody's Investor Service.

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, the District's bank balance of $1,837,468 was exposed to custodial risk because it was uninsured and uncollateralized.

NOTE 3 – ACCOUNTS RECEIVABLE

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

	General Fund	Charter School Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal Government					
Categorical aid	$ 3,455,256	$ -	$ -	$ 1,980,137	$ 5,435,393
State Government					
Categorical aid	7,772,726	31,535	-	51,392	7,855,653
Lottery	746,572	75,938	-	-	822,510
Local Government					
Interest	673,738	108,135	59,886	337,610	1,179,369
Other local sources	1,497,699	1,006,389	180,210	434,052	3,118,350
Total	$ 14,145,991	$ 1,221,997	$ 240,096	$ 2,803,191	$ 18,411,275

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

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

	Balance July 01, 2024	Adjustments	Adjusted Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025
Governmental Activities						
Capital assets not being depreciated						
Land	$ 11,545,012	$ -	$ 11,545,012	$ -	$ -	$ 11,545,012
Construction in progress	115,764,260	-	115,764,260	23,455,585	5,988,927	133,230,918
Total Capital Assets not Being Depreciated	127,309,272	-	127,309,272	23,455,585	5,988,927	144,775,930
Capital assets being depreciated						
Land improvements	73,621,597	-	73,621,597	2,704,580	-	76,326,177
Buildings and improvements	572,805,736	-	572,805,736	10,134,101	-	582,939,837
Furniture and equipment	18,864,211	-	18,864,211	2,495,187	-	21,359,398
Total Capital Assets Being Depreciated	665,291,544	-	665,291,544	15,333,868	-	680,625,412
Total Capital Assets	792,600,816	-	792,600,816	38,789,453	5,988,927	825,401,342
Less: Accumulated depreciation						
Land improvements	21,739,550	-	21,739,550	2,126,823	-	23,866,373
Buildings and improvements	129,266,700	-	129,266,700	12,993,368	-	142,260,068
Furniture and equipment	14,330,938	-	14,330,938	1,181,952	-	15,512,890
Total Accumulated Depreciation	165,337,188	-	165,337,188	16,302,143	-	181,639,331
Capital Assets, Net	627,263,628	-	627,263,628	22,487,310	5,988,927	643,762,011
Right-to-use assets						
Leased assets - furniture and equipment	453,490	-	453,490	-	-	453,490
Subscription-based IT arrangements	1,908,521	542,459	2,450,980	1,024,444	558,958	2,916,466
Total Right-to-Use Assets	2,362,011	542,459	2,904,470	1,024,444	558,958	3,369,956
Less: Accumulated amortization						
Leased assets - furniture and equipment	229,733	-	229,733	140,060	-	369,793
Subscription-based IT arrangements	1,050,924	123,437	1,174,361	1,046,299	558,958	1,661,702
Total Accumulated Amortization	1,280,657	123,437	1,404,094	1,186,359	558,958	2,031,495
Right-to-Use Assets, Net	1,081,354	419,022	1,500,376	(161,915)	-	1,338,461
Capital Assets and Right-to-Use Assets, Net	$ 628,344,982	$ 419,022	$ 628,764,004	$ 22,325,395	$ 5,988,927	$ 645,100,472

NOTE 5 – LEASE RECEIVABLES

The District has entered into lease agreements with various lessees. The lease receivables are summarized below:

	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Verizon Cell Tower Lease	$ 593,920	$ -	$ 6,105	$ 587,815	$ 7,239
AT&T Cell Tower Lease	259,573	-	18,880	240,693	19,640
Total	$ 853,493	$ -	$ 24,985	$ 828,508	$ 26,879

Verizon Cellular Tower Antenna Sites

The District licenses (leases) a portion of its facilities for cellular tower antenna sites. These licenses are non-cancelable for a period of five years, with five renewal period of five years. The District believes the licensees will exercise the renewal option with reasonable certainty. The agreements allow for 3% annual increases to the license payments. At termination, lessees must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized $6,105 in lease revenues and $23,342 in interest revenues related to the agreement. As of June 30, 2025, the District reported lease receivables totaling $587,815 and related deferred inflows of resources of $456,351 arising from these lease arrangements. The District used an interest rate of 3.94% based on the rates available to finance real estate or machinery and equipment over the same time periods.

AT&T Cellular Tower Antenna Sites

The District licenses (leases) a portion of its facilities for cellular tower antenna sites. These licenses are non-cancelable for a period of five years, with five renewal period of five years. The District believes the licensees will exercise the renewal option with reasonable certainty. The agreements allow annual increases based on the Consumer Price Index (CPI). At termination, lessees must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized $18,880 in lease revenue and $9,889 in interest revenues related to the agreement. As of June 30, 2025, the District reported lease receivables totaling $240,693 and related deferred inflows of resources of $223,683 arising from these lease arrangements. The District used an interest rate of 3.94% based on the rates available to finance real estate or machinery and equipment over the same time periods.

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

Year Ending June 30,	Principal	Interest	Total
2026	$ 26,879	$ 32,221	$ 59,100
2027	28,873	31,136	60,009
2028	30,975	29,971	60,946
2029	33,190	28,723	61,913
2030	35,521	27,385	62,906
2031-2035	217,107	113,415	330,522
2036-2040	143,658	77,539	221,197
2041-2045	206,405	44,464	250,869
2046-2047	105,900	5,301	111,201
Total	$ 828,508	$ 390,155	$ 1,218,663

NOTE 6 – INTERFUND TRANSACTIONS

Due From/Due To Other Funds

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

	Receivable Fund			
Payable Fund	General Fund	Charter School Fund	Non-Major Governmental Funds	Total
General Fund	$ 199	$ 763,459	$ 39,886	$ 803,544
Charter School Fund	1,945,749	-	-	1,945,749
Non-Major Governmental Funds	192,318	-	3,140,794	3,333,112
Total	$ 2,138,266	$ 763,459	$ 3,180,680	$ 6,082,405

Due from General Fund to General Fund for deferred maintenance.	$ 199
Due from General Fund to Charter School Fund for in-lieu property taxes.	763,459
Due from General Fund to Adult Education Fund for an interfund transfer out to support the program.	17,942
Due from General Fund to Cafeteria Special Revenue Fund for adjustments of indirect costs previously charged to the Cafeteria Special Revenud Fund.	21,944
Due from Charter School Fund to General Fund for indirect costs, proportionate share of special education encroachment, charter administration fees, postage, and printing.	1,945,749
Due from Adult Education Fund to General Fund for postage and indirect costs.	158,762
Due from Cafeteria Special Revenue Fund to General Fund for indirect costs, postage, and paper chargebacks.	33,548
Due from County School Facilities Fund to General Fund for the transfer of interest revenue to zero out the fund.	8
Due from Capital Project for Blended Component Unit Fund to Capital Facilities Fund for reimbursement of construction costs.	3,140,794
Total	$ 6,082,405

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

Interfund Transactions

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

	Interfund Transfer In		
Interfund Transfer Out	General Fund	Non-Major Governmental Funds	Total
General Fund	$ 189	$ 211,942	$ 212,131
Non-Major Governmental Funds	-	7,271,035	7,271,035
Total	$ 189	$ 7,482,977	$ 7,483,166

Transfer from General Fund to the General Fund is for deferred maintenance.	$ 189
Transfer from General Fund to the Adult Education Fund is for operational expenditures.	211,942
Transfer from Capital Project for Blended Component Units Fund to the Capital Facilities Fund is for reimbursement of construction costs.	3,341,439
Transfer from Capital Project for Blended Component Units Fund to the Debt Service Fund is for certificates of participation debt service payment.	1,964,800
Transfer from Debt Service Fund to the Debt Service for Blended Component Units Fund is for certificates of participation debt service payments.	1,964,796
Total	$ 7,483,166

NOTE 7 – ACCRUED LIABILITIES

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

	General Fund	Charter School Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Payroll and related	$ 612,419	$ 5,253	$ -	$ 29,682	$ 647,354
Vendors payable	22,627,702	2,793,661	3,204,864	1,424,436	30,050,663
Total	$ 23,240,121	$ 2,798,914	$ 3,204,864	$ 1,454,118	$ 30,698,017

NOTE 8 – UNEARNED REVENUE

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

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal Government			
Categorical aid	$ 312,877	$ 13,239	$ 326,116
State Government			
Other state sources	1,090,784	-	1,090,784
Total	$ 1,403,661	$ 13,239	$ 1,416,900

NOTE 9 – LONG-TERM LIABILITIES

Summary

A schedule of changes in long-term liabilities for the year ended June 30, 2025, is shown below.

	Balance July 01, 2024	Adjustments (Note 17)	Adjusted Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Governmental Activities							
General obligation bonds	$ 308,428,106	$ -	$ 308,428,106	$ 1,706,026	$ 10,130,000	$ 300,004,132	$ 8,180,000
Certificates of participation (COP)	39,535,000	-	39,535,000	-	275,000	39,260,000	330,000
Qualified zone academy bond (QZAB)	589,345	-	589,345	-	128,779	460,566	130,019
Unamortized debt premiums/(discounts)	27,811,366	-	27,811,366	-	1,599,592	26,211,774	1,482,691
Lease liability	236,247	-	236,247	-	144,698	91,549	91,549
Subscription-based IT arrangements	560,288	421,873	982,161	1,024,444	815,607	1,190,998	745,992
Supplemental early retirement program	-	-	-	2,114,290	422,858	1,691,432	422,858
Compensated absences	1,188,633	7,241,841	8,430,474	1,531,851	-	9,962,325	2,524,097
Net pension liability	151,835,603	-	151,835,603	-	3,374,013	148,461,590	-
Net OPEB liability	513,360	-	513,360	-	35,019	478,341	-
Total	$ 530,697,948	$ 7,663,714	$ 538,361,662	$ 6,376,611	$ 16,925,566	$ 527,812,707	$ 13,907,206

Payments on the general obligation bonds are made from the Bond Interest and Redemption Fund. Payments on the certificates of participation are made from the Debt Service for Blended Component Units Fund. Payments for the qualified school construction bonds are made from the Charter School Fund. Payments on the leases are made from the General Fund. Payments on the subscription-based IT arrangements are made from the General Fund and Cafeteria Fund. The compensated absences will be paid by the General Fund, Charter School Fund, Adult Education Fund, and Cafeteria Fund. Additions and deductions for compensated absences are reported net to its cumulative change in the current year.

NOTE 9 – LONG-TERM LIABILITIES, continued

General Obligation Bonds

The outstanding general obligation bonds are comprised of the following:

Description	Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
1999 Election, Series A	5/1/2000	3/1/2025	6.05% - 6.40%	$ 8,313,075	$ 2,048,675	$ 111,325	$ 2,160,000	$ -	$ -
1999 Election, Series B	11/1/2002	9/1/2027	4.60% - 5.51%	7,686,807	5,767,325	392,236	870,000	5,289,561	1,130,000
2004 Election, Series A	2/25/2005	3/1/2030	3.00% - 5.27%	38,764,558	14,220,990	936,395	-	15,157,385	-
2014 Refunding	11/6/2014	9/1/2024	2.00% - 4.00%	26,510,000	10,585,000	-	3,150,000	7,435,000	3,520,000
2012 Election, Series B	10/20/2015	9/1/2045	3.00% - 5.00%	40,413,023	36,066,116	266,070	160,000	36,172,186	245,000
2018 Election, Series A	7/25/2019	9/1/2048	3.00% - 5.00%	148,000,000	134,815,000	-	-	134,815,000	365,000
2012 Election, Series C	11/18/2021	9/1/2045	2.13% - 4.00%	78,005,000	73,365,000	-	2,900,000	70,465,000	1,975,000
2021 Refunding	11/19/2021	9/1/2042	0.22% - 2.70%	33,355,000	31,560,000	-	890,000	30,670,000	945,000
				$ 381,047,463	$ 308,428,106	$ 1,706,026	$ 10,130,000	$ 300,004,132	$ 8,180,000

Debt Service Requirements to Maturity

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

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2026	$ 7,367,519	$ 9,815,998	$ 812,481	$ 17,995,998
2027	7,516,247	9,545,252	1,643,753	18,705,252
2028	5,736,957	9,359,478	5,063,043	20,159,478
2029	5,801,904	9,219,527	3,578,096	18,599,527
2030	7,241,671	9,050,272	5,838,329	22,130,272
2031-2035	34,912,888	41,817,747	1,982,112	78,712,747
2036-2040	57,745,135	34,083,741	3,719,865	95,548,741
2041-2045	95,495,000	20,858,039	-	116,353,039
2046-2049	62,450,000	4,079,475	-	66,529,475
Accreted Interest	15,736,811	-	(15,736,811)	-
Total	$ 300,004,132	$ 147,829,529	$ 6,900,868	$ 454,734,529

NOTE 9 – LONG-TERM LIABILITIES, continued

Certificate of Participation

In April 2019, the Corporation issued certificates of participation in the amount of $41,160,000 with interest rates ranging from 3.00 to 5.00%. As of June 30, 2025, the principal balance outstanding was $39,260,000.

The certificates mature through 2051 as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 330,000	$ 1,676,050	$ 2,006,050
2027	380,000	1,658,300	2,038,300
2028	445,000	1,637,675	2,082,675
2029	505,000	1,613,925	2,118,925
2030	575,000	1,586,925	2,161,925
2031-2035	3,175,000	7,476,125	10,651,125
2036-2040	5,970,000	6,590,300	12,560,300
2041-2045	12,660,000	4,765,200	17,425,200
2046-2050	12,780,000	1,723,375	14,503,375
2051	2,440,000	38,125	2,478,125
Total	$ 39,260,000	$ 28,766,000	$ 68,026,000

Qualified School Construction Bonds

In September 2011, the Corporation issued qualified school construction bonds in the amount of $2,100,000 with interest rate of 5.57%. As of June 30, 2025, the principal balance outstanding was $460,566.

The bonds mature through 2029 as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 130,019	$ 23,847	$ 153,866
2027	131,270	16,588	147,858
2028	132,533	9,259	141,792
2029	66,744	1,859	68,603
Total	$ 460,566	$ 51,553	$ 512,119

Leases

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

NOTE 9 – LONG-TERM LIABILITIES, continued

Leases, continued

The District has entered into agreements to lease various equipment. The District's liability on lease agreements is summarized below:

Leases	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Postage Equipment	$ 30,642	$ -	$ 17,118	$ 13,524
Copiers	205,605	-	127,580	78,025
Total	$ 236,247	$ -	$ 144,698	$ 91,549

Postage Equipment

The District entered an agreement for postage equipment for five years, beginning March 1, 2021. Under the terms of the lease, the District pays quarterly payments of $4,644, which amounted to total principal and interest costs of $18,576. The annual interest rate charged on the lease is 1.50%. At June 30, 2025, the District has recognized a right-to-use asset of $10,675 and a lease liability of $13,524 related to this agreement. During the fiscal year, the District recorded $15,902 in amortization expense and $1,458 in interest expense for the right-to-use of the postage equipment.

Copiers

The District entered an agreement for copiers for three years, beginning February 1, 2023. Under the terms of the lease, the District pays monthly payments of $11,370, which amounted to total principal and interest costs of $56,852. The annual interest rate charged on the lease is 6.00%. At June 30, 2025, the District has recognized a right-to-use asset of $73,022 and a lease liability of $78,025 related to this agreement. During the fiscal year, the District recorded $124,158 in amortization expense and $8,866 in interest expense for the right- to-use of the copiers.

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

Year Ending June 30,	Principal	Interest	Total
2026	$ 91,549	$ 1,976	$ 93,525
Total	$ 91,549	$ 1,976	$ 93,525

Subscriptions-Based Information Technology Arrangements (SBITAs)

The District entered into SBITA agreements for various software related to digital licensing for student curriculum and school management. At June 30, 2025, the District has recognized a right-to-use subscriptions IT asset of $1,254,764 and a SBITA liability of $1,190,998 related to these agreements. During the fiscal year, the District recorded $1,046,299 in amortization expense. The District is required to make annual principal and interest payments through June 2026. The subscription liabilities were valued using discount rates ranging from 4.27% to 6.50% based on the rates from the State and Local Government Securities table, plus 150 basis points, for the nearest maturity to the noncancelable term of the agreements.

NOTE 9 – LONG-TERM LIABILITIES, continued

Subscriptions-Based Information Technology Arrangements (SBITAs), continued

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

Year Ending June 30,	Principal	Interest	Total
2026	$ 745,992	$ 44,073	$ 790,065
2027	347,808	13,070	360,878
2028	97,198	2,556	99,754
Total	$ 1,190,998	$ 59,699	$ 1,250,697

Early Retirement Incentive

To be eligible for the SERP, Certificated employees must be at least fifty-three (53) years of age and have completed at least five (5) years of service with the District by June 30, 2024. Classified and Management employees must be at least fifty-three (53) years of age and have completed at least five (5) years of service with the District by June 30, 2024. Only those employees holding an active employment status with the District on March 1, 2024 will be eligible for the SERP. Employees who have been issued dismissal charges will not be eligible unless participation in the SERP is included as part of a settlement agreement. The Superintendent or designee may make exceptions to this eligibility requirement only when it is in the best fiscal interest of the District. Section 5. Eligible Certificated employees shall be offered two (2) plan options: A District contribution to fund the SERP equal to 70% of base salary, or 50% of base salary including a Health Reimbursement Account (HRA). Eligible Classified and Management employees shall be offered two (2) plan options: A District contribution to fund the SERP equal to 50% of base salary, or 30% of base salary including a HRA. Employees who elect the option including the HRA will receive $5,000 per year, for five (5) years or until age 65, whichever comes first. The outstanding liability for this plan was $1,691,432 as of June 30, 2025.

The required District payments are as follows:

Year Ending June 30,	Amount
2026	$ 422,858
2027	422,858
2028	422,858
2029	422,858
Total	$ 1,691,432

Compensated Absences

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

At June 30, 2025, the liability recorded for compensated absences was $9,962,325.

NOTE 10 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY

For the fiscal year ended June 30, 2025, the District reported net OPEB liability and OPEB expense for the following:

OPEB Plan	Net OPEB Liability/(Asset)	OPEB Expense/(Benefit)
Medicare Premium Payment (MPP) Program	$ 478,341	$ (35,019)

The details of the plan are as follows:

Medicare Premium Payment (MPP) Program

Plan Description

The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program, through the Teachers' Health Benefit Fund. The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the Defined Benefit Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services on a monthly basis.

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

Benefits Provided

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

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

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

NOTE 10 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Medicare Premium Payment (MPP) Program, continued

Net OPEB Liability and OPEB Expense

At June 30, 2025, the District reported a liability of $478,341 for its proportionate share of the net OPEB liability/(asset) for the MPP Program. The net OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net OPEB liability/(asset) was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively, was 0.179 percent, and 0.169 percent, resulting in a net increase in the proportionate share of 0.010 percent.

For the year ended June 30, 2025, the District recognized OPEB expense/(benefit) of ($35,019).

Actuarial Methods and Assumptions

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

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

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

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

NOTE 10 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Medicare Premium Payment (MPP) Program, continued

Actuarial Methods and Assumptions, continued

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

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

Discount Rate

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

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

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

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB Liability/(Asset)	$ 516,119	$ 478,341	$ 445,124

NOTE 10 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Medicare Premium Payment (MPP) Program, continued

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

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

	1% Decrease (4.00% Part A and 5.50% Part B)	Medicare Cost Trend Rate (5.00% Part A and 6.50% Part B)	1% Increase (6.00% Part A and 7.50% Part B)
Net OPEB Liability/(Asset)	$ 443,132	$ 478,341	$ 517,652

NOTE 11 – NON-OBLIGATORY DEBT

Non-obligatory debt relates to debt issuances by the Community Facility Districts and the Perris Union High School District Financing Authority, as authorized by the Mello-Roos Community Facilities Act of 1982 as amended, and the Mark-Roos Local Bond Pooling Act of 1985, and are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the District. Neither the faith and credit nor taxing power of the District is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the District has no duty to pay the delinquency out of any available funds of the District. The District acts solely as an agent for those paying taxes levied and the bondholders, and may initiate foreclosure proceedings. Special assessment debt of $37,615,000 as of June 30, 2025, does not represent debt of the District and, as such, does not appear in the accompanying basic financial statements.

NOTE 12 – FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Charter School Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable						
Revolving cash	$ 25,000	$ -	$ -	$ -	$ 4,470	$ 29,470
Stores inventory	-	-	-	-	91,632	91,632
Total non-spendable	25,000	-	-	-	96,102	121,102
Restricted						
Educational programs	16,724,326	1,566,560	-	-	2,474	18,293,360
Debt service	-	-	-	50,808,402	27,477	50,835,879
Capital projects	730,770	-	19,359,091	-	23,884,517	43,974,378
Child nutrition	18,592	-	-	-	10,051,716	10,070,308
Student activity funds	-	-	-	-	1,380,867	1,380,867
Other restrictions	4,866,059	12,430	-	-	-	4,878,489
Total restricted	22,339,747	1,578,990	19,359,091	50,808,402	35,347,051	129,433,281
Assigned						
Child nutrition	-	-	-	-	19,975	19,975
Developer fees	-	-	-	-	14,570	14,570
Capital projects	-	-	-	-	23,819	23,819
Other assignments	33,585,356	6,852,859	-	-	-	40,438,215
Total assigned	33,585,356	6,852,859	-	-	58,364	40,496,579
Unassigned						
Reserve for economic uncertainties	12,170,587	-	-	-	-	12,170,587
Total unassigned	12,170,587	-	-	-	-	12,170,587
Total Fund Balance	$ 68,120,690	$ 8,431,849	$ 19,359,091	$ 50,808,402	$ 35,501,517	$ 182,221,549

NOTE 13 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage, and destruction of assets; errors and omissions, injuries to employees, life, and health of employees and natural disasters. The District purchases coverage for property damage with limits up to a maximum of $250,000,000, subject to various policy sublimits generally ranging from $500 to $100,000,000 and deductibles ranging from $500 to $5,000. The District also purchases coverage for general liability claims with limits up to $1,000,000 per occurrence with excess liability coverage up to $25,000,000 per occurrence and $60,000,000 in the aggregate, all subject to various deductibles up to $5,000 per occurrence. The District participates in a finite risk sharing pool for workers' compensation coverage up to $150,000,000 per occurrence with no self-insured retention. Employee health benefits are covered by a commercial insurance policy purchased by the District. The District provides health insurance benefits to District employees electing to participate in the plan by paying a monthly premium based on the number of District employees participating in the plan.

Property and Liability

The District is exposed to various risks of loss related to torts, theft, damage, and destruction of assets; errors and omissions, injuries to employees, life, and health of employees and natural disasters. During fiscal year ending June 30, 2025, the District pooled for property and liability coverage as a member of Riverside Schools' Insurance Authority, a Joint Powers Authority. Settlement claims have not exceeded the limits of this coverage in any of the past three years.

NOTE 13 – RISK MANAGEMENT, continued

Workers' Compensation

For fiscal year 2025, the District participated in the Riverside Schools' Risk Management Authority (RSRMA), a workers' compensation coverage purchasing pool. The intent of RSRMA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants. RSRMA, in turn, pools for workers' compensation coverage through their membership in the Protected Insurance Program for Schools and Community Colleges (PIPS), a finite risk sharing pool. Pooling in this manner allows the member districts and joint powers authorities to take advantage of increased purchasing power and greater spread of risk. As a member of PIPS, RSRMA is assigned a rate based on the JPA's overall payroll and loss experience compared to the other members within PIPS. Each participant in RSRMA pays its workers' compensation premium based on its individual rate which is weighted based on their payroll and loss experience within RSRMA. This arrangement insures that each participant shares equally in the overall performance of RSRMA. Participation in RSRMA is limited to districts that can meet the selection criteria.

Employee Medical Benefits

The District is a member of the Riverside Employer/Employee Partnership (REEP) to provide employee medical benefits. REEP is a shared risk pool comprised of various school districts. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS

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

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

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 82,622,017	$ 38,336,384	$ 10,802,942	$ 11,227,285
CalPERS	65,839,573	24,462,937	535,007	12,938,752
Total	$ 148,461,590	$ 62,799,321	$ 11,337,949	$ 24,166,037

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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

Benefits Provided

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

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

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Benefits Provided, continued

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

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

	STRP Defined Benefit Plan	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.21%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.83%	10.83%

Contributions

The parameters for employer and state contribution rates for the DB Program are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014 and established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were $15,057,644.

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

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

District's proportionate share of the net pension liability	$	82,622,017
State's proportionate share of the net pension liability associated with the District		37,907,848
Total	$	120,529,865

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

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

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.123 percent and 0.114 percent, resulting in a increase of 0.009 percent in the proportionate share.

For the year ended June 30, 2025, the District recognized pension expense of $11,227,285. In addition, the District recognized pension expense and revenue of $3,459,614 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ -	$ 337,560
Differences between expected and actual experience	9,346,670	3,615,299
Changes in assumptions	361,670	5,642,268
Net changes in proportionate share of net pension liability	13,570,400	1,207,815
District contributions subsequent to the measurement date	15,057,644	-
Total	$ 38,336,384	$ 10,802,942

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ (2,236,810)
2027	10,299,200
2028	3,073,384
2029	923,346
2030	821,931
Thereafter	(405,253)
Total	$ 12,475,798

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007, through June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return/discount rate	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Payroll growth	3.25%
Postretirement benefit increases	2.00%

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

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of our 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

Asset Class	Assumed Asset Allocation	Long-term Expected Rate of Return*	Long-term Expected Real Rate of Return**
Public Equity	38%	8.00%	5.25%
Real Estate	15%	6.80%	4.05%
Private Equity	14%	9.50%	6.75%
Fixed Income	14%	5.20%	2.45%
Risk Mitigating Strategies	10%	5.00%	2.25%
Inflation Sensitive	7%	6.40%	3.65%
Cash/Liquidity	2%	2.80%	0.05%
Total	100%		

*20 to 30 year geometric average.
**Real rates of return are net of assumed 2.75% inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates.

Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10 percent and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	$ 146,957,533	$ 82,622,017	$ 28,899,192

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CALPERS)

Plan Description

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

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	27.05%	27.05%

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CALPERS), continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were $9,891,087.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $65,839,573. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively was 0.184 percent and 0.179 percent, resulting in a net increase in the proportionate share of 0.005 percent.

For the year ended June 30, 2025, the District recognized pension expense of $12,938,752. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ 2,557,487	$ -
Differences between expected and actual experience	5,519,685	471,212
Changes in assumptions	1,455,277	-
Net changes in proportionate share of net pension liability	5,039,401	63,795
District contributions subsequent to the measurement date	9,891,087	-
Total	$ 24,462,937	$ 535,007

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CALPERS), continued

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

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 4,740,640
2027	7,582,556
2028	2,192,352
2029	(478,705)
Total	$ 14,036,843

Actuarial Methods and Assumptions

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

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

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CALPERS), continued

Actuarial Methods and Assumptions, continued

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - Cap-weighted	30%	4.54%
Global Equity - Non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

*An expected inflation of 2.30% used for this period.
**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	$ 97,805,236	$ 65,839,573	$ 39,433,392

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $7,654,281. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Grants

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

Litigation

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

Construction Commitments

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

Location	Commitment Amount	Expected Date of Completion
High School #4 (Liberty High School)	$ 1,258,337	December 2025
Perris High School Completion Phase 3	504,349	December 2025
Perris High School Pool Project	62,664	December 2025
Paloma Valley High School New MPR/Admin Alterations	15,928,317	June 2027
Perris High School / City of Perris Crosswalk Project	400,000	June 2026
Total	$ 18,153,667	

NOTE 16 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS

The District is a member of the Riverside Schools Risk Management Authority (RSRMA), Riverside Employer/Employee Partnership (REEP), and the Riverside Schools' Insurance Authority (RSIA) public entity risk pools. The District pays an annual premium to the applicable entity for its medical and welfare, workers' compensation, and property liability coverage. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2025, the District made payments of $2,130,392, $13,878,051, and $2,008,696 to RSRMA, REEP, and RSIA, respectively, for its workers' compensation, medical and welfare, and property and liability coverage.

NOTE 17 – PRIOR PERIOD ADJUSTMENT

Beginning net position of governmental activities and beginning fund balances were restated as follows:

		Governmental Funds	
	Governmental Activities	Charter School Fund	Non-Major Governmental Funds
Beginning Balance - previously reported at June 30, 2024	$ 337,124,959	$ -	$ 40,068,742
Liability	(421,873)	-	-
Correction to right-to-use assets	419,022	-	-
Change in accounting principle (GASB 101)	(7,241,841)	-	-
Change with financial reporting entity (GASB 100)	-	9,320,278	(9,320,278)
Beginning Balance - as restated at June 30, 2024	$ 329,880,267	$ 9,320,278	$ 30,748,464

NOTE 18 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2025 through December 14, 2025, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PERRIS UNION HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual *	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	$ 154,900,319	$ 154,253,600	$ 154,889,587	$ 635,987
Federal sources	7,197,833	9,344,663	8,530,554	(814,109)
Other state sources	24,395,977	27,211,908	27,904,511	692,603
Other local sources	13,750,212	15,788,776	16,614,302	825,526
Total Revenues	200,244,341	206,598,947	207,938,954	1,340,007
EXPENDITURES				
Certificated salaries	77,167,682	76,366,479	75,638,163	728,316
Classified salaries	35,270,289	34,141,239	33,808,424	332,815
Employee benefits	51,674,994	51,399,196	50,362,213	1,036,983
Books and supplies	10,028,863	10,251,343	8,099,788	2,151,555
Services and other operating expenditures	29,576,742	31,889,774	29,578,400	2,311,374
Capital outlay	1,558,582	4,969,702	6,393,219	(1,423,517)
Other outgo				
Excluding transfers of indirect costs	1,063,626	913,626	913,013	613
Transfers of indirect costs	(1,407,881)	(1,382,619)	(1,137,600)	(245,019)
Total Expenditures	204,932,897	208,548,740	203,655,620	4,893,120
Excess/(Deficiency) of Revenues				
Over Expenditures	(4,688,556)	(1,949,793)	4,283,334	6,233,127
OTHER FINANCING SOURCES/(USES)				
Transfers in	-	-	189	189
Other sources	-	-	1,024,444	1,024,444
Transfers out	(110,157)	(285,831)	(211,942)	73,889
Other Financing Sources/(Uses), Net	(110,157)	(285,831)	812,691	1,098,522
NET CHANGE IN FUND BALANCES	(4,798,713)	(2,235,624)	5,096,025	7,331,649
FUND BALANCES - BEGINNING	63,024,665	63,024,665	63,024,665	-
FUND BALANCES - ENDING	$ 58,225,952	$ 60,789,041	$ 68,120,690	$ 7,331,649

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances for the following reason:

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 Deferred Maintenance Fund, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

PERRIS UNION HIGH SCHOOL DISTRICT
CHARTER SCHOOL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	$ 15,331,249	$ 15,564,718	$ 15,331,249	$ (233,469)
Other state sources	1,575,620	1,542,644	1,575,620	32,976
Other local sources	629,818	501,723	654,272	152,549
Total Revenues	17,536,687	17,609,085	17,561,141	(47,944)
EXPENDITURES				
Certificated salaries	6,590,494	6,686,046	6,590,492	95,554
Classified salaries	1,793,468	1,790,285	1,793,467	(3,182)
Employee benefits	3,517,163	3,575,023	3,517,164	57,859
Books and supplies	637,087	814,884	637,086	177,798
Services and other operating expenditures	4,715,573	4,805,551	4,715,574	89,977
Capital outlay	122,406	131,356	122,406	8,950
Other outgo				
Excluding transfers of indirect costs	159,817	159,837	159,818	19
Transfers of indirect costs	913,563	1,165,674	913,563	252,111
Total Expenditures	18,449,571	19,128,656	18,449,570	679,086
Excess/(Deficiency) of Revenues				
Over Expenditures	(912,884)	(1,519,571)	(888,429)	631,142
OTHER FINANCING SOURCES/(USES)				
Other sources	24,455	30,000	-	(30,000)
Other Financing Sources/(Uses), Net	24,455	30,000	-	(30,000)
NET CHANGE IN FUND BALANCE	(888,429)	(1,489,571)	(888,429)	601,142
FUND BALANCES - BEGINNING	9,320,278	9,320,278	9,320,278	-
FUND BALANCES - ENDING	$ 8,431,849	$ 7,830,707	$ 8,431,849	$ 601,142

See notes to required supplementary information.

PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET) – MPP PROGRAM
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
District's proportion of the net OPEB liability	0.179%	0.169%	0.158%	0.149%
District's proportionate share of the net OPEB liability/(asset)	$ 478,341	$ 513,360	$ 520,995	$ 593,879
District's covered-employee payroll	N/A*	N/A*	N/A*	N/A*
Plan's proportionate share of the net OPEB liability/(asset) as a percentage of its covered-employee payroll	N/A*	N/A*	N/A*	N/A*
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total OPEB liability	-1.02%	-0.96%	-0.94%	-0.80%
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net OPEB liability	0.176%	0.173%	0.169%	0.167%
District's proportionate share of the net OPEB liability/(asset)	$ 744,333	$ 644,974	$ 644,996	$ 701,451
District's covered-employee payroll	N/A*	N/A*	N/A*	N/A*
Plan's proportionate share of the net OPEB liability/(asset) as a percentage of its covered-employee payroll	N/A*	N/A*	N/A*	N/A*
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total OPEB liability	-0.71%	-0.81%	-0.40%	0.01%
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

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

PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
CalSTRS	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
District's proportion of the net pension liability	0.123%	0.114%	0.105%	0.099%	0.101%
District's proportionate share of the net pension liability	$ 82,622,017	$ 87,112,401	$ 73,226,952	$ 45,076,987	$ 97,684,114
State's proportionate share of the net pension liability associated with the District	37,907,848	41,738,001	36,671,771	22,680,992	50,356,172
Total	$ 120,529,865	$ 128,850,402	$ 109,898,723	$ 67,757,979	$ 148,040,286
District's covered-employee payroll	$ 82,041,052	$ 72,211,147	$ 61,487,742	$ 54,957,090	$ 55,221,035
District's proportionate share of the net pension liability as percentage of covered-employee payroll	101%	121%	119%	82%	177%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%

	Reporting Fiscal Year (Measurement Date)				
CalPERS	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
District's proportion of the net pension liability	0.184%	0.179%	0.167%	0.149%	0.150%
District's proportionate share of the net pension liability	$ 65,839,573	$ 64,723,202	$ 57,546,778	$ 30,302,890	$ 46,011,304
District's covered-employee payroll	$ 36,449,985	$ 31,084,864	$ 25,769,450	$ 21,513,198	$ 21,635,977
District's proportionate share of the net pension liability as percentage of covered-employee payroll	181%	208%	223%	141%	213%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%

See notes to required supplementary information.

PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
CalSTRS	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
District's proportion of the net pension liability	0.098%	0.094%	0.092%	0.097%	0.088%
District's proportionate share of the net pension liability	$ 88,423,994	$ 86,283,852	$ 85,169,359	$ 78,071,403	$ 59,003,719
State's proportionate share of the net pension liability associated with the District	48,241,192	49,401,541	50,385,473	44,444,657	31,206,463
Total	$ 136,665,186	$ 135,685,393	$ 135,554,832	$ 122,516,060	$ 90,210,182
District's covered-employee payroll	$ 53,500,878	$ 51,410,256	$ 49,391,614	$ 47,760,848	$ 41,835,563
District's proportionate share of the net pension liability as percentage of covered-employee payroll	165%	168%	172%	163%	141%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%

	Reporting Fiscal Year (Measurement Date)				
CalPERS	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
District's proportion of the net pension liability	0.148%	0.148%	0.147%	0.144%	0.135%
District's proportionate share of the net pension liability	$ 43,167,079	$ 39,391,952	$ 35,010,378	$ 28,372,895	$ 19,933,763
District's covered-employee payroll	$ 20,569,289	$ 19,508,570	$ 18,690,870	$ 17,435,199	$ 16,125,333
District's proportionate share of the net pension liability as percentage of covered-employee payroll	210%	202%	187%	163%	124%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%

PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year				
CalSTRS	2025	2024	2023	2022	2021
Statutorily required contribution	$ 15,057,644	$ 15,669,841	$ 13,792,329	$ 10,403,726	$ 8,875,570
District's contributions in relation to the statutorily required contribution	15,057,644	15,669,841	13,792,329	10,403,726	8,875,570
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 78,835,832	$ 82,041,052	$ 72,211,147	$ 61,487,742	$ 54,957,090
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	19.10%	16.92%	16.15%

	Reporting Fiscal Year				
CalPERS	2025	2024	2023	2022	2021
Statutorily required contribution	$ 9,891,087	$ 9,724,856	$ 7,886,230	$ 5,903,781	$ 4,453,232
District's contributions in relation to the statutorily required contribution	9,891,087	9,724,856	7,886,230	5,903,781	4,453,232
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 36,565,941	$ 36,449,985	$ 31,084,864	$ 25,769,450	$ 21,513,198
District's contributions as a percentage of covered-employee payroll	27.05%	26.68%	25.37%	22.91%	20.70%

	Reporting Fiscal Year				
CalSTRS	2020	2019	2018	2017	2016
Statutorily required contribution	$ 9,442,797	$ 8,709,943	$ 7,418,500	$ 6,213,465	$ 5,124,739
District's contributions in relation to the statutorily required contribution	9,442,797	8,709,943	7,418,500	6,213,465	5,124,739
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 55,221,035	$ 53,500,878	$ 51,410,256	$ 49,391,614	$ 47,760,848
District's contributions as a percentage of covered-employee payroll	17.10%	16.28%	14.43%	12.58%	10.73%

	Reporting Fiscal Year				
CalPERS	2020	2019	2018	2017	2016
Statutorily required contribution	$ 4,266,831	$ 3,715,225	$ 3,029,876	$ 2,595,788	$ 2,065,548
District's contributions in relation to the statutorily required contribution	4,266,831	3,715,225	3,029,876	2,595,788	2,065,548
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 21,635,977	$ 20,569,289	$ 19,508,570	$ 18,690,870	$ 17,435,199
District's contributions as a percentage of covered-employee payroll	19.72%	18.06%	15.53%	13.89%	11.85%

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

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

This present information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of the Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

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

- *Changes of Assumptions* – The discount rate has increased since the prior measurement date from 3.65% to 3.93%. The Medicare Part A Premium cost trend rate has increased from 4.50% to 5.00%, while Medicare Part B Premium has decreased from 5.40% to 6.50%, from prior measurement date.

Schedule of the Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

- *Changes of Assumptions* – Additional factors were considered in the actuarial valuation for CalSTRS namely the payroll growth rate and long-term expected rate of return based on 20- to 30-year geometric average. There were no changes in economic assumptions since previous valuation for CalPERS.

NOTE 1 - PURPOSE OF SCHEDULES, continued

Schedule of Contributions - Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2025, the District incurred an excess of expenditures over appropriations in General Fund and Charter School Fund presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Capital outlay	$ 4,969,702	$ 6,393,219	$ 1,423,517
Other outgo	$ (468,993)	$ (224,587)	$ 244,406

	Expenditures and Other Uses		
	Budget	Actual	Excess
Charter School Fund			
Classified salaries	$ 1,790,285	$ 1,793,467	$ 3,182

SUPPLEMENTARY INFORMATION

ORGANIZATION

The Perris Union High School District was incorporated on August 23, 1897, and consists of an area comprising approximately 179 square miles. The District operates one middle school, four high schools, a continuation school, an independent study school, one charter school, and an adult education school. There were no boundary changes during the year.

The Board of Education and the District Administrators for the fiscal year ended June 30, 2025, were as follows:

GOVERNING BOARD

Name	Office	Term Expires
Steve Campos	President	2026
Edward D. Garcia, Jr	Vice President	2026
Charles Hall	Clerk	2028
Jamie Anaya	Member	2028
Anthony T. Stafford, Sr.	Member	2028

ADMINISTRATION

Jose Luis Araux
Superintendent

Dr. Marguerite Williams
Assistant Superintendent of Business Services

Dr. Shanna Egans
Assistant Superintendent of Educational Services

Alfredo Andrade
Chief Human Resources Officer

Mimi Capistrano
Director of Fiscal Services

PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13523	$ 3,794,072
School Breakfast Needy	10.553	13526	946,254
National School Lunch Program - Meal Supplements	10.555	13755	29,163
National School Lunch Program Noncash Commodities	10.555	13391	513,958
Total Child Nutrition Cluster			5,283,447
Passed Through California Department of Social Services			
CCFP Cash in Lieu of Commodities	10.558	13389	587,695
Total U.S. Department of Agriculture			5,871,142
U.S. Department of Education			
Passed Through Riverside County Special Education Local Plan Area			
Special Education IDEA Cluster:			
IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	3,961,400
IDEA Local Assistance, Part B, Sec 611, Early Intervening Services	84.027	10119	8,047
IDEA Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	427,907
Total Special Education IDEA Cluster			4,397,354
Passed Through California Department of Education			
Education Stabilization Funds:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	112,368
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	53,694
ARP Homeless Children and Youth II (ARP HYC II)	84.425	15566	5,715
Total Education Stabilization Funds			171,777
Title I Cluster:			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	2,455,268
ESSA School Improvement (CSI) Funding for LEAs	84.010	15438	33,144
Total Title I Cluster			2,488,412
English Language Acquisition Cluster:			
Title III, Immigrant Student Program	84.365	15146	1,063
Title III, English Learner Student Program	84.365	14346	93,405
Total English Language Acquisition Cluster			94,468
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894	306,779
Title II, Part A, Supporting Effective Instruction	84.367	14341	322,933
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	509,000
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	49,993
Total U.S. Department of Education			8,340,716
U.S. Department of Defense			
Junior Reserve Officer Training Corps - Air Force	12.000	N/A	189,838
Total U.S. Department of Defense			189,838
Total Federal Financial Assistance			$ 14,401,696

PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025

	Second Period Report Certification No. 354EACEC	Annual Report Certification No. BC27C19B
Perris Union High School District		
Regular ADA		
Transitional Kindergarten through Third	-	-
Fourth through Sixth	-	-
Seventh and Eighth	847.58	845.57
Ninth through Twelfth	8,910.58	8,823.90
Total Regular ADA	9,758.16	9,669.47
Extended Year Special Education		
Transitional Kindergarten through Third	-	-
Fourth through Sixth	-	-
Seventh and Eighth	0.15	0.15
Ninth through Twelfth	9.25	9.25
Total Extended Year Special Education	9.40	9.40
Special Education, Nonpublic, Nonsectarian Schools		
Transitional Kindergarten through Third	-	-
Fourth through Sixth	-	-
Seventh and Eighth	0.24	0.43
Ninth through Twelfth	21.38	21.68
Total Special Education, Nonpublic, Nonsectarian Schools	21.62	22.11
Extended Year Special Education - Nonpublic		
Transitional Kindergarten through Third	-	-
Fourth through Sixth	-	-
Seventh and Eighth	-	-
Ninth through Twelfth	1.70	1.70
Total Extended Year Special Education - Nonpublic	1.70	1.70
ADA Totals	9,790.88	9,702.68

	Second Period Report Certification No. 68F0DD2D	Annual Report Certification No. 68F0DD2D
California Military Institute		
Regular ADA: Classroom Based		
Transitional Kindergarten through Third	-	-
Fourth through Sixth	115.24	114.83
Seventh and Eighth	302.23	302.36
Ninth through Twelfth	553.93	549.78
Total Regular ADA Classroom Based	971.40	966.97
Total Charter School ADA	971.40	966.97

PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025

Perris Union High School District

Grade Level	Minutes Requirement	Actual Minutes	J-13A Approved Minutes	Total Adjusted Minutes	Number of Days: Traditional Calendar: Actual Day Offered	J-13A Approved Days	Total Adjusted Days	Multitrack Calendar	Status
Grade 7	54,000	58,220	0	58,220	180	0	180	N/A	Complied
Grade 8	54,000	58,220	0	58,220	180	0	180	N/A	Complied
Grade 9	64,800	64,505	1,340	65,845	176	4	180	N/A	Complied
Grade 10	64,800	64,505	1,340	65,845	176	4	180	N/A	Complied
Grade 11	64,800	64,505	1,340	65,845	176	4	180	N/A	Complied
Grade 12	64,800	64,505	1,340	65,845	176	4	180	N/A	Complied

California Military Institute

Grade Level	Minutes Requirement	Actual Minutes	J-13A Approved Minutes	Total Adjusted Minutes	Number of Days: Traditional Calendar: Actual Day Offered	J-13A Approved Days	Total Adjusted Days	Multitrack Calendar	Status
Grade 5	54,000	65,250	390	65,640	179	1	180	N/A	Complied
Grade 6	54,000	65,250	390	65,640	179	1	180	N/A	Complied
Grade 7	54,000	65,250	390	65,640	179	1	180	N/A	Complied
Grade 8	54,000	65,250	390	65,640	179	1	180	N/A	Complied
Grade 9	64,800	65,250	390	65,640	179	1	180	N/A	Complied
Grade 10	64,800	65,250	390	65,640	179	1	180	N/A	Complied
Grade 11	64,800	65,250	390	65,640	179	1	180	N/A	Complied
Grade 12	64,800	65,250	390	65,640	179	1	180	N/A	Complied

PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

	2026 (Budget)	2025	2024	2023
General Fund - Budgetary Basis*				
Revenues and Other Financing Sources	$ 199,773,807	$ 208,963,587	$ 199,704,223	$ 200,468,442
Expenditures and Other Financing Uses	210,105,129	203,867,562	206,465,714	185,012,950
Net Change in Fund Balances	(10,331,322)	5,096,025	(6,761,491)	15,455,492
Ending Fund Balances	$ 57,789,369	$ 68,120,691	$ 63,024,666	$ 69,786,157
Available Reserves**	$ 12,606,308	$ 12,170,587	$ 34,935,446	$ 10,688,301
Available Reserves as a Percentage of Outgo	6.0%	6.0%	16.9%	5.8%
Long-term Debt	$ 513,905,501	$ 527,812,707	$ 530,697,948	$ 517,989,923
Average Daily District Attendance at P-2	9,667	9,791	9,712	9,423

The General Fund balance has decreased by $1,665,466 over the past two years. The 2025–26 budget projects an additional decrease of $10,331,322, or 15.17%. For a district of this size, the State recommends maintaining available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District recorded operating surpluses in 2023 and 2025, and an operating deficit in 2024. It anticipates another operating deficit in the 2025–26 fiscal year. Total long-term liabilities have increased by $9,822,784 over the past two years.

Average daily attendance (ADA) has increased by 368 over the past two years; however, a decline of 124 ADA is projected for the 2025–26 fiscal year.

* 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 Deferred Maintenance Fund, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

** Available reserves are the unrestricted amounts in the Stabilization Arrangements, Reserve for Economic Uncertainties, and Unassigned/Unappropriated accounts in the General Fund and Special Reserve Fund for Other Than Capital Outlay Projects.

There were no reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

PERRIS UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2025

Charter School	Number	Included in Audit Report
California Military Institute	0529	Yes

See note to supplementary information.

PERRIS UNION HIGH SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Special Revenue Funds			Capital Projects Funds				Debt Service Funds	
	Student Activity Special Revenue Fund	Adult Education Fund	Cafeteria Special Revenue Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Capital Project for Blended Component Units Fund	Debt Service Fund	Total Non-Major Governmental Funds
ASSETS									
Cash and cash equivalents	$ 1,382,832	$ 93,221	$ 8,068,042	$ 6,075,029	$ 7	$ 2,619,930	$ 15,960,168	$ 27,254	$ 34,226,483
Accounts receivable	-	51,392	2,060,227	674,151	1	17,197	-	223	2,803,191
Due from other funds	-	17,942	21,944	3,140,794	-	-	-	-	3,180,680
Inventory	73,356	-	18,276	-	-	-	-	-	91,632
Total Assets	$ 1,456,188	$ 162,555	$ 10,168,489	$ 9,889,974	$ 8	$ 2,637,127	$ 15,960,168	$ 27,477	$ 40,301,986
LIABILITIES									
Accrued liabilities	$ 1,265	$ 1,319	$ 27,965	$ 1,423,569	$ -	$ -	$ -	$ -	$ 1,454,118
Due to other funds	-	158,762	33,548	-	8	-	3,140,794	-	3,333,112
Unearned revenue	-	-	13,239	-	-	-	-	-	13,239
Total Liabilities	1,265	160,081	74,752	1,423,569	8	-	3,140,794	-	4,800,469
FUND BALANCES									
Nonspendable	74,056	-	22,046	-	-	-	-	-	96,102
Restricted	1,380,867	2,474	10,051,716	8,451,835	-	2,613,308	12,819,374	27,477	35,347,051
Assigned	-	-	19,975	14,570	-	23,819	-	-	58,364
Total Fund Balances	1,454,923	2,474	10,093,737	8,466,405	-	2,637,127	12,819,374	27,477	35,501,517
Total Liabilities and Fund Balances	$ 1,456,188	$ 162,555	$ 10,168,489	$ 9,889,974	$ 8	$ 2,637,127	$ 15,960,168	$ 27,477	$ 40,301,986

See note to supplementary information.

PERRIS UNION HIGH SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds				Capital Projects Funds				Debt Service Funds		
		Formerly Non-Major Fund									
	Student Activity Special Revenue Fund	Charter School Fund	Adult Education Fund	Cafeteria Special Revenue Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Capital Project for Blended Component Units Fund	Debt Service for Blended Component Units Fund	Debt Service Fund	Total Non-Major Governmental Funds
REVENUES											
Federal sources	$ -	$ -	$ -	$ 5,871,142	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,871,142
Other state sources	-	-	269,419	3,286,750	-	-	-	-	-	-	3,556,169
Other local sources	3,244,118	-	565	676,341	4,414,570	2	2,253,303	5,959,715	-	23,108	16,571,722
Total Revenues	3,244,118	-	269,984	9,834,233	4,414,570	2	2,253,303	5,959,715	-	23,108	25,999,033
EXPENDITURES											
Current											
Instruction	-	-	75,068	-	-	-	-	-	-	-	75,068
Instruction-related services											
Instructional supervision and administration	-	-	294,665	-	-	-	-	-	-	-	294,665
School site administration	-	-	117,881	-	-	-	-	-	-	-	117,881
Pupil services											
Food services	-	-	-	7,619,608	-	-	-	-	-	-	7,619,608
General administration											
All other general administration	-	-	14,349	209,689	444,185	-	-	-	-	-	668,223
Plant services	-	-	25,555	12,011	-	-	-	-	-	-	37,566
Facilities acquisition and maintenance	-	-	-	-	7,169,973	-	427,653	21,653	-	-	7,619,279
Ancillary services	3,044,457	-	-	-	-	-	-	-	-	-	3,044,457
Other outgo	-	-	-	-	-	-	-	16,375	-	-	16,375
Debt service											
Principal	-	-	-	-	-	-	-	-	275,000	-	275,000
Interest and other	-	-	-	-	-	-	-	-	1,689,800	-	1,689,800
Total Expenditures	3,044,457	-	527,518	7,841,308	7,614,158	-	427,653	38,028	1,964,800	-	21,457,922
Excess/(Deficiency) of Revenues											
Over Expenditures	199,661	-	(257,534)	1,992,925	(3,199,588)	2	1,825,650	5,921,687	(1,964,800)	23,108	4,541,111
OTHER FINANCING SOURCES/(USES)											
Transfers in	-	-	211,942	-	3,341,439	-	-	-	1,964,796	1,964,800	7,482,977
Transfers out	-	-	-	-	-	-	-	(5,306,239)	-	(1,964,796)	(7,271,035)
Other Financing Sources/(Uses), Net	-	-	211,942	-	3,341,439	-	-	(5,306,239)	1,964,796	4	211,942
NET CHANGE IN FUND BALANCES	199,661	-	(45,592)	1,992,925	141,851	2	1,825,650	615,448	(4)	23,112	4,753,053
FUND BALANCES - BEGINNING	1,255,262	9,320,278	48,066	8,100,812	8,324,554	(2)	811,477	12,203,926	4	4,365	40,068,742
Change with financial reporting entity (non-major to major fund)	-	(9,320,278)	-	-	-	-	-	-	-	-	(9,320,278)
FUND BALANCES - BEGINNING, AS RESTATED	1,255,262	-	48,066	8,100,812	8,324,554	(2)	811,477	12,203,926	4	4,365	30,748,464
FUND BALANCES - ENDING	$ 1,454,923	$ -	$ 2,474	$ 10,093,737	$ 8,466,405	$ -	$ 2,637,127	$ 12,819,374	$ -	$ 27,477	$ 35,501,517

NOTE 1 – PURPOSE OF SCHEDULES

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Expenditures of Federal Awards

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the Federal award activity of the Perris Union High School District (the "District") under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position/fund balance of the District.

Summary of Significant Accounting Policies – Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – The District has not elected to use the ten percent de minimis cost rate.

Schedule of Average Daily Attendance

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

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code* Section 43504.

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.

NOTE 1 – PURPOSE OF SCHEDULES, continued

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the District and displays information for each Charter School on whether or not the Charter School is included in the School District audit.

Non-Major Governmental Funds – Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

OTHER INDEPENDENT AUDITORS' REPORTS

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

Governing Board
Perris Union High School District
Perris, 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, fiduciary activities, each major fund, and the aggregate remaining fund information of Perris Union High School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 14, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

CWDL, Certified Public Accountants

San Diego, California
December 14, 2025

CWDL

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Governing Board
Perris Union High School District
Perris, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Perris Union High School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

CWDL, Certified Public Accountants

San Diego, California
December 14, 2025

CWDL

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

Governing Board
Perris Union High School District
Perris, California

Report on State Compliance

Opinion

We have audited Perris Union High School District's (the "District") compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2025.

In our opinion, the District, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's compliance with the requirements described in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

	PROGRAM NAME	PROCEDURES PERFORMED
	Local Education Agencies Other than Charter Schools:	
A.	Attendance	Yes
B.	Teacher Certification and Misassignments	Yes
C.	RESERVED	Not Applicable
D.	Independent Study	Not Applicable
E.	Continuation Education	Yes
F.	Instructional Time	Yes
G.	Instructional Materials	Yes
H.	Ratios of Administrative Employees to Teachers	Yes
I.	Classroom Teacher Salaries	Yes
J.	Early Retirement Incentive	Not Applicable
K.	Gann Limit Calculation	Yes
L.	School Accountability Report Card	Yes
M.	Juvenile Court Schools	Not Applicable

	PROGRAM NAME	PROCEDURES PERFORMED
	Local Education Agencies Other than Charter Schools, *continued*:	
N.	Middle or Early College High Schools or Programs	Not Applicable
O.	K-3 Grade Span Adjustment	Not Applicable
P.	RESERVED	Not Applicable
Q.	Apprenticeship: Related and Supplemental Instruction	Not Applicable
R.	Comprehensive School Safety Plan	Yes
S.	District of Choice	Not Applicable
TT.	Home to School Transportation Reimbursement	Yes
	School Districts, County Offices of Education, and Charter Schools:	
T.	Proposition 28 Arts and Music in Schools	Yes
U.	After/Before School Education and Safety Program	Yes
V.	Proper Expenditure of Education Protection Account Funds	Yes
W.	Unduplicated Local Control Funding Formula Pupil Counts	Yes
X.	Local Control and Accountability Plan	Yes
Y.	Independent Study-Course Based	Not Applicable
Z.	Immunizations	Not Applicable
AZ.	Educator Effectiveness	Yes
BZ.	Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ.	Career Technical Education Incentive Grant	Yes
DZ.	Expanded Learning Opportunities Program	Yes
EZ.	Transitional Kindergarten	Not Applicable
FZ.	Kindergarten Continuance	Not Applicable
	Charter Schools:	
AA.	Attendance	Yes
BB.	Mode of Instruction	Yes
CC.	Nonclassroom-Based Instruction/Independent Study	Not Applicable
DD.	Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
EE.	Annual Instructional Minutes - Classroom Based	Yes
FF.	Charter School Facility Grant Program	Not Applicable

The term Not Applicable is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
December 14, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

PERRIS UNION HIGH SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENTS	
Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	No
Identification of major programs:	

Assistance Listing Number(s)	Name of Federal Program of Cluster
84.027, 84.027A	Special Education IDEA Cluster
84.010	Title I Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	No
STATE AWARDS	
Internal control over state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for state programs:	Unmodified

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

FIVE DIGIT CODE	AB3627 FINDING TYPES
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

There were no financial statement findings for the year ended June 30, 2025.

This section presents significant deficiencies, material weaknesses, and instances of noncompliance identified during the audit of the financial statements. These matters are reported in accordance with the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as applicable. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

FIVE DIGIT CODE	AB3627 FINDING TYPES
50000	Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2025.

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

FIVE DIGIT CODE	AB3627 FINDING TYPES
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no state award findings or questioned costs for the year ended June 30, 2025

This section presents findings and questioned costs identified in prior year audit related to financial statements, federal awards and state awards.

FINDING #2024-001: INSTRUCTIONAL MATERIALS (70000)

Criteria
Pursuant to California Education Code Section 60119, the District is required to hold a public hearing regarding the sufficiency of textbooks or other instructional materials on or before the end of the eighth week from the first day pupils attended school for that year.

Condition
The District held the public hearing on the sufficiency of instructional materials on October 18, 2023, which was not within the first eight weeks of the start of school.

Effect
The District was not in compliance with California *Education Code* Section 60119.

Cause
The condition noted above appears to have materialized due to lack of internal controls over compliance related to Instructional Materials requirements.

Questioned Costs
There are no questioned costs related to this finding.

Recommendation
The District should make every effort to place the sufficiency of instructional materials on the board agenda for review and approval before on or before the eighth week from the first day pupils attend school for that year. The District should designate a management employee with the responsibility to ensure that the public hearing is placed on the board agenda before the eight weeks have passed.

Corrective Action Plan and Views of Responsible Officials
The District will schedule the public meeting to be held eight weeks prior to the start of school and will ensure that the hearing is included on the board agenda before the eight-week time frame has passed.

Current Status
Implemented

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Perris 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 Board of Trustees of the District relating to each series of the Bonds adopted on January 14, 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 Fieldman, Rolapp & Associates, Inc. dba Applied Best Practices, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Financial Obligation" shall mean (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) 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 Securities Rulemaking Board consistent with the Rule.

"Holders" shall mean the registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"Official Statement" shall mean the Official Statement, dated February __, 2026, relating to the offer and sale of the Bonds.

"Participating Underwriter" shall mean Stifel, Nicolaus & Company, Incorporated, or any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean, the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 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(d).

(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, in a timely manner, send a notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

SECTION 4. Content and Form of Annual Reports. (a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. The District's approved annual budget for the then-current year.

3. 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) Assessed value of taxable property in the District as shown on the most recent equalized assessment roll;

(b) If Riverside County no longer includes the tax levy for payment of the Bonds in its Teeter Plan, the property tax levies, collections, and delinquencies for the District for the most recently completed fiscal year;

(c) Top twenty property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable assessed value, and their percentage of total secured assessed value, if material; and

(d) Average Daily Attendance of the District for the most recently completed school 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, and accompanied by identifying information, as 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. 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; and

10. 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)(10), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.

2. modifications to rights of Bondholders.

3. optional, contingent or unscheduled Bond calls.

4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

5. release, substitution or sale of property securing repayment of the Bonds.

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

7. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

8. incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 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 attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross 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: February __, 2026.

PERRIS UNION HIGH SCHOOL DISTRICT

By: ____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: PERRIS UNION HIGH SCHOOL DISTRICT

Name of Bond Issue: 2026 General Obligation Refunding Bonds

Date of Issuance: February __, 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:_______________________

PERRIS UNION HIGH SCHOOL DISTRICT

By ____[form only; no signature required]_____

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APPENDIX D

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR RIVERSIDE COUNTY, THE CITY OF MENIFEE AND THE CITY OF PERRIS

The District covers approximately 182 square miles in the northwestern part of Riverside County (the "County"). A majority of the City of Perris ("Perris") and all of the City of Menifee ("Menifee" and, together with Perris, the "Cities") lies within the District's boundaries. The following economic data for the Cities and the County is presented for information purposes only, to describe the general economic health of the region. However, the Bonds are not a debt of the Cities nor of the County.

General

The County is the fourth largest county in the State of California (the "State"), encompassing approximately 7,243 square miles. It is located in the southern portion of the State and is bordered by San Bernardino County on the north, Los Angeles and Orange Counties on the west, the State of Arizona and the Colorado River on the east, and San Diego and Imperial Counties on the south. The County, incorporated in 1893, is a general law county with its County seat located in the city of Riverside. Perris is bordered by the Interstate 215 freeway and Highway 74. Menifee is located in the south central portion of the County north of Murrieta, west of Hemet, east of Canyon Lake and southeast of Perris.

Population

The following table summarizes population estimates for the Cities, County and State of California (the "State") for the past ten years.

POPULATION ESTIMATES
City of Menifee, City of Perris, Riverside County, and State of California
2016-2025

Year[1]	City of Menifee	City of Perris	Riverside County	State of California
2016	88,120	75,245	2,342,612	39,103,587
2017	90,157	76,995	2,374,555	39,352,398
2018	92,110	77,649	2,397,662	39,519,535
2019	94,710	78,095	2,419,057	39,605,361
2020[2]	102,383	78,550	2,418,185	39,538,223
2021	104,361	78,821	2,423,069	39,369,530
2022	107,512	78,496	2,435,510	39,179,680
2023	111,221	79,746	2,467,690	39,228,444
2024	113,837	80,947	2,491,037	39,420,663
2025	115,316	81,240	2,495,640	39,529,101

(1) As of January 1.
(2) U.S. Department of Commerce, Bureau of the Census, for April 1.
Source: California Department of Finance.

Personal Income

The following table shows of per capita personal income for the County, State of California and the United States from 2014 through 2023.

PER CAPITA PERSONAL INCOME
Riverside County, State of California, and United States
2014-2023

Year	Riverside County	State of California	United States
2014	$434,822	$50,619	$46,287
2015	36,631	53,817	48,060
2016	38,092	55,863	48,971
2017	39,100	58,214	51,004
2018	40,619	60,984	53,309
2019	43,122	64,219	55,566
2020	47,615	70,098	59,123
2021	51,558	76,882	64,460
2022	50,995	76,941	66,244
2023	53,750	81,255	69,810

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Retail Trade

The following tables show summaries of annual taxable sales for the Cities and the County from 2020 through 2024.

TAXABLE SALES
City of Menifee
2020 through 2024
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2020	1,091	$676,790	1,726	$752,610
2021	1,096	886,535	1,756	974,142
2022	1,186	958,816	1,915	1,073,446
2023	1,271	943,262	2,027	1,455,766
2024	1,295	965,458	2,085	1,384,982

Source: Taxable Sales in California, California Department of Tax and Fee Administration.

TAXABLE SALES
City of Perris
2020 through 2024
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2020	995	$1,985,975	1,548	$2,349,129
2021	1,024	1,881,364	1,578	2,202,950
2022	1,065	2,111,170	1,630	2,479,214
2023	1,076	1,860,517	1,662	2,282,238
2024	1,083	1,883,615	1,666	2,374,674

Source: Taxable Sales in California, California Department of Tax and Fee Administration.

TAXABLE SALES
Riverside County
2020 through 2024
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2020	43,106	$30,321,662	69,284	$42,313,474
2021	39,455	41,330,546	64,335	55,535,196
2022	40,719	45,469,037	66,738	62,117,153
2023	41,857	44,142,609	68,670	61,331,274
2024	42,879	$43,615,957	70,577	$60,343,097

Source: Taxable Sales in California, California Department of Tax and Fee Administration.

Employment

The following table summarizes civilian labor force, employment and unemployment statistics for the Cities, County and State from 2020 through 2024.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
City of Menifee, City of Perris, Riverside County and State of California
2020 through 2024

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate (%)
2020	City of Menifee	43,500	39,200	4,200	9.
	City of Perris	35,300	31,700	3,600	10.2
	Riverside County	1,117,300	1,003,600	113,700	10.2
	State of California	18,956,600	17,039,800	1,916,800	10.1
2021	City of Menifee	45,400	42,200	3,300	7.2
	City of Perris	36,100	33,100	3,000	8.3
	Riverside County	1,119,000	1,036,100	82,900	7.4
	State of California	18,954,600	17,564,900	1,389,700	7.3
2022	City of Menifee	47,300	45,400	2,000	4.1
	City of Perris	36,400	34,700	1,700	4.7
	Riverside County	1,140,400	1,091,800	48,700	4.3
	State of California	19,218,300	18,393,900	824,400	4.3
2023	City of Menifee	49,400	47,100	2,300	4.
	City of Perris	37,300	35,400	1,900	5.2
	Riverside County	1,165,500	1,110,100	55,400	4.8
	State of California	19,471,000	18,551,800	919,200	4.7
2024	City of Menifee	50,000	47,400	2,600	5.2
	City of Perris	37,800	35,600	2,200	5.7
	Riverside County	1,181,300	1,118,600	62,700	5.3
	State of California	19,644,100	18,600,900	1,043,100	5.3

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2024 Benchmark.

Industry

The County is a part of the Riverside-San Bernardino Metropolitan Statistical Area ("MSA"), which includes all of Riverside and San Bernardino Counties. The following table summarizes the annual average industry employment statistics for the Riverside-San Bernardino-Ontario MSA for years 2020 through 2024.

INDUSTRY EMPLOYMENT & ANNUAL AVERAGES
Riverside-San Bernardino-Ontario MSA
2020 through 2024

	2020	2021	2022	2023	2024
Total Farm	14,100	13,700	13,800	13,200	13,700
Mining, Logging and Construction	106,200	111,500	116,300	116,800	117,700
Manufacturing	96,000	96,100	100,000	98,500	95,200
Wholesale Trade	65,600	67,400	69,500	68,900	68,600
Retail Trade	168,800	177,000	181,000	183,000	182,600
Transportation, Warehousing and Utilities	172,500	198,800	214,400	206,000	205,200
Information	12,400	12,500	13,000	13,300	13,000
Financial Activities	44,100	45,200	46,000	44,900	44,100
Professional and Business Services	152,100	166,600	173,900	164,400	161,800
Private Education and Health Services	248,800	254,300	267,900	287,800	306,000
Leisure and Hospitality	141,300	160,200	180,900	187,600	185,300
Other Services	40,200	43,600	47,400	49,400	50,700
Government	248,000	242,000	250,000	260,200	270,200
Total All Industries	1,509,900	1,588,800	1,674,000	1,694,100	1,714,100

Source: State of California, Employment Development Department, Labor Market Information Division, Annual Average Labor Force and Industry Employment, March 2024 Benchmark.

Largest Employers

The following tables list the largest employers in Menifee, Perris and the County, as of June 30, 2024.

LARGEST EMPLOYERS
City of Menifee
June 30, 2024

	Employer	Employees
1.	Mt. San Jacinto Community Coll. District	1,604
2.	Menifee Union School District	1,505
3.	Romoland Elementary School District	793
4.	Menifee Global Medical Center	362
5.	Stater Brothers	348
6.	City of Menifee	345
7.	United Parcel Service	232
8.	Southern California Edison	189
9.	Texas Roadhouse	188
10.	Olive Garden	140

Source: City of Menifee 'Annual Comprehensive Financial Report' for the year ending June 30, 2024.

LARGEST EMPLOYERS
City of Perris
June 30, 2024

	Employer	Employees
1.	Ross Distribution Center	2,292
2.	Val Verde Unified School District	1,592
3.	Perris Union High School District(1)	1,173
4.	Perris Elementary School District	965
5.	Home Depot Distribution Center	905
6.	Lowe's CA Regional Distribution Center	611
7.	Eastern Municipal Water District	596
8.	NFI Industries(2)	557
9.	WalMart Supercenter	411
10.	CR&R Waste	24

(1) For updated information regarding the District's employees, see "THE DISTRICT – Labor Relations" in the front part of this Official Statement.
Source: City of Perris 'Annual Comprehensive Financial Report' for the year ending June 30, 2024.

PRINCIPAL EMPLOYERS
Riverside County
2024

Employer Name	Number of Employees
Riverside County	23,772
Amazon	14,317
University of California, Riverside	8,593
State of California	8,398
Wal-Mart	6,465
Moreno Valley Unified School District	6,020
Kaiser Permanente Riverside Medical Center	5,817
Moreno Valley Unified School District	5,431
Stater Bros.	4,990
Mt. San Jacinto Community College District	4,638

Source: County of Riverside Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2024.

Construction Activity

Provided below are the building permits and valuations for the County and Cities for years 2020 through 2024.

BUILDING PERMITS AND VALUATIONS
City of Menifee
2020 through 2024
(Dollars in Thousands)

	2020	2021	2022	2023	2024
Valuation					
Residential	$448,581	$391,923	$295,989	$286,837	$287,465
Non-Residential	95,968	39,831	27,092	89,973	92,517
Total	$544,549	$431,754	$323,081	$376,810	$379,982
Units					
Single Family	1,457	1,256	796	690	653
Multi Family	--	--	--	45	206
Total	1,457	1,256	796	735	859

Note: Totals may not add to sums because of rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
City of Perris
2020 through 2024
(Dollars in Thousands)

	2020	2021	2022	2023	2024
Valuation					
Residential	$47,035	$29,794	$295,989	$397,312	$205,788
Non-Residential	90,279	44,908	27,092	744,233	68,916
Total	$137,314	$74,702	$323,081	$1,141,545	$274,704
Units					
Single Family	221	99	229	631	400
Multi Family	9	9	763	2,456	111
Total	230	108	992	3,087	511

Note: Totals may not add to sums because of rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
Riverside County
2020 through 2024
(Dollars in Thousands)

	2020	2021	2022	2023	2024
Valuation					
Residential	$2,519,303	$2,262,642	$2,921,113	$3,306,086	$2,650,677
Non-Residential	1,153,778	1,543,998	1,701,618	1,676,498	1,436,925
Total	$3,673,081	$3,806,640	$4,622,731	$4,982,584	$4,087,602
Units					
Single Family	8,443	7,360	8,863	8,894	7,483
Multi Family	723	1,126	2,861	6,428	1,674
Total	9,166	8,486	11,724	15,322	9,157

Note: Totals may not add to sums because of rounding.
Source: Construction Industry Research Board.

APPENDIX E

RIVERSIDE COUNTY INVESTMENT POOL

The following information concerning the Riverside County Investment Pool (the "Investment Pool") has been provided by the Treasurer-Tax Collector of the County (the "Treasurer"), and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriter. None of the District, the Municipal Advisor or the Underwriter have made an independent investigation of the investments in the Investment Pool or made an 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 Treasurer, 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 is correct as of any time subsequent to its date. Additional information regarding the Investment Pool may be obtained from the Treasurer at https://www.countytreasurer.org/Home.aspx. However, the information presented on such website is not incorporated into this Official Statement by any reference.

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County of Riverside

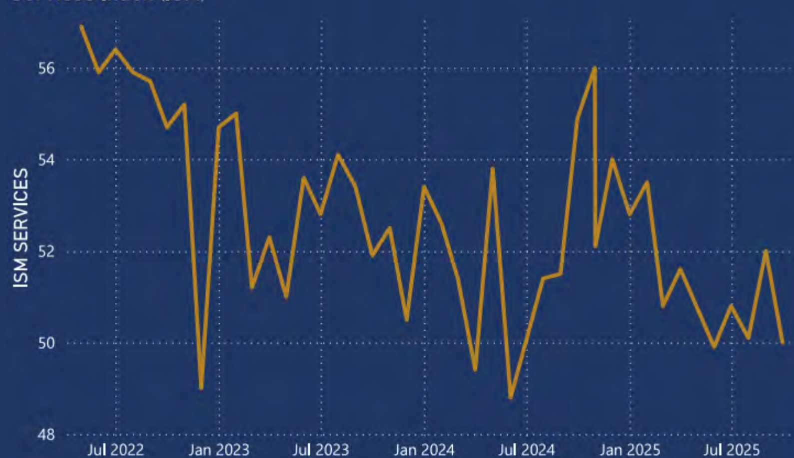
TREASURER-TAX COLLECTOR'S
POOLED INVESTMENT FUND
DECEMBER 2025 REPORT

Fed Easing Continues Amid Ongoing Uncertainty

Short-term interest rates moved lower again in December as the Federal Reserve delivered its third quarter-point cut of the year. In total, the Fed has reduced rates by 175 basis points since early 2024, bringing the target upper bound down from the mid-5% range to roughly 3.75%. Fed Funds futures currently imply low-conviction probabilities across 2026 meeting dates, with no clear consensus on the timing or magnitude of additional cuts. The futures curve reflects uncertainty rather than a firm market expectation, a dynamic that directly affects short-term yields. With the Treasurer's Pooled Investment Fund's focus on liquidity, short-term rates directly shape our earnings potential.

Inflation has been broadly stable over the past year, with CPI fluctuating between 2.3% and 3.0% and ending the year near its average. While still somewhat above the Fed's preferred target, the absence of renewed upward pressure has given the Fed room to continue easing.

Services Index (ISM)



Labor-market data has also softened at the margins. Recent payroll reports have shown slower job creation, and the unemployment rate has edged higher, even as jobless claims remain historically low.

At the same time, broader economic activity remains mixed. GDP growth was reported higher at a strong annual rate of 4.3% in the most recent quarter, 3Q2025, and housing indicators have firmed, with Pending Home Sales showing broad-based strength. In Riverside County, the median time to sell a home is 42 days, somewhat longer than average, and the median price of $629,950 has been stable, remaining within the range observed since Fed easing began in September 2024.

Riverside County Median Home Price

Treasury yields were mixed over the month, with the 2-year note slipping from 3.53% to 3.48% and the 5-year rising from 3.67% to 3.73%. Equity markets posted gains, as the Dow Jones Industrial Average moved from 47,300 to 48,000.

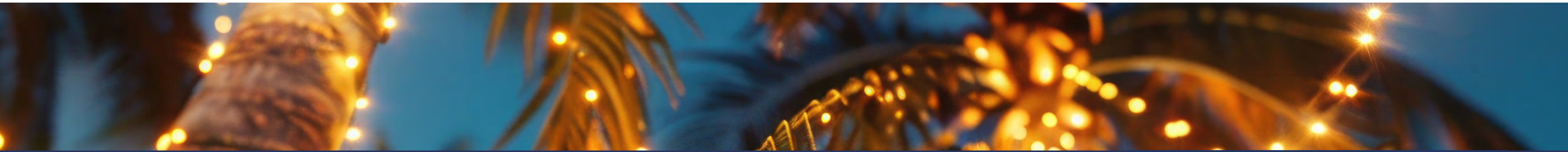
INVESTMENT RESULTS

Objective

The Fund seeks to safeguard the principal of the funds under the Treasurer's control, meet the liquidity needs of the depositors, and to maximize a return on the funds within the given parameters. The Fund invests exclusively in high-quality, short-term securities maturing within 5 years. The Fund is comprised of contributions from the county, schools, special districts, and other discretionary depositors throughout the County of Riverside. The Fund is in full compliance with the Treasurer-Tax Collector Statement of Policy and California Government Code.

$ 16.82bn	$16.75bn	$ 70.59M
Market Value	Principal	Unrealized Gain/Loss
0.42	**3.83**	**1.36**
Unrealized Gain/Loss %	YTM %	WAM (Yrs)

Rated AAAf/S1 by Fitch Ratings, one of the nation's most trusted bond credit rating services.



Federal Home Loan Mortgage Corporation
2,514,402,016.79

Federal Home Loan Banks
2,295,532,506.85

Federal National Mortgage Association
1,954,934,381.00

Federal Farm Credit Banks Funding Corporat...
1,531,026,043.64

United States
1,151,069,150.20

BONY
1,000,000,000.00

Toronto-Dominion Bank - New York Branch
640,000,000.00

National Securities Clearing Corporation
639,555,920.84

J.P. Morgan Securities LLC
545,000,000.00

Royal Bank of Canada New York Branch
537,157,500.00

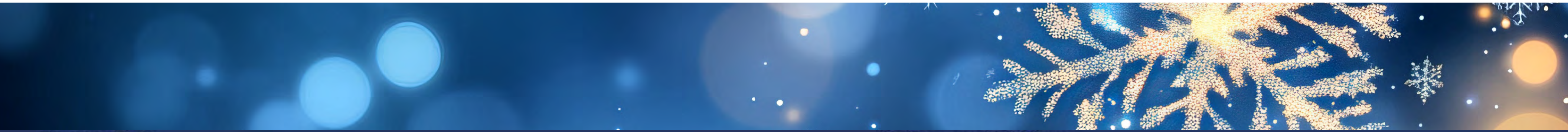
Principal by Maturity

Cash Flows

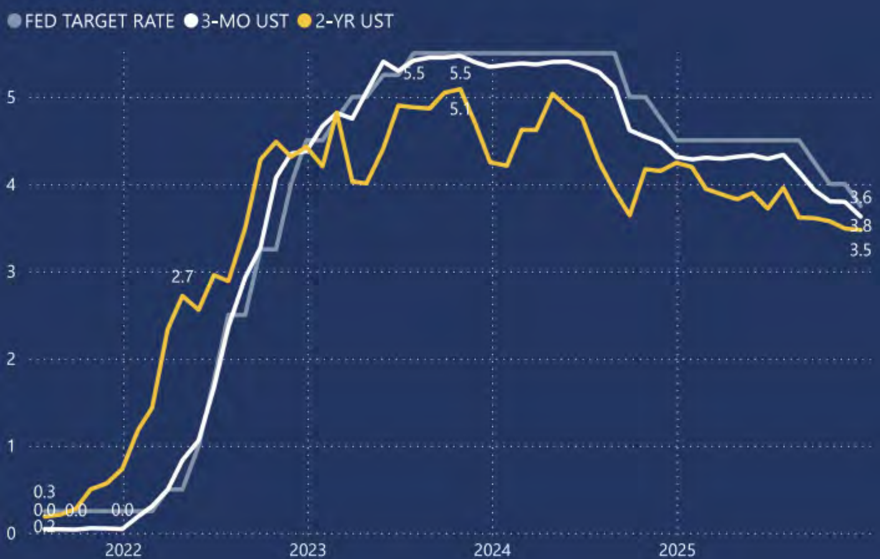
Month-Year	Projected Receipts	Projected Maturities	Projected Payments	Net Cash
Jan-26	2,392,193,435.89	3,055,822,518.60	4,018,725,820.10	1,429,290,134.39
Feb-26	2,261,460,049.45	1,263,183,385.04	2,651,870,781.06	872,772,653.43
Mar-26	3,870,232,060.80	622,420,156.32	2,705,207,128.96	1,787,445,088.16
Apr-26	4,581,850,351.16	199,896,168.94	3,818,208,852.95	963,537,667.14
May-26	1,418,410,086.58	1,074,046,996.89	2,906,956,488.14	-414,499,404.67
Jun-26	2,007,976,363.45	649,985,791.66	2,142,070,979.35	515,891,175.76
Jul-26	962,081,118.65	644,077,315.57	2,457,489,509.58	-851,331,075.36
Aug-26	1,320,079,187.43	427,161,558.29	1,760,677,804.44	-13,437,058.72
Sep-26	1,801,447,468.42	731,874,463.79	1,581,578,414.83	951,743,517.38
Oct-26	2,061,594,726.18	632,366,453.59	1,891,493,182.82	802,467,996.95
Nov-26	1,881,779,558.41	120,858,789.93	1,627,499,466.46	375,138,881.89
Dec-26	4,072,710,339.58	295,749,555.63	2,008,414,648.51	2,360,045,246.70
Total	**28,631,814,745.99**	**9,717,443,154.25**	**29,570,193,077.20**	**8,779,064,823.04**

Holdings Summary

Category	Principal	WAM	YTM
Agency	8,355,886,398.28	2.37	3.89
CD	1,995,000,000.00	0.30	3.86
Corporate	230,830,760.28	1.35	4.11
CP	3,135,072,284.00	0.23	3.89
MM Fund	282,187,500.00	0.00	3.74
Muni	99,295,846.67	0.65	4.32
Mutual Fund	313,000,000.00	0.00	3.81
Non-US Gov	187,468,049.14	1.19	4.41
Repo	1,000,000,000.00	0.01	3.75
US Gov	1,151,069,150.20	0.88	3.13
Total	**16,749,809,988.57**	**1.36**	**3.83**



Treasury Rates



US Treasury Yield Curve

Implied Fed Funds Rate and Rate Change

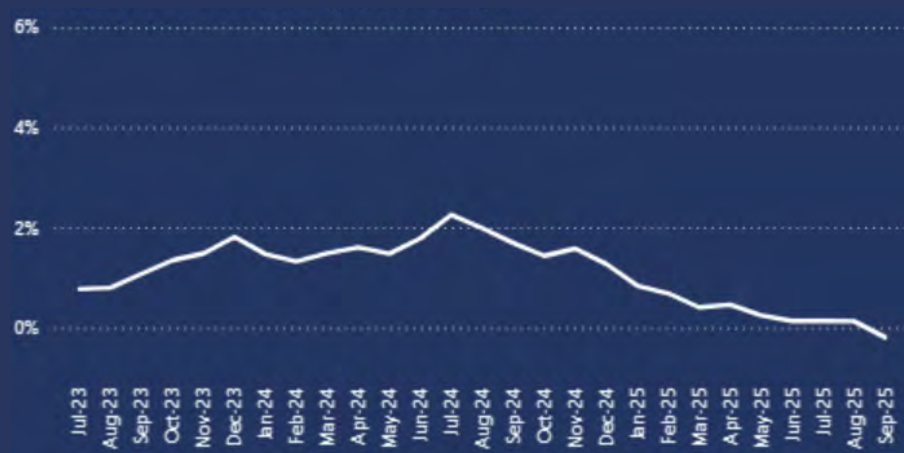
ECONOMICS

U.S. Unemployment Rates (%)

September **2024** Year	**4.10** United States	**5.50** California	**5.30** Riverside County
September **2025** Year	**4.40** United States	**5.60** California	**5.90** Riverside County

U.S. Initial Jobless Claims by Month-Year

Riverside MSA Nonfarm Payroll (%Change)

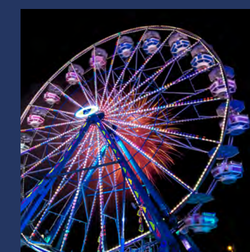


COMPLIANCE STATEMENT

The Treasurer's Pooled Investment Fund was in full compliance with the County of Riverside Treasurer's Statement of Investment Policy. The County's Statement of Investment Policy is more restrictive than California State Government Code 53646. The County's Investment Policy is reviewed annually by the County of Riverside's Oversight Committee and approved by the Board of Supervisors.

Since its inception, the Treasurer's Pooled Investment Fund has been in full compliance with the Treasurer's Statement of Investment Policy.

Investment Category	Gov. Authorized % Limit	Gov. Code Maximum Maturity	Gov. Ratings	Co. Authorized % Limit	Co. Maximum Maturity	Co. Ratings	Pool Principal %
U.S. TREASURIES	NO LIMIT	5 YEARS	NA	100%	5 YEARS	NA	6.87%
REVERSE REPOS	20%	92 DAYS	NA	10%	60 DAYS	NA	
REPURCHASE AGREEMENTS (REPO)	NO LIMIT	1 YEARS	NA	40% max, 25% in term repo over 7 days	45 DAYS	NA	5.97%
NEGOTIABLE CERTIFICATE OF DEPOSITS & COLLATERALIZED TIME DEPOSITS (NCD & TCD)	30%	5 YEARS	NA	20%	2 YEAR	A1/P1/F1	11.91%
MUNICIPAL BONDS (MUNI)	NO LIMIT	5 YEARS	NA	15%	5 YEARS	AA-/Aa3/AA-	0.59%
MONEY MARKET MUTUAL FUNDS (MMF)	20%	60 DAYS (1)	AAA/Aaa (2)	20%	DAILY LIQUIDITY	AAA by 2 Of 3 RATINGS AGC	1.68%
MEDIUM TERM NOTES (MTNO) CORPORATE NOTES	30%	5 YEARS	A	20%	4 YEARS	A/A2/A	1.38%
LOCAL AGENCY OBLIGATIONS (LAO)	NO LIMIT	5 YEARS	NA	2.5%	3 YEARS	INVESTMENT GRADE	
LOCAL AGENCY INVESTMENT FUND (LAIF)	NA	NA	NA	Max $50 million	DAILY LIQUIDITY	NA	
INT'L BANK FOR RECONSTRUCTION AND DEVELOPMENT, INT'L FINANCE CORPORATION, AND INTER-AMERICAN DEVELOPMENT BANK	NA	NA	NA	20%	5 YEARS	AA/Aa/AA	1.12%
FEDERAL AGENCIES	NO LIMIT	5 YEARS	AAA	100%	5 YEARS	NA	49.89%
COMMERCIAL PAPER (CP)	40%	270 DAYS	A1/P1	40%	270 DAYS	A1/P1/F1	18.72%
CASH/DEPOSIT ACCOUNT	NA	NA	NA	20%	NA	NA	
CALTRUST SHORT TERM FUND	NA	NA	NA	1%	DAILY LIQUIDITY	NA	1.87%
Total							**100.00%**



INVESTMENT TEAM

The sound investment of public funds, fair, efficient tax collection, and exceptional public service

Matthew Jennings
Treasurer-Tax Collector

Giovane Pizano
Assistant Treasurer-Tax Collector

John Byerly
Chief Investment Officer

Steve Faeth
Senior Investment Officer

Isela Licea
Investment Officer

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COUNTY OF RIVERSIDE

TREASURER-TAX COLLECTOR

CAPITAL MARKETS

COUNTY ADMINISTRATIVE CENTER

4080 LEMON STREET, 4TH FLOOR,

RIVERSIDE, CA 92501

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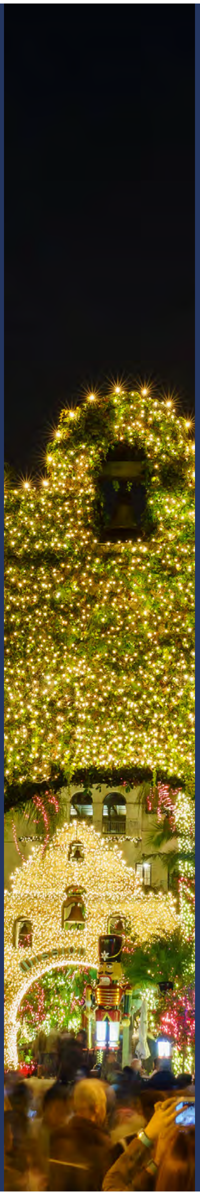

Agency

AGCY BOND

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
3136GC4L6	FEDERAL NATIONAL MORTGAGE ASSOCIATION	4.240	99.9258	11/13/2030	25,000,000.00	25,000,000.00	24,981,450.00	25,000,000.00	(18,550.00)
3130B8BF8	FEDERAL HOME LOAN BANKS	4.045	99.3779	11/06/2030	25,000,000.00	24,897,008.49	24,844,475.00	24,893,750.00	(49,275.00)
3130B8JU7	FEDERAL HOME LOAN BANKS	4.410	100.0635	11/04/2030	20,000,000.00	20,000,000.00	20,012,700.00	20,000,000.00	12,700.00
3130B7SY1	FEDERAL HOME LOAN BANKS	3.750	98.9819	09/30/2030	25,000,000.00	25,000,000.00	24,745,475.00	25,000,000.00	(254,525.00)
3134HBA50	FEDERAL HOME LOAN MORTGAGE CORP	4.476	100.0598	07/23/2030	10,000,000.00	10,001,404.26	10,005,980.00	10,009,000.00	(3,020.00)
3133ETLF2	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.390	100.6644	06/17/2030	25,000,000.00	25,000,000.00	25,166,100.00	25,000,000.00	166,100.00
3130B6SF4	FEDERAL HOME LOAN BANKS	4.125	100.6056	06/14/2030	10,000,000.00	10,000,000.00	10,060,560.00	10,000,000.00	60,560.00
3133ETDZ7	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.590	100.2556	04/22/2030	10,000,000.00	10,000,000.00	10,025,560.00	10,000,000.00	25,560.00
3130B85U2	FEDERAL HOME LOAN BANKS	4.000	99.6269	04/16/2030	15,000,000.00	15,000,000.00	14,944,035.00	15,000,000.00	(55,965.00)
3134HCDS5	FEDERAL HOME LOAN MORTGAGE CORP	4.000	99.7363	12/04/2029	10,000,000.00	10,000,000.00	9,973,630.00	10,000,000.00	(26,370.00)
31424WRN4	FEDERAL AGRICULTURAL MORTGAGE CORP	4.653	100.7829	11/27/2029	15,000,000.00	14,993,322.95	15,117,435.00	14,991,450.00	125,985.00
31424WRG9	FEDERAL AGRICULTURAL MORTGAGE CORP	4.550	101.4269	11/26/2029	20,000,000.00	20,000,000.00	20,285,380.00	20,000,000.00	285,380.00
3133ETY50	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.213	99.9392	11/26/2029	20,000,000.00	19,990,104.17	19,987,840.00	19,990,000.00	(2,160.00)
3130B3LE1	FEDERAL HOME LOAN BANKS	4.420	100.9064	11/05/2029	15,000,000.00	15,000,000.00	15,135,960.00	15,000,000.00	135,960.00
3133EK4C7	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.347	94.3951	10/29/2029	15,000,000.00	13,886,967.12	14,159,265.00	13,549,950.00	609,315.00
3130B7RM8	FEDERAL HOME LOAN BANKS	4.100	99.8758	09/26/2029	15,000,000.00	15,000,000.00	14,981,370.00	15,000,000.00	(18,630.00)
3133ETZB6	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.010	99.7807	09/24/2029	50,000,000.00	50,000,000.00	49,890,350.00	50,000,000.00	(109,650.00)
3133ETXW2	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.190	99.9644	09/17/2029	25,000,000.00	25,000,000.00	24,991,100.00	25,000,000.00	(8,900.00)
3133ETXW2	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.190	99.9644	09/17/2029	25,000,000.00	25,000,000.00	24,991,100.00	25,000,000.00	(8,900.00)
3134HCAM1	FEDERAL HOME LOAN MORTGAGE CORP	4.152	99.9694	08/24/2029	20,000,000.00	20,000,000.00	19,993,880.00	20,000,000.00	(6,120.00)
3133ERPS4	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.732	100.2598	08/15/2029	10,000,000.00	10,005,864.29	10,025,980.00	10,008,100.00	17,880.00
3130B2HC2	FEDERAL HOME LOAN BANKS	4.200	100.0794	08/13/2029	20,000,000.00	20,000,000.00	20,015,880.00	20,000,000.00	15,880.00
3130B25S0	FEDERAL HOME LOAN BANKS	4.710	100.5383	07/30/2029	15,000,000.00	15,000,000.00	15,080,745.00	15,000,000.00	80,745.00
3133ET2L0	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.875	99.7039	06/01/2029	10,000,000.00	10,000,000.00	9,970,390.00	10,000,000.00	(29,610.00)
3130B6J49	FEDERAL HOME LOAN BANKS	4.150	100.5603	05/21/2029	15,000,000.00	15,000,000.00	15,084,045.00	15,000,000.00	84,045.00
3133ETEX1	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.440	100.1856	04/30/2029	10,000,000.00	10,000,000.00	10,018,560.00	10,000,000.00	18,560.00
3136GAZA0	FEDERAL NATIONAL MORTGAGE ASSOCIATION	4.000	99.8221	04/24/2029	25,000,000.00	25,000,000.00	24,955,525.00	25,000,000.00	(44,475.00)
3130B0TF6	FEDERAL HOME LOAN BANKS	4.750	101.4306	04/09/2029	10,000,000.00	10,000,000.00	10,143,060.00	10,000,000.00	143,060.00
3133ETBK2	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.580	100.2225	04/02/2029	25,000,000.00	25,000,000.00	25,055,625.00	25,000,000.00	55,625.00
3133ETBK2	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.501	100.2225	04/02/2029	16,000,000.00	16,003,008.26	16,035,600.00	16,012,000.00	23,600.00
3133ER6T3	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.535	100.1730	03/12/2029	25,000,000.00	24,989,026.35	25,043,250.00	24,986,250.00	57,000.00
3130B7QH0	FEDERAL HOME LOAN BANKS	4.000	99.9800	03/12/2029	25,000,000.00	25,000,000.00	24,995,000.00	25,000,000.00	(5,000.00)
3133ER5D9	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.490	100.8791	03/05/2029	10,000,000.00	10,000,000.00	10,087,910.00	10,000,000.00	87,910.00
3133ER5H0	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.700	100.1874	03/05/2029	10,000,000.00	10,000,000.00	10,018,740.00	10,000,000.00	18,740.00
3133ER3L3	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.731	100.1035	02/13/2029	10,000,000.00	9,988,209.11	10,010,350.00	9,985,000.00	25,350.00
3133ETP92	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.031	99.8637	02/05/2029	20,000,000.00	19,971,221.37	19,972,740.00	19,970,000.00	2,740.00
3130AYRY4	FEDERAL HOME LOAN BANKS	4.625	100.0667	02/02/2029	10,000,000.00	10,000,000.00	10,006,670.00	10,000,000.00	6,670.00
3130B4ND9	FEDERAL HOME LOAN BANKS	5.000	100.1012	01/30/2029	24,780,000.00	24,780,000.00	24,805,077.36	24,780,000.00	25,077.36
3133ET4K0	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.800	99.7643	12/18/2028	10,000,000.00	10,000,000.00	9,976,430.00	10,000,000.00	(23,570.00)
3133ET4K0	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.800	99.7643	12/18/2028	10,000,000.00	10,000,000.00	9,976,430.00	10,000,000.00	(23,570.00)
3134HCHN2	FEDERAL HOME LOAN MORTGAGE CORP	4.000	99.9292	12/18/2028	20,000,000.00	20,000,000.00	19,985,840.00	20,000,000.00	(14,160.00)
3136GCB38	FEDERAL NATIONAL MORTGAGE ASSOCIATION	3.780	99.7465	12/18/2028	10,000,000.00	10,000,000.00	9,974,650.00	10,000,000.00	(25,350.00)
3134HCJW0	FEDERAL HOME LOAN MORTGAGE CORP	3.950	99.9308	12/18/2028	20,000,000.00	20,000,000.00	19,986,160.00	20,000,000.00	(13,840.00)
3133ET3P0	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.212	100.0257	12/04/2028	10,000,000.00	10,000,000.00	10,002,570.00	10,000,000.00	2,570.00
3130B8NM0	FEDERAL HOME LOAN BANKS	3.875	99.8776	11/20/2028	15,000,000.00	15,000,000.00	14,981,640.00	15,000,000.00	(18,360.00)
3133ETR82	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.876	99.8023	11/10/2028	10,000,000.00	9,990,342.28	9,980,230.00	9,990,000.00	(9,770.00)
3130B3LA9	FEDERAL HOME LOAN BANKS	4.428	100.4640	11/06/2028	15,000,000.00	15,000,000.00	15,069,600.00	15,000,000.00	69,600.00
3130AXQC5	FEDERAL HOME LOAN BANKS	5.210	101.3035	11/03/2028	25,000,000.00	25,000,000.00	25,325,875.00	25,000,000.00	325,875.00
3133ETN29	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.468	100.1192	10/27/2028	25,000,000.00	25,000,000.00	25,029,800.00	25,000,000.00	29,800.00
3130AXL48	FEDERAL HOME LOAN BANKS	5.300	101.3162	10/20/2028	40,000,000.00	40,000,000.00	40,526,480.00	40,000,000.00	526,480.00
3133ETJ40	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.513	100.1188	10/20/2028	15,000,000.00	15,000,000.00	15,017,820.00	15,000,000.00	17,820.00
3134HBZ61	FEDERAL HOME LOAN MORTGAGE CORP	4.000	99.9122	10/20/2028	23,000,000.00	23,000,000.00	22,979,806.00	23,000,000.00	(20,194.00)
3134HBY39	FEDERAL HOME LOAN MORTGAGE CORP	4.000	99.9064	10/17/2028	25,000,000.00	25,000,000.00	24,976,600.00	25,000,000.00	(23,400.00)
3130B5VA3	FEDERAL HOME LOAN BANKS	4.000	100.1536	10/16/2028	10,000,000.00	10,000,000.00	10,015,360.00	10,000,000.00	15,360.00
3133ETH42	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.840	99.7940	10/16/2028	25,000,000.00	25,000,000.00	24,948,500.00	25,000,000.00	(51,500.00)
3133ETF28	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.360	100.1186	10/13/2028	25,000,000.00	25,000,000.00	25,029,650.00	25,000,000.00	29,650.00
3133ETF28	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.360	100.1186	10/13/2028	25,000,000.00	25,000,000.00	25,029,650.00	25,000,000.00	29,650.00
3133EPWM3	FEDERAL FARM CREDIT BANKS FUNDING CORP	5.040	100.9811	09/22/2028	25,000,000.00	25,000,000.00	25,245,275.00	25,000,000.00	245,275.00
3136GAT58	FEDERAL NATIONAL MORTGAGE ASSOCIATION	4.000	100.0740	09/12/2028	15,000,000.00	15,000,000.00	15,011,100.00	15,000,000.00	11,100.00
3133ETXG7	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.626	100.1399	09/11/2028	10,000,000.00	10,000,000.00	10,013,990.00	10,000,000.00	13,990.00
3130AWTR1	FEDERAL HOME LOAN BANKS	4.346	101.9675	09/08/2028	5,000,000.00	5,003,275.37	5,098,375.00	5,006,100.00	92,275.00
3133ETTD9	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.857	100.1809	08/18/2028	9,375,000.00	9,368,841.24	9,391,959.38	9,367,968.75	23,990.63
3133ETTC1	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.080	100.0966	08/14/2028	25,000,000.00	25,000,000.00	25,024,150.00	25,000,000.00	24,150.00
3133ETTC1	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.080	100.0966	08/14/2028	25,000,000.00	25,000,000.00	25,024,150.00	25,000,000.00	24,150.00
3133ETTC1	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.080	100.0966	08/14/2028	25,000,000.00	25,000,000.00	25,024,150.00	25,000,000.00	24,150.00
3134HA4S9	FEDERAL HOME LOAN MORTGAGE CORP	4.550	100.5098	07/28/2028	3,250,000.00	3,250,000.00	3,266,568.50	3,250,000.00	16,568.50
3133ETRC3	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.230	100.2202	07/28/2028	25,000,000.00	25,000,000.00	25,055,050.00	25,000,000.00	55,050.00
3133ETRC3	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.230	100.2202	07/28/2028	25,000,000.00	25,000,000.00	25,055,050.00	25,000,000.00	55,050.00
3130B23Z6	FEDERAL HOME LOAN BANKS	4.650	100.5377	07/24/2028	15,000,000.00	15,000,000.00	15,080,655.00	15,000,000.00	80,655.00

3133ETPR2	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.000	100.4946	07/14/2028	15,000,000.00	15,000,000.00	15,074,190.00	15,000,000.00	74,190.00
3134HCHS1	FEDERAL HOME LOAN MORTGAGE CORP	3.850	99.9157	06/16/2028	40,000,000.00	40,000,000.00	39,966,280.00	40,000,000.00	(33,720.00)
3134HCHS1	FEDERAL HOME LOAN MORTGAGE CORP	3.850	99.9157	06/16/2028	20,000,000.00	20,000,000.00	19,983,140.00	20,000,000.00	(16,860.00)
3130AWC24	FEDERAL HOME LOAN BANKS	3.987	101.0043	06/09/2028	10,000,000.00	10,002,675.88	10,100,430.00	10,005,460.00	94,970.00
3133ETJU2	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.079	100.5721	06/02/2028	25,000,000.00	25,000,000.00	25,143,025.00	25,000,000.00	143,025.00
3134HBUB5	FEDERAL HOME LOAN MORTGAGE CORP	4.400	100.2905	05/26/2028	20,000,000.00	20,000,000.00	20,058,100.00	20,000,000.00	58,100.00
3136GAHG7	FEDERAL NATIONAL MORTGAGE ASSOCIATION	4.440	100.2973	05/22/2028	20,000,000.00	20,000,000.00	20,059,460.00	20,000,000.00	59,460.00
3133EPGW9	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.784	100.7007	04/25/2028	10,000,000.00	10,019,055.28	10,070,070.00	10,041,200.00	28,870.00
3130B0PN3	FEDERAL HOME LOAN BANKS	4.780	100.2865	04/06/2028	20,000,000.00	20,000,000.00	20,057,300.00	20,000,000.00	57,300.00
3136GAC31	FEDERAL NATIONAL MORTGAGE ASSOCIATION	4.630	100.1270	02/25/2028	20,000,000.00	20,000,000.00	20,025,400.00	20,000,000.00	25,400.00
3130B6J64	FEDERAL HOME LOAN BANKS	4.302	100.0773	02/23/2028	10,000,000.00	10,000,000.00	10,007,730.00	10,000,000.00	7,730.00
3133ER3X7	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.530	99.9567	02/11/2028	10,000,000.00	10,000,000.00	9,995,670.00	10,000,000.00	(4,330.00)
3133ER3X7	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.530	99.9567	02/11/2028	25,000,000.00	25,000,000.00	24,989,175.00	25,000,000.00	(10,825.00)
3130B4TP6	FEDERAL HOME LOAN BANKS	4.550	100.0796	02/10/2028	10,000,000.00	10,000,000.00	10,007,960.00	10,000,000.00	7,960.00
3130AYVC7	FEDERAL HOME LOAN BANKS	4.625	100.0858	02/09/2028	10,000,000.00	10,000,000.00	10,008,580.00	10,000,000.00	8,580.00
3133ERZ20	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.635	100.0670	01/28/2028	25,000,000.00	24,997,407.53	25,016,750.00	24,996,250.00	20,500.00
3133ERZ20	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.630	100.0670	01/28/2028	6,750,000.00	6,750,000.00	6,754,522.50	6,750,000.00	4,522.50
3133ERW31	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.429	100.8574	01/27/2028	25,000,000.00	25,000,000.00	25,214,350.00	25,000,000.00	214,350.00
3133ET4D6	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.800	99.9096	12/15/2027	16,875,000.00	16,875,000.00	16,859,745.00	16,875,000.00	(15,255.00)
3130ATUS4	FEDERAL HOME LOAN BANKS	3.796	101.3077	12/10/2027	25,000,000.00	25,198,057.57	25,326,925.00	25,510,250.00	(183,325.00)
3130ATUS4	FEDERAL HOME LOAN BANKS	4.002	101.3077	12/10/2027	50,000,000.00	50,214,611.28	50,653,850.00	50,548,350.00	105,500.00
3130ATUS4	FEDERAL HOME LOAN BANKS	4.036	101.3077	12/10/2027	15,000,000.00	15,055,437.81	15,196,155.00	15,141,570.00	54,585.00
3133ET3S4	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.730	100.0499	12/09/2027	20,000,000.00	20,000,000.00	20,009,980.00	20,000,000.00	9,980.00
31424W4F6	FEDERAL AGRICULTURAL MORTGAGE CORP	0.000	99.9947	12/09/2027	10,000,000.00	10,000,000.00	9,999,469.50	10,000,000.00	(530.50)
3133ET4B0	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.956	100.0079	12/09/2027	15,000,000.00	15,000,000.00	15,001,185.00	15,000,000.00	1,185.00
3134HCFJ3	FEDERAL HOME LOAN MORTGAGE CORP	3.900	99.9605	12/03/2027	10,000,000.00	10,000,000.00	9,996,050.00	10,000,000.00	(3,950.00)
3133ERE23	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.356	100.6206	12/02/2027	10,000,000.00	9,993,607.31	10,062,060.00	9,990,000.00	72,060.00
3133ETS40	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.054	100.0972	11/10/2027	15,000,000.00	15,000,000.00	15,014,580.00	15,000,000.00	14,580.00
3133ENW63	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.284	101.0159	10/27/2027	5,000,000.00	5,007,363.64	5,050,795.00	5,020,250.00	30,545.00
3133ENW63	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.195	101.0159	10/27/2027	3,715,000.00	3,725,867.26	3,752,740.69	3,744,868.60	7,872.09
3133ENW63	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.252	101.0159	10/27/2027	15,000,000.00	15,030,005.80	15,152,385.00	15,082,290.00	70,095.00
3133ERXY2	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.000	100.1855	10/21/2027	20,000,000.00	20,000,000.00	20,037,100.00	20,000,000.00	37,100.00
3133ERXY2	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.000	100.1855	10/21/2027	10,000,000.00	10,000,000.00	10,018,550.00	10,000,000.00	18,550.00
3134HAQA4	FEDERAL HOME LOAN MORTGAGE CORP	4.290	100.0039	10/08/2027	23,750,000.00	23,620,545.77	23,750,926.25	23,536,250.00	214,676.25
3130B82H4	FEDERAL HOME LOAN BANKS	4.050	100.0063	10/08/2027	15,000,000.00	15,000,000.00	15,000,945.00	15,000,000.00	945.00
3133EPH81	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.500	101.5895	10/04/2027	25,000,000.00	25,000,686.79	25,397,375.00	25,001,500.00	395,875.00
3130AXEN4	FEDERAL HOME LOAN BANKS	4.779	102.0793	09/29/2027	15,000,000.00	15,004,897.33	15,311,895.00	15,011,250.00	300,645.00
3133ENL99	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.830	99.7014	09/15/2027	10,000,000.00	9,930,109.36	9,970,140.00	9,795,609.20	174,530.80
3130ATHW0	FEDERAL HOME LOAN BANKS	4.239	100.9220	09/10/2027	2,000,000.00	1,996,551.13	2,018,440.00	1,989,972.00	28,468.00
3130ATHW0	FEDERAL HOME LOAN BANKS	4.241	100.9220	09/10/2027	3,000,000.00	2,994,768.91	3,027,660.00	2,984,790.00	42,870.00
3133ER6M8	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.510	100.1493	09/07/2027	25,000,000.00	25,000,000.00	25,037,325.00	25,000,000.00	37,325.00
3134HBAR2	FEDERAL HOME LOAN MORTGAGE CORP	4.378	100.0677	08/25/2027	25,000,000.00	24,950,521.41	25,016,925.00	24,925,000.00	91,925.00
3134HBAR2	FEDERAL HOME LOAN MORTGAGE CORP	4.378	100.0677	08/25/2027	25,000,000.00	24,950,521.41	25,016,925.00	24,925,000.00	91,925.00
3133ETTP2	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.465	100.1012	08/18/2027	20,000,000.00	20,000,000.00	20,020,240.00	20,000,000.00	20,240.00
3133ERNP2	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.830	100.6656	08/06/2027	5,000,000.00	5,012,647.51	5,033,280.00	5,023,600.00	9,680.00
3130B7DP6	FEDERAL HOME LOAN BANKS	4.497	100.0834	08/04/2027	15,000,000.00	15,000,000.00	15,012,510.00	15,000,000.00	12,510.00
3134HBZV6	FEDERAL HOME LOAN MORTGAGE CORP	4.060	100.1692	07/23/2027	25,000,000.00	25,000,000.00	25,042,300.00	25,000,000.00	42,300.00
3133ENB33	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.075	99.2301	07/19/2027	10,000,000.00	9,996,447.97	9,923,010.00	9,988,500.00	(65,490.00)
3133ETPU5	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.120	100.1779	07/14/2027	25,000,000.00	25,000,000.00	25,044,475.00	25,000,000.00	44,475.00
3133ETNS2	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.506	100.0622	06/29/2027	10,000,000.00	10,000,000.00	10,006,220.00	10,000,000.00	6,220.00
3130ASDV8	FEDERAL HOME LOAN BANKS	3.300	99.6186	06/28/2027	10,000,000.00	10,000,000.00	9,961,860.00	10,000,000.00	(38,140.00)
3133ET5H6	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.715	100.0064	06/23/2027	10,000,000.00	10,000,000.00	10,000,640.00	10,000,000.00	640.00
3130ASGU7	FEDERAL HOME LOAN BANKS	3.095	99.9077	06/11/2027	10,000,000.00	10,053,714.16	9,990,770.00	10,183,200.00	(192,430.00)
3130AWBZ2	FEDERAL HOME LOAN BANKS	4.000	100.7782	06/11/2027	8,260,000.00	8,273,557.07	8,324,279.32	8,297,913.40	26,365.92
3130AWBZ2	FEDERAL HOME LOAN BANKS	4.055	100.7782	06/11/2027	10,000,000.00	10,009,204.10	10,077,820.00	10,025,600.00	52,220.00
3130AS3F4	FEDERAL HOME LOAN BANKS	3.770	99.9477	05/26/2027	10,000,000.00	10,000,000.00	9,994,770.00	10,000,000.00	(5,230.00)
3130B6JW7	FEDERAL HOME LOAN BANKS	4.369	100.0518	05/21/2027	20,000,000.00	20,000,000.00	20,010,360.00	20,000,000.00	10,360.00
3133ERDS7	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.583	101.5376	05/06/2027	10,000,000.00	10,020,577.18	10,153,760.00	10,043,800.00	109,960.00
3130ARSF9	FEDERAL HOME LOAN BANKS	3.000	99.2614	04/29/2027	10,000,000.00	10,000,000.00	9,926,140.00	10,000,000.00	(73,860.00)
3130ARPV7	FEDERAL HOME LOAN BANKS	3.500	99.7500	04/28/2027	10,000,000.00	10,000,000.00	9,975,000.00	10,000,000.00	(25,000.00)
3133ENVD9	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.913	99.1066	04/26/2027	10,000,000.00	9,995,373.49	9,910,660.00	9,982,400.00	(71,740.00)
3133EN6V7	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.606	100.0622	04/26/2027	8,000,000.00	8,001,931.14	8,004,976.00	8,006,240.00	(1,264.00)
3133EN6V7	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.623	100.0622	04/26/2027	2,000,000.00	2,000,084.80	2,001,244.00	2,000,274.00	970.00
3133EN6V7	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.744	100.0622	04/26/2027	4,820,000.00	4,813,153.18	4,822,998.04	4,797,876.20	25,121.84
3130B5U71	FEDERAL HOME LOAN BANKS	4.035	100.0681	04/08/2027	10,000,000.00	10,000,000.00	10,006,810.00	10,000,000.00	6,810.00
3130ARHX2	FEDERAL HOME LOAN BANKS	3.000	99.2421	03/25/2027	10,000,000.00	10,000,000.00	9,924,210.00	10,000,000.00	(75,790.00)
3130ARHX2	FEDERAL HOME LOAN BANKS	3.000	99.2421	03/25/2027	10,000,000.00	10,000,000.00	9,924,210.00	10,000,000.00	(75,790.00)
3130ARHX2	FEDERAL HOME LOAN BANKS	3.000	99.2421	03/25/2027	10,000,000.00	10,000,000.00	9,924,210.00	10,000,000.00	(75,790.00)
3134HBFD8	FEDERAL HOME LOAN MORTGAGE CORP	4.280	100.1338	03/25/2027	25,000,000.00	25,000,000.00	25,033,450.00	25,000,000.00	33,450.00
3130AR6U0	FEDERAL HOME LOAN BANKS	2.500	98.6832	03/22/2027	5,000,000.00	5,000,000.00	4,934,160.00	5,000,000.00	(65,840.00)
3134HBN64	FEDERAL HOME LOAN MORTGAGE CORP	4.515	100.0697	03/16/2027	10,000,000.00	10,000,000.00	10,006,970.00	10,000,000.00	6,970.00
3130AQRQ8	FEDERAL HOME LOAN BANKS	2.000	98.1894	02/25/2027	10,000,000.00	10,000,000.00	9,818,940.00	10,000,000.00	(181,060.00)

3130AQRH8	FEDERAL HOME LOAN BANKS	2.000	98.1894	02/25/2027	5,000,000.00	5,000,000.00	4,909,470.00	5,000,000.00	(90,530.00)
3130AQRH8	FEDERAL HOME LOAN BANKS	2.000	98.1894	02/25/2027	5,000,000.00	5,000,000.00	4,909,470.00	5,000,000.00	(90,530.00)
3130ALED2	FEDERAL HOME LOAN BANKS	2.050	97.0947	02/24/2027	15,000,000.00	14,832,469.37	14,564,205.00	14,275,500.00	288,705.00
3130ALED2	FEDERAL HOME LOAN BANKS	3.001	97.0947	02/24/2027	20,000,000.00	19,578,743.27	19,418,940.00	18,320,000.00	1,098,940.00
3130AL2X1	FEDERAL HOME LOAN BANKS	3.001	96.9433	02/17/2027	10,000,000.00	9,775,673.02	9,694,330.00	9,057,500.00	636,830.00
3130AKYH3	FEDERAL HOME LOAN BANKS	1.746	96.9700	02/10/2027	10,000,000.00	9,903,136.11	9,697,000.00	9,563,275.40	133,724.60
3130B8VQ2	FEDERAL HOME LOAN BANKS	3.813	99.9477	02/10/2027	25,000,000.00	25,000,000.00	24,986,925.00	25,000,000.00	(13,075.00)
3130AQHS5	FEDERAL HOME LOAN BANKS	1.984	97.9891	01/28/2027	10,000,000.00	9,971,071.31	9,798,910.00	9,866,500.00	(67,590.00)
3130AQHS5	FEDERAL HOME LOAN BANKS	2.086	97.9891	01/28/2027	20,000,000.00	19,921,556.42	19,597,820.00	19,640,000.00	(42,180.00)
3130AQKM4	FEDERAL HOME LOAN BANKS	1.750	98.0412	01/28/2027	11,250,000.00	11,250,000.00	11,029,635.00	11,250,000.00	(220,365.00)
3133ENLZ1	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.860	98.0811	01/26/2027	10,000,000.00	9,991,867.49	9,808,110.00	9,962,090.00	(153,980.00)
3130B8Q96	FEDERAL HOME LOAN BANKS	3.977	99.9940	01/25/2027	25,000,000.00	25,000,000.00	24,998,500.00	25,000,000.00	(1,500.00)
3130B8Q96	FEDERAL HOME LOAN BANKS	3.977	99.9940	01/25/2027	50,000,000.00	50,000,000.00	49,997,000.00	50,000,000.00	(3,000.00)
3133ETY35	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.976	100.0095	01/20/2027	50,000,000.00	50,000,000.00	50,004,750.00	50,000,000.00	4,750.00
3130B8PY2	FEDERAL HOME LOAN BANKS	3.954	100.0116	01/20/2027	25,000,000.00	25,000,000.00	25,002,900.00	25,000,000.00	2,900.00
3130B8L34	FEDERAL HOME LOAN BANKS	3.987	100.0197	01/12/2027	50,000,000.00	50,000,000.00	50,009,850.00	50,000,000.00	9,850.00
3133ENKG4	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.908	97.8381	01/11/2027	10,000,000.00	9,957,244.16	9,783,810.00	9,795,000.00	(11,190.00)
3134HBXW6	FEDERAL HOME LOAN MORTGAGE CORP	4.428	100.0497	01/08/2027	10,000,000.00	10,000,000.00	10,004,970.00	10,000,000.00	4,970.00
3134HCEF2	FEDERAL HOME LOAN MORTGAGE CORP	3.611	99.8143	01/05/2027	25,000,000.00	24,985,556.82	24,953,575.00	24,984,500.00	(30,925.00)
3130B8Z88	FEDERAL HOME LOAN BANKS	3.788	100.0049	01/04/2027	50,000,000.00	50,000,000.00	50,002,450.00	50,000,000.00	2,450.00
3130AQAY9	FEDERAL HOME LOAN BANKS	1.500	97.9432	12/30/2026	25,000,000.00	25,000,000.00	24,485,800.00	25,000,000.00	(514,200.00)
3130AQF65	FEDERAL HOME LOAN BANKS	1.306	97.7865	12/21/2026	10,000,000.00	9,994,760.80	9,778,650.00	9,972,990.00	(194,340.00)
3133ERL66	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.775	100.1030	12/18/2026	15,000,000.00	15,000,000.00	15,015,450.00	15,000,000.00	15,450.00
3133ERK75	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.770	100.1117	12/16/2026	25,000,000.00	25,000,000.00	25,027,925.00	25,000,000.00	27,925.00
3130B46H9	FEDERAL HOME LOAN BANKS	4.759	100.1023	12/16/2026	25,000,000.00	25,000,000.00	25,025,575.00	25,000,000.00	25,575.00
3130B46H9	FEDERAL HOME LOAN BANKS	4.759	100.1023	12/16/2026	10,000,000.00	10,000,000.00	10,010,230.00	10,000,000.00	10,230.00
3133EN4G2	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.923	100.3111	12/15/2026	25,000,000.00	25,003,632.44	25,077,775.00	25,015,250.00	62,525.00
3130ATVE4	FEDERAL HOME LOAN BANKS	3.986	100.8209	12/11/2026	5,000,000.00	5,022,076.23	5,041,045.00	5,095,300.00	(54,255.00)
3130B3ZF3	FEDERAL HOME LOAN BANKS	4.764	100.1004	12/11/2026	25,000,000.00	25,000,000.00	25,025,100.00	25,000,000.00	25,100.00
3130B3ZF3	FEDERAL HOME LOAN BANKS	4.764	100.1004	12/11/2026	25,000,000.00	25,000,000.00	25,025,100.00	25,000,000.00	25,100.00
3135G1AB7	FEDERAL NATIONAL MORTGAGE ASSOCIATION	4.758	100.1051	12/11/2026	5,000,000.00	5,000,000.00	5,005,255.00	5,000,000.00	5,255.00
3130APWW1	FEDERAL HOME LOAN BANKS	1.503	98.1283	11/24/2026	20,000,000.00	19,999,460.69	19,625,660.00	19,997,000.00	(371,340.00)
3133ENEM8	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.430	98.0808	11/23/2026	10,000,000.00	10,000,000.00	9,808,080.00	10,000,000.00	(191,920.00)
3133ERQ95	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.502	100.0891	11/02/2026	25,000,000.00	25,000,000.00	25,022,275.00	25,000,000.00	22,275.00
3130ARUF6	FEDERAL HOME LOAN BANKS	3.125	99.5953	10/29/2026	10,000,000.00	10,000,000.00	9,959,530.00	10,000,000.00	(40,470.00)
3134GW6C5	FEDERAL HOME LOAN MORTGAGE CORP	3.122	97.6881	10/28/2026	15,000,000.00	14,734,935.31	14,653,215.00	13,566,000.00	1,087,215.00
3134GW4C7	FEDERAL HOME LOAN MORTGAGE CORP	3.092	97.6949	10/27/2026	20,000,000.00	19,650,688.99	19,538,980.00	18,196,200.00	1,342,780.00
3134GW4C7	FEDERAL HOME LOAN MORTGAGE CORP	3.488	97.6949	10/27/2026	5,000,000.00	4,898,432.27	4,884,745.00	4,482,650.00	402,095.00
3134GW4C7	FEDERAL HOME LOAN MORTGAGE CORP	3.046	97.6949	10/27/2026	20,000,000.00	19,658,805.35	19,538,980.00	18,124,000.00	1,414,980.00
3133ETL62	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.603	99.8897	10/27/2026	25,000,000.00	24,979,520.55	24,972,425.00	24,975,000.00	(2,575.00)
3133EN7A2	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.827	99.7251	10/26/2026	4,300,000.00	4,293,494.72	4,288,179.30	4,270,115.00	18,064.30
3130B8BV3	FEDERAL HOME LOAN BANKS	3.800	99.9814	10/23/2026	25,000,000.00	25,000,000.00	24,995,350.00	25,000,000.00	(4,650.00)
3133ENBK5	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.249	98.0234	10/20/2026	10,000,000.00	9,991,530.39	9,802,340.00	9,947,500.00	(145,160.00)
3133ENBK5	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.340	98.0234	10/20/2026	10,000,000.00	9,984,563.16	9,802,340.00	9,905,000.00	(102,660.00)
3133ENT67	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.318	100.4835	10/19/2026	5,000,000.00	4,997,530.18	5,024,175.00	4,987,600.00	36,575.00
3133ENT67	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.318	100.4835	10/19/2026	5,000,000.00	4,997,530.18	5,024,175.00	4,987,600.00	36,575.00
3130B3A29	FEDERAL HOME LOAN BANKS	4.011	100.2788	10/09/2026	10,000,000.00	9,999,189.42	10,027,880.00	9,997,900.00	29,980.00
3133ERWD9	FEDERAL FARM CREDIT BANKS FUNDING CORP	5.113	100.1083	10/02/2026	10,000,000.00	10,000,000.00	10,010,830.00	10,000,000.00	10,830.00
3130ANYN4	FEDERAL HOME LOAN BANKS	1.000	98.0330	09/30/2026	10,000,000.00	10,000,000.00	9,803,300.00	10,000,000.00	(196,700.00)
3130AP5M3	FEDERAL HOME LOAN BANKS	1.040	98.0753	09/28/2026	15,000,000.00	15,000,000.00	14,711,295.00	15,000,000.00	(288,705.00)
3130APAD7	FEDERAL HOME LOAN BANKS	1.035	98.0823	09/28/2026	15,000,000.00	15,000,000.00	14,712,345.00	15,000,000.00	(287,655.00)
3130ATFH5	FEDERAL HOME LOAN BANKS	3.941	100.0383	09/11/2026	5,000,000.00	4,993,938.78	5,001,915.00	4,965,237.80	36,677.20
3130ATHV2	FEDERAL HOME LOAN BANKS	4.312	100.3761	09/11/2026	1,000,000.00	999,611.04	1,003,761.00	997,780.00	5,981.00
3133ET3Q8	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.953	100.0018	09/10/2026	50,000,000.00	50,000,000.00	50,000,900.00	50,000,000.00	900.00
3133ET3Q8	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.953	100.0018	09/10/2026	15,000,000.00	15,000,000.00	15,000,270.00	15,000,000.00	270.00
3130ANSC5	FEDERAL HOME LOAN BANKS	1.000	98.2741	08/26/2026	15,000,000.00	15,000,000.00	14,741,115.00	15,000,000.00	(258,885.00)
3130ANTS9	FEDERAL HOME LOAN BANKS	1.000	98.2741	08/26/2026	15,000,000.00	15,000,000.00	14,741,115.00	15,000,000.00	(258,885.00)
3130ANPF1	FEDERAL HOME LOAN BANKS	1.000	98.2810	08/25/2026	10,000,000.00	10,000,000.00	9,828,100.00	10,000,000.00	(171,900.00)
3133ENH45	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.137	99.6358	08/24/2026	5,000,000.00	4,999,646.05	4,981,790.00	4,997,799.50	(16,009.50)
3133ENH45	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.294	99.6358	08/24/2026	5,000,000.00	4,994,942.43	4,981,790.00	4,968,600.00	13,190.00
3130ANMH0	FEDERAL HOME LOAN BANKS	3.132	98.3771	08/20/2026	15,000,000.00	14,820,176.83	14,756,565.00	13,851,000.00	905,565.00
3130ANMH0	FEDERAL HOME LOAN BANKS	1.100	98.3771	08/20/2026	10,000,000.00	10,000,000.00	9,837,710.00	10,000,000.00	(162,290.00)
3130ANMH0	FEDERAL HOME LOAN BANKS	1.668	98.3771	08/20/2026	10,000,000.00	9,965,519.02	9,837,710.00	9,755,200.00	82,510.00
3130ANE48	FEDERAL HOME LOAN BANKS	1.000	98.3297	08/17/2026	10,000,000.00	10,000,000.00	9,832,970.00	10,000,000.00	(167,030.00)
3130ANFD7	FEDERAL HOME LOAN BANKS	1.000	98.4121	08/05/2026	10,000,000.00	10,000,000.00	9,841,210.00	10,000,000.00	(158,790.00)
3133END80	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.873	99.5973	08/03/2026	10,000,000.00	10,006,972.21	9,959,730.00	10,047,600.00	(87,870.00)
3130ANAJ9	FEDERAL HOME LOAN BANKS	1.000	98.4768	07/27/2026	15,000,000.00	15,000,000.00	14,771,520.00	15,000,000.00	(228,480.00)
3130ANAJ9	FEDERAL HOME LOAN BANKS	1.000	98.4768	07/27/2026	10,000,000.00	10,000,000.00	9,847,680.00	10,000,000.00	(152,320.00)
3130ANBX7	FEDERAL HOME LOAN BANKS	1.000	98.5219	07/22/2026	15,000,000.00	15,000,000.00	14,778,285.00	15,000,000.00	(221,715.00)
3130AN5K2	FEDERAL HOME LOAN BANKS	4.366	98.8085	07/20/2026	2,375,000.00	2,340,919.36	2,346,701.88	2,143,081.25	203,620.63
3130AN3R9	FEDERAL HOME LOAN BANKS	1.130	98.6055	07/20/2026	10,000,000.00	10,000,000.00	9,860,550.00	10,000,000.00	(139,450.00)
3133ENB66	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.174	99.6980	07/20/2026	10,000,000.00	9,998,767.97	9,969,800.00	9,991,000.00	(21,200.00)

3130B83W0	FEDERAL HOME LOAN BANKS	4.145	100.0042	07/15/2026	25,000,000.00	25,000,000.00	25,001,050.00	25,000,000.00	1,050.00
3133EMQ62	FEDERAL FARM CREDIT BANKS FUNDING CORP	0.990	98.5732	07/13/2026	10,000,000.00	10,000,000.00	9,857,320.00	10,000,000.00	(142,680.00)
3133EMQ62	FEDERAL FARM CREDIT BANKS FUNDING CORP	0.990	98.5732	07/13/2026	10,000,000.00	10,000,000.00	9,857,320.00	10,000,000.00	(142,680.00)
3133ETPE1	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.367	100.0175	07/09/2026	25,000,000.00	25,000,000.00	25,004,375.00	25,000,000.00	4,375.00
3130AN3B4	FEDERAL HOME LOAN BANKS	1.020	98.6504	07/06/2026	15,000,000.00	15,000,000.00	14,797,560.00	15,000,000.00	(202,440.00)
3130ASDK2	FEDERAL HOME LOAN BANKS	3.250	99.7738	06/29/2026	5,250,000.00	5,250,000.00	5,238,124.50	5,250,000.00	(11,875.50)
3130AMWT5	FEDERAL HOME LOAN BANKS	1.050	98.7394	06/26/2026	15,000,000.00	15,000,000.00	14,810,910.00	15,000,000.00	(189,090.00)
3130AMT69	FEDERAL HOME LOAN BANKS	1.070	98.7490	06/26/2026	10,000,000.00	10,000,000.00	9,874,900.00	10,000,000.00	(125,100.00)
31424WXD9	FEDERAL AGRICULTURAL MORTGAGE CORP	4.354	100.0276	06/24/2026	15,000,000.00	15,000,000.00	15,004,140.00	15,000,000.00	4,140.00
3130AMMZ2	FEDERAL HOME LOAN BANKS	1.000	98.8193	06/10/2026	5,000,000.00	5,000,000.00	4,940,965.00	5,000,000.00	(59,035.00)
3130AMS52	FEDERAL HOME LOAN BANKS	1.000	98.8378	06/08/2026	15,000,000.00	15,000,000.00	14,825,670.00	15,000,000.00	(174,330.00)
3130AMJN3	FEDERAL HOME LOAN BANKS	1.030	98.9322	05/26/2026	5,000,000.00	5,000,000.00	4,946,610.00	5,000,000.00	(53,390.00)
3130AMKB7	FEDERAL HOME LOAN BANKS	1.050	98.9401	05/26/2026	15,000,000.00	15,000,000.00	14,841,015.00	15,000,000.00	(158,985.00)
3130AMME9	FEDERAL HOME LOAN BANKS	1.000	98.9204	05/26/2026	10,000,000.00	10,000,000.00	9,892,040.00	10,000,000.00	(107,960.00)
3130B7HM9	FEDERAL HOME LOAN BANKS	4.365	100.0111	05/20/2026	25,000,000.00	25,000,000.00	25,002,775.00	25,000,000.00	2,775.00
3133EMZS4	FEDERAL FARM CREDIT BANKS FUNDING CORP	0.900	98.9426	05/18/2026	5,000,000.00	5,000,000.00	4,947,130.00	5,000,000.00	(52,870.00)
3133ER3N9	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.403	100.0175	05/11/2026	25,000,000.00	25,000,000.00	25,004,375.00	25,000,000.00	4,375.00
3130B6Y26	FEDERAL HOME LOAN BANKS	4.349	99.9945	05/08/2026	15,000,000.00	15,000,000.00	14,999,175.00	15,000,000.00	(825.00)
3130B6Y26	FEDERAL HOME LOAN BANKS	4.349	99.9945	05/08/2026	25,000,000.00	25,000,000.00	24,998,625.00	25,000,000.00	(1,375.00)
3133ENUL2	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.110	99.8267	04/13/2026	10,000,000.00	10,000,000.00	9,982,670.00	10,000,000.00	(17,330.00)
3130ALKL7	FEDERAL HOME LOAN BANKS	0.850	99.3494	03/25/2026	10,000,000.00	10,000,000.00	9,934,940.00	10,000,000.00	(65,060.00)
3130ALGJ7	FEDERAL HOME LOAN BANKS	1.000	99.4061	03/23/2026	9,750,000.00	9,750,000.00	9,692,094.75	9,750,000.00	(57,905.25)
3130ALGJ7	FEDERAL HOME LOAN BANKS	1.000	99.4061	03/23/2026	14,625,000.00	14,625,000.00	14,538,142.13	14,625,000.00	(86,857.88)
3130ALGJ7	FEDERAL HOME LOAN BANKS	1.000	99.4061	03/23/2026	19,500,000.00	19,500,000.00	19,384,189.50	19,500,000.00	(115,810.50)
3130ALGJ7	FEDERAL HOME LOAN BANKS	1.000	99.4061	03/23/2026	9,750,000.00	9,750,000.00	9,692,094.75	9,750,000.00	(57,905.25)
3130ALGJ7	FEDERAL HOME LOAN BANKS	1.016	99.4061	03/23/2026	8,921,250.00	8,920,936.00	8,868,266.70	8,914,559.06	(46,292.36)
3130ALGJ7	FEDERAL HOME LOAN BANKS	1.000	99.4061	03/23/2026	9,750,000.00	9,750,000.00	9,692,094.75	9,750,000.00	(57,905.25)
3130ALGJ7	FEDERAL HOME LOAN BANKS	3.010	99.4061	03/23/2026	19,500,000.00	19,418,460.29	19,384,189.50	18,092,685.00	1,291,504.50
3130ALGJ7	FEDERAL HOME LOAN BANKS	1.000	99.4061	03/23/2026	19,500,000.00	19,500,000.00	19,384,189.50	19,500,000.00	(115,810.50)
3130ALGJ7	FEDERAL HOME LOAN BANKS	1.000	99.4061	03/23/2026	14,625,000.00	14,625,000.00	14,538,142.13	14,625,000.00	(86,857.88)
3130ALH56	FEDERAL HOME LOAN BANKS	0.750	99.3769	03/18/2026	10,000,000.00	10,000,000.00	9,937,690.00	10,000,000.00	(62,310.00)
3130ALH56	FEDERAL HOME LOAN BANKS	0.750	99.3769	03/18/2026	10,000,000.00	10,000,000.00	9,937,690.00	10,000,000.00	(62,310.00)
3130ALHG2	FEDERAL HOME LOAN BANKS	0.750	99.3769	03/18/2026	10,000,000.00	10,000,000.00	9,937,690.00	10,000,000.00	(62,310.00)
3130ALFW9	FEDERAL HOME LOAN BANKS	0.790	99.3852	03/18/2026	15,000,000.00	15,000,000.00	14,907,780.00	15,000,000.00	(92,220.00)
3130ALEH3	FEDERAL HOME LOAN BANKS	0.700	99.3830	03/16/2026	25,000,000.00	25,000,000.00	24,845,750.00	25,000,000.00	(154,250.00)
3130ALHH0	FEDERAL HOME LOAN BANKS	3.040	99.5379	03/05/2026	10,500,000.00	10,464,707.52	10,451,479.50	9,707,880.00	743,599.50
3130ALEY6	FEDERAL HOME LOAN BANKS	3.157	99.4992	03/04/2026	16,160,000.00	16,099,279.20	16,079,070.72	14,879,966.40	1,199,104.32
3130ALGR9	FEDERAL HOME LOAN BANKS	0.850	99.5707	02/26/2026	10,000,000.00	10,000,000.00	9,957,070.00	10,000,000.00	(42,930.00)
3130AL6K5	FEDERAL HOME LOAN BANKS	0.580	99.5396	02/25/2026	6,000,000.00	6,000,000.00	5,972,376.00	6,000,000.00	(27,624.00)
3130ALEM2	FEDERAL HOME LOAN BANKS	0.790	99.5700	02/25/2026	10,000,000.00	10,000,000.00	9,957,000.00	10,000,000.00	(43,000.00)
3130ALEM2	FEDERAL HOME LOAN BANKS	0.790	99.5700	02/25/2026	15,000,000.00	15,000,000.00	14,935,500.00	15,000,000.00	(64,500.00)
3130ALCV4	FEDERAL HOME LOAN BANKS	2.112	99.5723	02/24/2026	25,000,000.00	24,952,021.78	24,893,075.00	23,715,250.00	1,177,825.00
3130ALBX1	FEDERAL HOME LOAN BANKS	0.580	99.5569	02/23/2026	10,000,000.00	10,000,000.00	9,955,690.00	10,000,000.00	(44,310.00)
3130AL2G8	FEDERAL HOME LOAN BANKS	0.615	99.6026	02/18/2026	5,000,000.00	4,999,901.37	4,980,130.00	4,996,250.00	(16,120.00)
3130B6ZE9	FEDERAL HOME LOAN BANKS	4.324	99.9994	02/11/2026	50,000,000.00	50,000,000.00	49,999,700.00	50,000,000.00	(300.00)
3133ER2H3	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.090	100.0287	02/03/2026	12,250,000.00	12,250,313.44	12,253,515.75	12,252,982.39	533.36
---	**---**	**3.591**	**99.8071**	**10/10/2027**	**4,125,581,250.00**	**4,121,962,559.26**	**4,117,498,999.87**	**4,108,275,173.95**	**9,223,825.92**

Agency

AGCY DISC

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
313385E36	FEDERAL HOME LOAN BANKS	3.625	97.6822	09/02/2026	50,000,000.00	48,813,888.89	48,841,100.00	48,634,027.78	207,072.22
313385ZB5	FEDERAL HOME LOAN BANKS	3.737	98.1792	07/08/2026	15,000,000.00	14,716,825.00	14,726,880.00	14,653,562.50	73,317.50
313385YZ3	FEDERAL HOME LOAN BANKS	3.737	98.1970	07/06/2026	15,000,000.00	14,719,837.50	14,729,550.00	14,656,575.00	72,975.00
313385YE0	FEDERAL HOME LOAN BANKS	3.708	98.3767	06/17/2026	50,000,000.00	49,167,319.44	49,188,350.00	48,987,819.44	200,530.56
313385XX9	FEDERAL HOME LOAN BANKS	3.793	98.4451	06/10/2026	25,000,000.00	24,592,222.22	24,611,275.00	24,477,534.72	133,740.28
313385WV4	FEDERAL HOME LOAN BANKS	3.687	98.6959	05/15/2026	50,000,000.00	49,335,583.34	49,347,950.00	48,983,541.67	364,408.33
313385WV4	FEDERAL HOME LOAN BANKS	3.687	98.6959	05/15/2026	50,000,000.00	49,335,583.34	49,347,950.00	48,983,541.67	364,408.33
313385WF9	FEDERAL HOME LOAN BANKS	3.887	98.8300	05/01/2026	25,000,000.00	24,687,083.34	24,707,500.00	24,376,774.31	330,725.69
313385TA4	FEDERAL HOME LOAN BANKS	4.148	99.5839	02/13/2026	5,000,000.00	4,976,081.25	4,979,195.00	4,877,625.00	101,570.00
313385ST4	FEDERAL HOME LOAN BANKS	3.691	99.6530	02/06/2026	50,000,000.00	49,819,000.00	49,826,500.00	49,718,444.45	108,055.55
313313SR0	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.690	99.6700	02/04/2026	14,000,000.00	13,952,135.56	13,953,800.00	13,923,980.00	29,820.00
---	**---**	**3.715**	**98.6457**	**05/21/2026**	**349,000,000.00**	**344,115,559.87**	**344,260,050.00**	**342,273,426.54**	**1,986,623.46**

Agency CMO

FHLMC CMO

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
3137HNZL5	FHR 5607 GJ	4.074	98.2772	05/15/2030	46,231,095.42	45,873,185.82	45,434,613.63	45,868,109.09	(433,495.46)

3137HNZL5	**FHR 5607 GJ**	**4.074**	**98.2772**	**05/15/2030**	**46,231,095.42**	**45,873,185.82**	**45,434,613.63**	**45,868,109.09**	**(433,495.46)**

Agency CMO

FNMA CMO

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
3136B2HA3	FNA 2018-M10 A2	5.208	99.0514	07/25/2028	9,398,770.03	9,131,412.74	9,309,611.41	8,934,705.79	374,905.63
3136AW7J0	FNA 2017-M8 A2	3.448	98.8591	05/25/2027	9,520,688.40	9,487,228.01	9,412,070.20	9,401,679.79	10,390.41
---	**---**	**4.311**	**98.9534**	**12/20/2027**	**18,919,458.43**	**18,618,640.75**	**18,721,681.61**	**18,336,385.58**	**385,296.04**

Agency MBS

FHLMC

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
3132XFYS1	FH WN1620	3.906	99.3255	08/01/2030	25,580,000.00	25,543,449.75	25,407,468.27	25,542,029.69	(134,561.42)
3132XFZP6	FH WN1649	4.072	99.0973	08/01/2030	30,000,000.00	29,777,236.41	29,729,203.20	29,770,312.50	(41,109.30)
3132XFZP6	FH WN1649	3.919	99.0973	08/01/2030	15,210,000.00	15,144,675.13	15,072,706.02	15,144,050.39	(71,344.37)
3132XFXY9	FH WN1594	4.201	99.4666	07/01/2030	25,000,000.00	24,771,571.26	24,866,642.50	24,752,929.69	113,712.81
3132XFXY9	FH WN1594	4.075	99.4666	07/01/2030	25,000,000.00	24,896,194.90	24,866,642.50	24,888,671.88	(22,029.38)
3132XFXY9	FH WN1594	4.075	99.4666	07/01/2030	25,000,000.00	24,896,194.90	24,866,642.50	24,888,671.88	(22,029.38)
3132XFXY9	FH WN1594	4.069	99.4666	07/01/2030	29,955,000.00	29,837,992.28	29,795,211.04	29,829,797.46	(34,586.42)
3132XFYY8	FH WN1626	4.000	99.6270	07/01/2030	25,000,000.00	24,918,880.98	24,906,747.50	24,916,015.63	(9,268.13)
3132XK4S3	FH WN5332	4.130	99.6903	07/01/2030	33,050,000.00	33,037,260.53	32,947,634.24	33,037,089.84	(89,455.61)
3132XK2A4	FH WN5268	4.194	100.0580	06/01/2030	35,293,000.00	35,192,446.66	35,313,469.23	35,184,088.01	129,381.22
3132XKZ91	FH WN5267	4.195	100.0530	06/01/2030	28,034,000.00	27,953,117.25	28,048,858.30	27,946,393.75	102,464.55
3132XHSF2	FH WN3217	3.949	96.0707	06/01/2030	48,701,442.00	46,958,976.02	46,787,827.93	46,838,992.32	(51,164.40)
3132XHSF2	FH WN3217	3.933	96.0707	06/01/2030	29,220,865.20	28,192,597.77	28,072,696.76	28,120,516.99	(47,820.24)
3132XHSF2	FH WN3217	3.948	96.0707	06/01/2030	14,162,379.33	13,655,752.77	13,605,900.36	13,622,438.62	(16,538.26)
3132XFXA1	FH WN1572	4.119	99.5727	05/01/2030	23,506,000.00	23,370,724.13	23,405,563.09	23,359,087.50	46,475.59
3132XFWN4	FH WN1552	4.315	100.5527	04/01/2030	17,369,000.00	17,275,193.45	17,465,005.93	17,263,157.66	201,848.27
3132XKZH3	FH WN5243	4.362	99.5788	04/01/2030	15,000,000.00	14,780,763.12	14,936,824.20	14,753,906.25	182,917.95
3132XKZH3	FH WN5243	4.206	99.5788	04/01/2030	5,548,000.00	5,498,527.93	5,524,633.38	5,494,253.75	30,379.63
3142FEDK3	FH WR1005	4.277	100.3767	04/01/2030	10,000,000.00	9,978,336.80	10,037,666.50	9,976,171.88	61,494.62
3132XFWR5	FH WN1555	4.114	100.1203	04/01/2030	16,156,000.00	16,140,334.14	16,175,433.24	16,138,960.47	36,472.77
3132XKZQ3	FH WN5250	4.130	99.1843	04/01/2030	50,000,000.00	49,507,986.16	49,592,166.50	49,464,843.75	127,322.75
3132XKZQ3	FH WN5250	4.130	99.1843	04/01/2030	50,000,000.00	49,507,986.16	49,592,166.50	49,464,843.75	127,322.75
3132XKZQ3	FH WN5250	4.061	99.1843	04/01/2030	25,000,000.00	24,817,698.00	24,796,083.25	24,803,710.94	(7,627.69)
3132XKZQ3	FH WN5250	4.053	99.1843	04/01/2030	23,341,000.00	23,178,026.30	23,150,615.17	23,165,942.50	(15,327.33)
3132XDCY7	FH WA4486	4.082	99.3847	04/01/2030	14,709,125.78	14,591,496.18	14,618,614.79	14,584,442.95	34,171.84
3132XFWD6	FH WN1543	4.368	100.9508	03/01/2030	14,314,000.00	14,314,000.00	14,450,091.36	14,314,000.00	136,091.36
3132XKY84	FH WN5234	4.070	99.5188	03/01/2030	11,200,000.00	11,158,138.49	11,146,100.11	11,154,062.50	(7,962.39)
3132XK3D7	FH WN5295	3.966	99.6861	03/01/2030	21,840,000.00	21,840,000.00	21,771,452.98	21,840,000.00	(68,547.02)
3132XK3G0	FH WN5298	3.946	99.5764	03/01/2030	11,410,000.00	11,378,616.34	11,361,662.33	11,376,572.27	(14,909.94)
3132XFYA0	FH WN1604	4.013	99.3615	03/01/2030	28,850,000.00	28,632,545.72	28,665,782.65	28,619,384.01	46,398.64
3132XDCS0	FH WA4480	4.039	99.9010	03/01/2030	19,685,136.89	19,627,892.25	19,665,654.90	19,624,389.78	41,265.12
3132XKY35	FH WN5229	4.133	99.9685	02/01/2030	7,300,000.00	7,295,557.30	7,297,702.40	7,295,152.34	2,550.06
3132XK2Q9	FH WN5282	4.015	99.8090	02/01/2030	25,770,000.00	25,770,000.00	25,720,775.18	25,770,000.00	(49,224.82)
3132XK2K2	FH WN5277	3.972	99.6082	01/01/2030	33,000,000.00	32,923,761.86	32,870,722.17	32,917,500.00	(46,777.83)
3132XK2K2	FH WN5277	3.990	99.6082	01/01/2030	31,114,000.00	31,020,483.56	30,992,110.59	31,013,122.58	(21,011.99)
3132XFX29	FH WN1596	3.965	99.7725	01/01/2030	52,288,000.00	52,288,000.00	52,169,025.45	52,288,000.00	(118,974.55)
3132XK2S5	FH WN5284	3.943	99.6792	12/01/2029	10,875,000.00	10,863,538.28	10,840,108.22	10,862,680.66	(22,572.45)
3132XDCU5	FH WA4482	4.027	99.9427	12/01/2029	15,274,146.93	15,239,413.72	15,265,397.90	15,237,154.85	28,243.05
3132XKV38	FH WN5133	4.382	100.6283	11/01/2029	6,250,000.00	6,203,521.75	6,289,267.31	6,190,673.83	98,593.48
3132XFUU0	FH WN1494	4.669	99.8871	11/01/2029	11,000,000.00	10,741,643.28	10,987,576.27	10,679,453.13	308,123.14
3142FFGV3	FH WR2011	4.378	100.0604	11/01/2029	25,000,000.00	24,864,837.67	25,015,102.75	24,838,867.19	176,235.56
3142FFGV3	FH WR2011	4.218	100.0604	11/01/2029	15,000,000.00	15,000,000.00	15,009,061.65	15,000,000.00	9,061.65
3132XFJ58	FH WN1183	4.059	97.9046	10/01/2029	7,470,000.00	7,335,239.07	7,313,476.38	7,290,253.13	23,223.25
3132XFUA4	FH WN1476	4.332	100.1032	10/01/2029	25,000,000.00	24,807,078.22	25,025,807.75	24,777,343.75	248,464.00
3132XKV87	FH WN5138	4.719	99.6159	10/01/2029	15,000,000.00	14,631,839.26	14,942,380.35	14,541,210.94	401,169.41
3132XKV87	FH WN5138	4.239	99.6159	10/01/2029	23,833,000.00	23,612,745.41	23,741,450.06	23,584,429.26	157,020.80
3132XFRX8	FH WN1401	4.241	99.4332	09/01/2029	17,875,000.00	17,670,217.28	17,773,692.19	17,603,383.79	170,308.40
3132XFR91	FH WN1411	4.474	100.2601	09/01/2029	20,000,000.00	19,732,090.70	20,052,023.00	19,647,656.25	404,366.75
3132XFR91	FH WN1411	4.633	100.2601	09/01/2029	15,000,000.00	14,721,401.15	15,039,017.25	14,636,718.75	402,298.50
3132XFR91	FH WN1411	4.370	100.2601	09/01/2029	11,500,000.00	11,383,602.37	11,529,913.23	11,349,960.94	179,952.29
3132XKUQ8	FH WN5090	4.392	99.8169	09/01/2029	20,000,000.00	19,687,868.90	19,963,379.60	19,597,656.25	365,723.35
3132XKUQ8	FH WN5090	4.352	99.8169	09/01/2029	32,000,000.00	31,542,288.53	31,941,407.36	31,410,000.00	531,407.36
3132XKTE7	FH WN5048	4.513	99.5693	08/01/2029	11,495,000.00	11,301,007.86	11,445,494.37	11,266,896.09	178,598.28
3132XKSS7	FH WN5028	3.886	99.6603	07/01/2029	24,971,000.00	24,971,000.00	24,886,165.27	24,971,000.00	(84,834.73)
3132XKS65	FH WN5040	3.845	99.5551	07/01/2029	27,733,000.00	27,677,364.42	27,609,610.34	27,676,667.34	(67,057.00)
3132XKR25	FH WN5004	4.439	100.0445	06/01/2029	22,870,000.00	22,746,220.09	22,880,165.94	22,696,688.28	183,477.66

3132WW2J0	FH WA3276	4.668	101.7947	02/01/2029	14,603,756.69	14,579,250.39	14,865,855.71	14,567,247.30	298,608.41
3132XG2H8	FH WN2575	4.428	101.2231	02/01/2029	33,705,000.00	33,870,768.69	34,117,239.11	33,947,254.69	169,984.42
3132XGYU4	FH WN2522	4.779	100.9976	12/01/2028	10,000,000.00	9,929,391.84	10,099,755.90	9,884,375.00	215,380.90
3137FKSH0	FHMS K-086 A2	3.795	99.9699	11/25/2028	11,187,000.00	11,186,779.67	11,183,627.12	11,186,776.26	(3,149.14)
3137FJZ93	FHMS K-084 A2	3.770	99.7775	10/25/2028	16,255,000.00	16,231,319.97	16,218,831.16	16,230,942.60	(12,111.44)
3132XGX35	FH WN2497	4.611	101.2562	10/01/2028	28,340,000.00	28,252,801.94	28,696,003.11	28,187,229.69	508,773.42
3137FJYH6	FHMS K-W07 A2	5.264	99.2795	09/25/2028	16,627,402.00	16,000,769.37	16,507,602.23	15,471,927.46	1,035,674.77
3137FGZH1	FHMS K-W06 A2	5.290	99.3102	06/25/2028	24,501,308.50	23,743,906.23	24,332,308.52	23,038,886.65	1,293,421.87
3132XFLR7	FH WN1235	4.690	100.2328	01/01/2028	20,000,000.00	19,898,003.73	20,046,557.40	19,760,937.50	285,619.90
3132XFLR7	FH WN1235	4.333	100.2328	01/01/2028	10,000,000.00	9,979,752.22	10,023,278.70	9,953,125.00	70,153.70
3132XGRH1	FH WN2287	3.945	99.0314	11/01/2027	24,180,464.25	24,100,614.29	23,946,258.32	23,972,663.39	(26,405.07)
3132XGRH1	FH WN2287	4.073	99.0314	11/01/2027	24,180,464.25	24,070,450.50	23,946,258.32	23,911,267.68	34,990.64
3132XGQ74	FH WN2277	4.062	99.4726	11/01/2027	9,672,185.70	9,629,621.49	9,621,173.43	9,561,862.33	59,311.10
3137FBBX3	FHMS K-068 A2	4.548	98.8722	08/25/2027	9,525,000.00	9,340,208.22	9,417,576.57	9,120,187.50	297,389.07
3137F2LJ3	FHMS K-066 A2	3.111	99.0777	06/25/2027	11,095,000.00	11,091,955.64	10,992,672.04	11,084,598.44	(91,926.40)
3137BXQY1	FHMS K-064 A2	3.154	99.1097	03/25/2027	1,000,000.00	1,000,428.14	991,096.94	1,001,760.00	(10,663.06)
3137BXSW3	FHMS K-IR2 A2	4.545	99.1379	03/25/2027	15,000,000.00	14,766,992.04	14,870,685.60	14,389,453.20	481,232.40
3137BXSW3	FHMS K-IR2 A2	3.677	99.1379	03/25/2027	37,500,000.00	37,208,057.32	37,176,714.00	37,201,171.88	(24,457.88)
3137BYLD0	FHMS K-L01 A2E	4.184	99.0932	02/25/2027	15,000,000.00	14,866,932.93	14,863,984.20	14,494,950.00	369,034.20
3137BVZ82	FHMS K-063 A2	3.782	99.2817	01/25/2027	9,963,500.00	9,912,843.76	9,891,935.67	9,909,790.51	(17,854.84)
3137BTUM1	FHMS K-061 A2	4.501	99.2496	11/25/2026	8,574,777.00	8,499,944.40	8,510,430.33	8,220,552.96	289,877.37
3137BTUM1	FHMS K-061 A2	4.561	99.2496	11/25/2026	8,098,400.50	8,023,260.01	8,037,628.64	7,794,872.45	242,756.20
3132XDAU7	FH WA4418	4.107	98.2924	11/01/2026	13,941,011.76	13,694,606.11	13,702,960.48	13,451,442.64	251,517.84
3137FQXJ7	FHMS K-737 A2	4.358	99.0151	10/25/2026	2,035,000.00	2,007,670.68	2,014,957.39	1,986,748.23	28,209.16
3137FQXJ7	FHMS K-737 A2	4.358	99.0151	10/25/2026	50,000,000.00	49,328,518.06	49,507,552.50	48,814,453.13	693,099.37
3137FQXJ7	FHMS K-737 A2	4.358	99.0151	10/25/2026	50,000,000.00	49,328,518.06	49,507,552.50	48,814,453.13	693,099.37
3137FQXJ7	FHMS K-737 A2	4.358	99.0151	10/25/2026	50,000,000.00	49,328,518.06	49,507,552.50	48,814,453.13	693,099.37
3137BSRE5	FHMS K-059 A2	4.148	99.1682	09/25/2026	11,842,572.00	11,757,843.62	11,744,069.51	11,655,681.41	88,388.10
3137BSP72	FHMS K-058 A2	4.465	98.9248	08/25/2026	15,000,000.00	14,837,470.79	14,838,724.80	14,589,843.75	248,881.05
3137BSP72	FHMS K-058 A2	4.142	98.9248	08/25/2026	20,975,000.00	20,784,790.76	20,749,483.51	20,521,907.23	227,576.28
3137BSP72	FHMS K-058 A2	4.251	98.9248	08/25/2026	42,473,000.00	42,062,302.01	42,016,343.90	41,490,811.88	525,532.02
3137FQ3P6	FHMS K-C06 A2	4.291	99.0898	08/25/2026	10,620,238.20	10,512,506.87	10,523,569.07	10,432,724.71	90,844.37
3137BRQJ7	FHMS K-057 A2	4.657	99.0592	07/25/2026	13,705,459.20	13,575,847.35	13,576,521.39	13,083,895.21	492,626.18
3137FNWX4	FHMS K-736 A2	3.655	99.1667	07/25/2026	8,837,917.20	8,783,895.22	8,764,272.78	8,399,473.65	364,799.13
3137FNWX4	FHMS K-736 A2	4.170	99.1667	07/25/2026	42,545,733.40	42,184,259.21	42,191,209.16	41,585,130.73	606,078.44
3137BQYS0	FHMS K-056 A2	4.186	99.3861	05/25/2026	15,136,743.60	15,055,310.30	15,043,822.61	14,856,477.33	187,345.28
3137FMU67	FHMS K-735 A2	3.518	99.4952	05/25/2026	11,481,300.60	11,458,213.54	11,423,347.36	11,211,759.13	211,588.23
3137BPW21	FHMS K-055 A2	4.420	99.6155	03/25/2026	44,786,802.50	44,656,109.77	44,614,580.23	43,967,204.01	647,376.22
3137BPW21	FHMS K-055 A2	4.420	99.6155	03/25/2026	1,339,125.39	1,335,217.68	1,333,975.95	1,314,619.40	19,356.55
3137BPW21	FHMS K-055 A2	4.460	99.6155	03/25/2026	8,957,360.50	8,930,724.89	8,922,916.05	8,788,066.39	134,849.66
3137BP4K2	FHMS K-IR1 A2	4.641	99.5702	03/25/2026	22,370,000.00	22,300,078.75	22,273,860.45	21,817,740.62	456,119.83
3137BNGT5	FHMS K-054 A2	4.286	99.7385	01/25/2026	3,065,706.17	3,065,706.17	3,057,688.74	3,024,391.54	33,297.20
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Agency MBS

FNMA

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
3140Q04W9	FN BZ5336	3.943	99.2372	12/01/2030	23,400,000.00	23,370,201.17	23,221,512.76	23,369,835.95	(148,323.19)
3140Q1CP3	FN BZ5477	4.055	99.2813	11/01/2030	8,909,000.00	8,859,344.33	8,844,974.40	8,858,190.86	(13,216.46)
3140Q1CN8	FN BZ5476	4.055	99.2813	11/01/2030	13,860,000.00	13,782,749.18	13,760,393.45	13,780,954.69	(20,561.24)
3140Q1GR5	FN BZ5607	3.972	98.8603	11/01/2030	38,220,000.00	37,985,899.85	37,784,421.57	37,981,125.00	(196,703.43)
3140Q1D72	FN BZ5525	3.987	98.9432	11/01/2030	24,750,000.00	24,608,826.72	24,488,438.78	24,605,947.27	(117,508.49)
3140Q06B3	FN BZ5365	3.953	99.4586	11/01/2030	34,527,000.00	34,446,804.33	34,340,070.82	34,446,077.34	(106,006.52)
3140Q1C40	FN BZ5490	3.955	99.1484	11/01/2030	25,000,000.00	24,922,923.07	24,787,097.75	24,921,875.00	(134,777.25)
3140Q1JH4	FN BZ5663	4.094	98.7062	11/01/2030	28,849,000.00	28,486,956.70	28,475,746.16	28,483,879.84	(8,133.68)
3140Q0U42	FN BZ5102	4.031	99.1629	10/01/2030	47,851,000.00	47,521,875.83	47,450,430.67	47,507,070.94	(56,640.27)
3140Q03R1	FN BZ5307	3.870	99.1411	10/01/2030	25,000,000.00	24,934,110.54	24,785,268.25	24,931,640.63	(146,372.38)
3140Q0UZ3	FN BZ5099	3.848	99.3155	10/01/2030	32,630,000.00	32,630,000.00	32,406,662.99	32,630,000.00	(223,337.01)
3140Q0XF4	FN BZ5177	3.987	99.9262	10/01/2030	6,580,000.00	6,580,000.00	6,575,144.35	6,580,000.00	(4,855.65)
3140Q0L91	FN BZ4851	3.978	99.6798	09/01/2030	25,000,000.00	25,000,000.00	24,919,948.00	25,000,000.00	(80,052.00)
3140Q0MF6	FN BZ4857	3.996	99.7442	09/01/2030	10,526,000.00	10,524,449.92	10,499,074.91	10,524,355.31	(25,280.40)
3140Q0P30	FN BZ4941	3.972	99.7013	09/01/2030	7,485,000.00	7,470,354.59	7,462,639.54	7,469,503.71	(6,864.17)
3140Q0FN7	FN BZ4672	3.975	99.9160	09/01/2030	32,175,000.00	32,175,000.00	32,147,963.03	32,175,000.00	(27,036.97)
3140Q0FZ0	FN BZ4683	4.107	100.1951	09/01/2030	13,509,000.00	13,503,492.66	13,535,354.30	13,503,195.32	32,158.98
3140Q0HM7	FN BZ4735	4.062	100.0448	09/01/2030	16,530,000.00	16,529,375.55	16,537,404.28	16,529,354.30	8,049.98
3140Q0SN3	FN BZ5024	4.052	100.0019	09/01/2030	6,050,000.00	6,050,000.00	6,050,112.05	6,050,000.00	112.05
3140Q0CZ3	FN BZ4587	4.250	100.7838	08/01/2030	9,750,000.00	9,719,574.93	9,826,421.28	9,716,865.23	109,556.05
3140Q0AY8	FN BZ4522	4.192	100.4037	08/01/2030	20,933,850.00	20,892,210.10	21,018,352.42	20,888,874.93	129,477.49
3140NYUL3	FN BZ4186	4.200	100.5366	08/01/2030	10,601,000.00	10,593,332.13	10,657,880.62	10,592,717.97	65,162.65
3140NY4W8	FN BZ4436	3.922	99.7067	08/01/2030	8,283,000.00	8,283,000.00	8,258,708.61	8,283,000.00	(24,291.39)

3140NYN64	FN BZ4012	4.074	99.8780	07/01/2030	8,345,000.00	8,305,528.79	8,334,819.35	8,301,971.09	32,848.26
3140NY3N9	FN BZ4404	4.069	100.1857	07/01/2030	7,048,000.00	7,041,329.38	7,061,088.07	7,040,841.88	20,246.19
3140NYN49	FN BZ4010	4.104	99.8780	07/01/2030	12,805,000.00	12,757,188.24	12,789,378.28	12,754,480.27	34,898.01
3140NYNY3	FN BZ4006	4.104	99.8780	07/01/2030	18,760,000.00	18,689,953.26	18,737,113.36	18,685,985.94	51,127.42
3140NYMU2	FN BZ3970	4.106	100.1296	05/01/2030	18,485,000.00	18,422,501.60	18,508,955.45	18,417,125.39	91,830.06
3140NYKT7	FN BZ3905	4.067	100.1523	05/01/2030	10,000,000.00	9,981,296.41	10,015,225.00	9,979,687.50	35,537.50
3140NXY72	FN BZ3433	4.213	100.6753	04/01/2030	12,855,000.00	12,855,000.00	12,941,804.16	12,855,000.00	86,804.16
3140NX7M9	FN BZ3599	4.344	100.5527	04/01/2030	35,880,000.00	35,565,842.81	36,078,324.19	35,514,192.21	564,131.98
3140NXWN9	FN BZ3352	4.382	101.4904	03/01/2030	41,362,000.00	41,314,220.43	41,978,460.08	41,305,450.37	673,009.71
3140HXL65	FN BL5748	3.918	94.5702	02/01/2030	12,854,253.17	12,255,489.38	12,156,287.66	12,216,561.71	(60,274.04)
3140NWVP7	FN BZ2421	1.440	101.5614	12/01/2029	31,354,000.00	31,354,000.00	31,843,546.31	31,354,000.00	489,546.31
3140NWVP7	FN BZ2421	4.498	101.5614	12/01/2029	20,000,000.00	19,912,207.73	20,312,270.40	19,889,062.50	423,207.90
3140NW2N4	FN BZ2580	4.589	101.5980	12/01/2029	30,144,000.00	29,927,454.88	30,625,692.38	29,870,820.00	754,872.38
3140NWPY5	FN BZ2238	4.376	101.3038	11/01/2029	9,870,000.00	9,848,252.31	9,998,683.38	9,842,240.63	156,442.75
3140NWHV0	FN BZ2043	4.334	99.1962	11/01/2029	20,000,000.00	19,619,892.77	19,839,241.20	19,566,406.25	272,834.95
3140LHHC7	FN BS6526	3.976	98.4048	10/01/2029	25,000,000.00	24,590,587.64	24,601,201.00	24,573,242.19	27,958.81
3140NWG41	FN BZ2018	3.891	99.2186	10/01/2029	57,415,000.00	57,050,289.11	56,966,339.09	57,029,242.97	(62,903.88)
3140NWG90	FN BZ2023	4.497	100.0278	10/01/2029	15,000,000.00	14,724,849.65	15,004,167.45	14,640,234.38	363,933.07
3140NWEX9	FN BZ1949	4.468	100.0684	10/01/2029	3,444,000.00	3,394,180.92	3,446,357.28	3,380,097.66	66,259.62
3140NWKR5	FN BZ2103	4.517	100.4148	10/01/2029	15,000,000.00	14,766,415.13	15,062,220.00	14,711,132.81	351,087.19
3140HVB60	FN BL3660	4.458	95.7761	08/01/2029	24,353,069.00	23,037,229.32	23,324,431.65	22,516,124.61	808,307.04
3140HUNU6	FN BL3102	4.474	95.6435	08/01/2029	21,709,521.00	20,487,077.29	20,763,743.98	19,997,352.14	766,391.84
3140HUNU6	FN BL3102	4.139	95.6435	08/01/2029	4,733,543.96	4,511,432.67	4,527,326.74	4,425,678.70	101,648.04
3140HUNU6	FN BL3102	4.396	95.6435	08/01/2029	24,140,987.35	22,831,035.28	23,089,283.31	22,316,268.19	773,015.12
3140LGYA4	FN BS6104	3.874	99.6241	08/01/2029	21,190,000.00	21,152,384.35	21,110,356.54	21,151,924.22	(41,567.68)
3138L5YU8	FN AM5222	4.323	100.6416	07/01/2029	27,988,172.95	27,988,172.95	28,167,754.58	27,988,172.95	179,581.63
3140NVFJ1	FN BZ1068	4.555	102.0981	06/01/2029	10,000,000.00	10,000,000.00	10,209,812.70	10,000,000.00	209,812.70
3140NVFJ1	FN BZ1068	4.555	102.0981	06/01/2029	15,000,000.00	15,000,000.00	15,314,719.05	15,000,000.00	314,719.05
3140NVE37	FN BZ1053	4.596	102.2177	06/01/2029	15,770,000.00	15,770,000.00	16,119,732.24	15,770,000.00	349,732.24
3140NU4W6	FN BZ0836	4.606	102.2101	05/01/2029	16,365,000.00	16,365,000.00	16,726,678.61	16,365,000.00	361,678.61
3140NU6F1	FN BZ0869	4.623	102.1892	04/01/2029	32,230,000.00	32,203,410.70	32,935,570.46	32,189,712.50	745,857.96
3140NUPT0	FN BZ0433	4.580	100.9739	03/01/2029	25,000,000.00	24,750,319.94	25,243,484.00	24,609,375.00	634,109.00
3140NUPT0	FN BZ0433	4.612	100.9739	03/01/2029	25,681,000.00	25,393,606.98	25,931,116.50	25,236,598.32	694,518.18
3140NURK7	FN BZ0489	4.552	102.2552	02/01/2029	25,000,000.00	25,000,000.00	25,563,798.25	25,000,000.00	563,798.25
3140NURK7	FN BZ0489	4.636	102.2552	02/01/2029	16,000,000.00	15,961,655.33	16,360,830.88	15,942,500.00	418,330.88
3140NUNR6	FN BZ0399	4.670	102.0225	02/01/2029	15,000,000.00	14,960,510.54	15,303,380.25	14,936,718.75	366,661.50
3140LLKK6	FN BS9297	5.110	101.4739	10/01/2028	21,050,000.00	20,690,587.24	21,360,262.27	20,402,054.69	958,207.58
3140LLZT1	FN BS9753	5.092	103.1611	10/01/2028	20,000,000.00	19,970,335.09	20,632,221.00	19,946,875.00	685,346.00
3136B3XY1	FNA 2019-M1 A2	4.441	99.2221	09/25/2028	10,600,562.40	10,452,040.98	10,518,100.20	10,414,224.43	103,875.77
3140LLB83	FN BS9062	5.049	101.6223	09/01/2028	20,000,000.00	19,718,359.81	20,324,469.60	19,481,250.00	843,219.60
3140LLMH1	FN BS9359	5.051	102.4504	08/01/2028	15,874,000.00	15,781,169.40	16,262,974.11	15,699,758.05	563,216.06
3136BQDE6	FNA 2023-M6 A2	4.724	100.3504	07/25/2028	23,863,665.75	23,593,397.90	23,947,286.66	23,370,545.47	576,741.19
3140LKKW2	FN BS8408	4.658	101.4384	06/01/2028	12,003,000.00	11,932,570.49	12,175,656.07	11,878,750.20	296,905.87
3140LKYQ0	FN BS8818	4.526	100.2243	06/01/2028	25,000,000.00	24,688,181.05	25,056,072.00	24,363,281.25	692,790.75
3140LKU84	FN BS8706	4.510	100.5752	06/01/2028	25,000,000.00	24,743,331.91	25,143,799.00	24,478,515.63	665,283.37
3140LKJP9	FN BS8369	4.649	99.9120	05/01/2028	16,850,000.00	16,747,391.34	16,835,177.39	16,657,804.69	177,372.70
3140LKJM6	FN BS8367	4.651	100.9602	05/01/2028	14,563,000.00	14,419,350.25	14,702,831.16	14,304,734.30	398,096.86
3140LKJC8	FN BS8358	4.074	100.6952	04/01/2028	24,459,000.00	24,459,000.00	24,629,042.39	24,459,000.00	170,042.39
3140LBU27	FN BS1500	4.591	94.3841	03/01/2028	29,612,500.00	27,567,373.04	27,949,496.05	26,109,896.48	1,839,599.57
3140LBU27	FN BS1500	3.741	94.3841	03/01/2028	20,000,000.00	18,931,734.66	18,876,823.00	18,286,718.75	590,104.25
3140LBP64	FN BS1344	4.165	94.3643	03/01/2028	20,000,000.00	18,785,256.25	18,872,854.20	18,017,968.75	854,885.45
3140LHSB7	FN BS6813	4.363	100.7980	02/01/2028	19,478,000.00	19,470,296.93	19,633,438.34	19,459,739.38	173,698.96
3140LJS23	FN BS7736	4.416	100.7197	02/01/2028	20,000,000.00	19,886,315.31	20,143,932.80	19,731,250.00	412,682.80
3140LJS23	FN BS7736	4.071	100.7197	02/01/2028	15,000,000.00	15,000,000.00	15,107,949.60	15,000,000.00	107,949.60
3140LJS23	FN BS7736	4.078	100.7197	02/01/2028	10,000,000.00	10,000,000.00	10,071,966.40	10,000,000.00	71,966.40
3140LHVX5	FN BS6929	4.280	100.7789	11/01/2027	31,100,000.00	31,061,599.73	31,342,235.41	30,996,738.28	345,497.13
3136BML55	FNA 2022-M11 A2	4.554	98.3641	10/25/2027	20,660,453.10	20,306,452.03	20,322,463.38	19,684,453.30	638,010.08
3138LKZ34	FN AN7061	6.197	97.9197	10/01/2027	12,800,000.00	12,427,712.77	12,533,716.61	12,028,000.00	505,716.61
3136AY6X6	FNA 2017-M15 A2	4.609	98.5847	09/25/2027	12,837,398.80	12,636,405.58	12,655,707.63	12,318,386.71	337,320.92
3138LHUZ5	FN AN5099	3.076	99.0661	04/01/2027	23,017,415.75	23,011,647.02	22,802,465.77	22,995,836.91	(193,371.14)
3138LHDY7	FN AN4618	3.829	98.9889	04/01/2027	9,897,597.38	9,799,867.20	9,797,521.19	9,797,074.91	446.28
3138LG4R4	FN AN4431	3.647	99.3346	01/01/2027	42,620,000.00	42,336,318.27	42,336,386.06	42,315,333.59	21,052.47
3138LGMP8	FN AN3965	3.805	99.1161	01/01/2027	15,225,878.34	15,094,362.24	15,091,298.02	15,089,678.10	1,619.92
3140HV2G8	FN BL4374	4.291	98.4308	10/01/2026	21,300,000.00	20,931,031.96	20,965,752.09	19,947,117.19	1,018,634.90
3136AS4R4	FNA 2016-M7 A2	4.574	99.2199	09/25/2026	13,455,059.89	13,325,360.55	13,350,095.09	13,165,237.90	184,857.19
3138LEVL2	FN AN2418	5.290	98.6729	09/01/2026	15,000,000.00	14,756,369.45	14,800,932.75	14,354,328.92	446,603.83
3138LETC5	FN AN2346	4.438	98.9863	08/01/2026	8,148,489.00	8,068,893.99	8,065,889.32	7,968,649.34	97,239.97
3138LENE7	FN AN2188	3.543	99.1088	07/01/2026	9,535,956.00	9,513,678.15	9,450,969.65	9,352,686.84	98,282.81
3138LECC3	FEDERAL NATIONAL MORTGAGE ASSOCIATION	3.902	99.0715	07/01/2026	4,000,000.00	3,965,596.01	3,962,859.52	3,963,125.00	(265.48)
3138LD5W9	FN AN1760	4.176	99.2403	06/01/2026	15,000,000.00	14,956,524.97	14,886,042.90	14,582,812.50	303,230.40
3136AR5S3	FNA 2016-M5 A2	4.816	99.4628	04/25/2026	9,223,840.40	9,181,065.57	9,174,293.34	9,057,018.58	117,274.76
3138LCW35	FN AN0665	5.458	99.6840	02/01/2026	14,283,090.45	14,260,124.14	14,237,956.03	13,788,203.61	449,752.41

3140HSW31	FN BL1565	3.958	99.7083	02/01/2026	9,000,000.00	8,992,539.32	8,973,749.34	8,928,281.25	45,468.09
---	**---**	**4.233**	**99.7614**	**04/22/2029**	**1,846,660,304.69**	**1,828,121,038.03**	**1,841,821,901.14**	**1,816,597,995.42**	**25,223,905.72**

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Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
PPGYBN2W3RC	Altura Credit Union	4.020	100.0000	09/04/2026	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00	0.00
95001KUF9	Wells Fargo Bank, National Association	3.800	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
95001KUF9	Wells Fargo Bank, National Association	3.800	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
95001KUF9	Wells Fargo Bank, National Association	3.800	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
95001KUF9	Wells Fargo Bank, National Association	3.800	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
95001KUJ1	Wells Fargo Bank, National Association	3.800	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
95001KUJ1	Wells Fargo Bank, National Association	3.800	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46651VGW0	J.P. Morgan Securities LLC	0.000	100.0000	07/07/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
21684X6A9	Coöperatieve Rabobank U.A., New York Branch	3.800	100.0000	06/12/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DH90	Toronto-Dominion Bank - New York Branch	3.880	100.0000	06/03/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DH90	Toronto-Dominion Bank - New York Branch	3.880	100.0000	06/03/2026	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	0.00
78015JUQ8	Royal Bank of Canada New York Branch	3.850	100.0000	06/03/2026	40,000,000.00	40,000,000.00	40,000,000.00	40,000,000.00	0.00
78015JUQ8	Royal Bank of Canada New York Branch	3.850	100.0000	06/03/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
21684X5Q5	Coöperatieve Rabobank U.A., New York Branch	3.850	100.0000	06/02/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
21684X5Q5	Coöperatieve Rabobank U.A., New York Branch	3.850	100.0000	06/02/2026	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00	0.00
21684X5Q5	Coöperatieve Rabobank U.A., New York Branch	3.850	100.0000	06/02/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DGH3	Toronto-Dominion Bank - New York Branch	3.920	100.0000	05/29/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DHD1	Toronto-Dominion Bank - New York Branch	3.900	100.0000	05/20/2026	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00	0.00
78015JNU7	Royal Bank of Canada New York Branch	3.920	100.0000	05/19/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
06051WWL4	Bank of America, National Association	3.950	100.0000	05/15/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DDH6	Toronto-Dominion Bank - New York Branch	3.980	100.0000	05/13/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DCV6	Toronto-Dominion Bank - New York Branch	3.980	100.0000	05/12/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DCD6	Toronto-Dominion Bank - New York Branch	3.950	100.0000	05/11/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DBH8	Toronto-Dominion Bank - New York Branch	3.950	100.0000	05/06/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
78015JEG8	Royal Bank of Canada New York Branch	4.310	100.0000	03/19/2026	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00	0.00
86959TSN7	Svenska Handelsbanken AB (publ)	3.800	100.0000	03/04/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DAZ9	Toronto-Dominion Bank - New York Branch	4.010	100.0000	02/25/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115D7H3	Toronto-Dominion Bank - New York Branch	3.990	100.0000	02/18/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
21684X4Q6	Coöperatieve Rabobank U.A., New York Branch	4.020	100.0000	02/13/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DDM5	Toronto-Dominion Bank - New York Branch	4.060	100.0000	02/13/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DAV8	Toronto-Dominion Bank - New York Branch	4.010	100.0000	02/11/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
78015JKY2	Royal Bank of Canada New York Branch	4.180	100.0000	02/09/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115D6Z4	Toronto-Dominion Bank - New York Branch	3.990	100.0000	02/04/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
78015JLG0	Royal Bank of Canada New York Branch	4.190	100.0000	01/30/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
78015JLG0	Royal Bank of Canada New York Branch	4.190	100.0000	01/30/2026	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00	0.00
86959TSD9	Svenska Handelsbanken AB (publ)	3.820	100.0000	01/30/2026	65,000,000.00	65,000,000.00	65,000,000.00	65,000,000.00	0.00
78015JEQ6	Royal Bank of Canada New York Branch	4.310	100.0000	01/21/2026	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00	0.00
78015JEC7	Royal Bank of Canada New York Branch	4.270	100.0000	01/16/2026	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00	0.00
86959TQW9	Svenska Handelsbanken AB (publ)	4.100	100.0000	01/16/2026	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	0.00
78015JKL0	Royal Bank of Canada New York Branch	4.230	100.0000	01/15/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
86959TRH1	Svenska Handelsbanken AB (publ)	3.970	100.0000	01/15/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
86959TRM0	Svenska Handelsbanken AB (publ)	3.940	100.0000	01/15/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
89115DDD5	Toronto-Dominion Bank - New York Branch	4.010	100.0000	01/15/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
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Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
7426M5KW3	Private Export Funding Corporation	3.648	97.0387	10/30/2026	25,000,000.00	24,259,680.56	24,259,680.56	24,193,493.06	66,187.50
7426M5KE3	Private Export Funding Corporation	3.574	97.2433	10/14/2026	25,000,000.00	24,310,819.45	24,310,819.45	24,272,263.89	38,555.56
46656HKP6	J.P. Morgan Securities LLC	4.257	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46656HKP6	J.P. Morgan Securities LLC	4.257	100.0000	08/31/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46656HKE1	J.P. Morgan Securities LLC	4.254	100.0000	08/10/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46656HKE1	J.P. Morgan Securities LLC	4.254	100.0000	08/10/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
7426M3GX1	Private Export Funding Corporation	3.791	97.8373	07/31/2026	50,000,000.00	48,918,625.00	48,918,625.00	48,667,500.00	251,125.00
7426M3GV5	Private Export Funding Corporation	3.787	97.8578	07/29/2026	30,000,000.00	29,357,325.00	29,357,325.00	29,228,175.00	129,150.00
7426M3GN3	Private Export Funding Corporation	3.693	97.9744	07/22/2026	25,000,000.00	24,493,597.22	24,493,597.22	24,438,444.44	55,152.78
7426M3G86	Private Export Funding Corporation	3.591	98.1618	07/08/2026	50,000,000.00	49,080,888.89	49,080,888.89	49,007,555.56	73,333.33
46651VHA7	J.P. Morgan Securities LLC	3.890	100.0000	07/06/2026	20,000,000.00	20,000,000.26	19,999,999.90	20,000,000.30	(0.40)
46651VHA7	J.P. Morgan Securities LLC	3.890	100.0000	07/06/2026	50,000,000.00	49,999,999.74	49,999,999.74	49,999,999.70	0.04
7426M3G29	Private Export Funding Corporation	3.772	98.1446	07/02/2026	50,000,000.00	49,072,305.56	49,072,305.56	48,644,138.89	428,166.67
78015DF88	Royal Bank of Canada New York Branch	3.863	98.3366	06/08/2026	50,000,000.00	49,168,305.56	49,168,305.56	49,052,500.00	115,805.56

78015DF88	Royal Bank of Canada New York Branch	3.863	98.3366	06/08/2026	50,000,000.00	49,168,305.56	49,168,305.56	49,052,500.00	115,805.56
78015DF88	Royal Bank of Canada New York Branch	3.863	98.3366	06/08/2026	50,000,000.00	49,168,305.56	49,168,305.56	49,052,500.00	115,805.56
7426M3EV7	Private Export Funding Corporation	3.812	98.4748	05/29/2026	25,000,000.00	24,618,694.45	24,618,694.45	24,332,715.28	285,979.17
7426M5EV2	Private Export Funding Corporation	3.799	98.4748	05/29/2026	25,000,000.00	24,618,694.44	24,618,694.44	24,415,159.72	203,534.72
21687BEJ6	Coöperatieve Rabobank U.A., New York Branch	3.937	98.5311	05/18/2026	25,000,000.00	24,632,763.89	24,632,763.89	24,512,138.89	120,625.00
7426M3ED7	Private Export Funding Corporation	3.687	98.6690	05/13/2026	25,000,000.00	24,667,250.00	24,667,250.00	24,611,791.67	55,458.33
47816GED7	Johnson & Johnson	3.625	98.6910	05/13/2026	50,000,000.00	49,345,500.00	49,345,500.00	49,246,333.33	99,166.67
46651VGV2	J.P. Morgan Securities LLC	4.016	100.0000	05/11/2026	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00	0.00
46651VGV2	J.P. Morgan Securities LLC	4.016	100.0000	05/11/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46651VGV2	J.P. Morgan Securities LLC	4.016	100.0000	05/11/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46651VGV2	J.P. Morgan Securities LLC	4.016	100.0000	05/11/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
46651VGV2	J.P. Morgan Securities LLC	4.016	100.0000	05/11/2026	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
7426M3E88	Private Export Funding Corporation	4.091	98.5995	05/08/2026	50,000,000.00	49,299,736.11	49,299,736.11	48,516,763.89	782,972.22
7426M3DH9	Private Export Funding Corporation	4.218	98.7957	04/17/2026	25,000,000.00	24,698,930.56	24,698,930.56	24,238,805.56	460,125.00
71344UDA4	PepsiCo, Inc.	3.582	99.0265	04/10/2026	50,000,000.00	49,513,250.00	49,513,250.00	49,414,916.67	98,333.33
7426M5CX0	Private Export Funding Corporation	4.063	99.0210	03/31/2026	50,000,000.00	49,510,500.00	49,510,500.00	48,735,000.00	775,500.00
63763QCK1	National Securities Clearing Corporation	3.915	99.1723	03/19/2026	50,000,000.00	49,586,125.00	49,586,125.00	49,430,250.00	155,875.00
63763QCK1	National Securities Clearing Corporation	3.915	99.1723	03/19/2026	10,000,000.00	9,917,225.00	9,917,225.00	9,886,050.00	31,175.00
21687BCG4	Coöperatieve Rabobank U.A., New York Branch	3.903	99.2107	03/16/2026	50,000,000.00	49,605,333.33	49,605,333.34	49,194,666.66	410,666.68
21687BCG4	Coöperatieve Rabobank U.A., New York Branch	3.903	99.2107	03/16/2026	50,000,000.00	49,605,333.34	49,605,333.34	49,194,666.67	410,666.67
47816GBL2	Johnson & Johnson	3.709	99.4889	02/20/2026	25,000,000.00	24,872,222.23	24,872,222.22	24,803,222.23	68,999.99
47816GBL2	Johnson & Johnson	3.709	99.4889	02/20/2026	50,000,000.00	49,744,444.44	49,744,444.44	49,606,444.44	138,000.00
71344UBK4	PepsiCo, Inc.	3.676	99.5032	02/19/2026	25,000,000.00	24,875,798.61	24,875,798.61	24,822,569.44	53,229.17
71344UBJ7	PepsiCo, Inc.	3.676	99.5133	02/18/2026	50,000,000.00	49,756,666.67	49,756,666.66	49,645,138.89	111,527.77
71344UBJ7	PepsiCo, Inc.	3.676	99.5133	02/18/2026	50,000,000.00	49,756,666.66	49,756,666.66	49,650,208.33	106,458.33
71344UBH1	PepsiCo, Inc.	3.708	99.5196	02/17/2026	25,000,000.00	24,879,888.89	24,879,888.89	24,808,333.33	71,555.56
47816GBD0	Johnson & Johnson	3.717	99.5593	02/13/2026	50,000,000.00	49,779,625.00	49,779,625.00	49,636,125.00	143,500.00
47816GBD0	Johnson & Johnson	3.717	99.5593	02/13/2026	15,000,000.00	14,933,887.50	14,933,887.50	14,890,837.50	43,050.00
47816GBD0	Johnson & Johnson	3.717	99.5593	02/13/2026	50,000,000.00	49,779,625.00	49,779,625.00	49,636,125.00	143,500.00
71344UBD0	PepsiCo, Inc.	3.747	99.5581	02/13/2026	50,000,000.00	49,777,833.33	49,779,027.78	49,638,333.33	140,694.45
71344UBD0	PepsiCo, Inc.	3.725	99.5581	02/13/2026	50,000,000.00	49,779,027.78	49,779,027.78	49,660,833.33	118,194.45
71344UBD0	PepsiCo, Inc.	3.725	99.5581	02/13/2026	25,000,000.00	24,889,513.89	24,889,513.89	24,832,986.11	56,527.78
63763QB48	National Securities Clearing Corporation	3.893	99.6364	02/04/2026	27,000,000.00	26,901,825.00	26,901,825.00	26,702,587.50	199,237.50
89233HB29	Toyota Motor Credit Corporation	3.989	99.6489	02/02/2026	50,000,000.00	49,824,444.44	49,824,444.44	49,517,222.22	307,222.22
7426M3AW9	Private Export Funding Corporation	4.226	99.6601	01/30/2026	25,000,000.00	24,917,430.56	24,915,013.89	24,256,875.00	658,138.89
7426M3AW9	Private Export Funding Corporation	4.339	99.6601	01/30/2026	25,000,000.00	24,915,013.89	24,915,013.89	24,314,250.00	600,763.89
63763QAV9	National Securities Clearing Corporation	4.064	99.6889	01/29/2026	35,000,000.00	34,891,111.11	34,891,111.11	34,451,666.67	439,444.44
63763QAU1	National Securities Clearing Corporation	4.097	99.6977	01/28/2026	50,000,000.00	49,848,875.00	49,848,875.00	49,182,805.55	666,069.45
63763QAU1	National Securities Clearing Corporation	4.097	99.6977	01/28/2026	25,000,000.00	24,924,437.50	24,924,437.50	24,591,402.78	333,034.72
47816GAS8	Johnson & Johnson	3.791	99.7382	01/26/2026	30,000,000.00	29,921,458.33	29,921,458.33	29,830,350.00	91,108.33
47816GAS8	Johnson & Johnson	3.791	99.7382	01/26/2026	50,000,000.00	49,869,097.22	49,869,097.22	49,717,250.00	151,847.22
47816GAP4	Johnson & Johnson	3.856	99.7659	01/23/2026	50,000,000.00	49,882,972.22	49,882,972.22	49,664,875.00	218,097.22
63763QAM9	National Securities Clearing Corporation	3.976	99.7839	01/21/2026	25,000,000.00	24,945,277.78	24,945,972.22	24,772,902.78	173,069.44
63763QAM9	National Securities Clearing Corporation	3.923	99.7839	01/21/2026	50,000,000.00	49,891,944.44	49,891,944.44	49,583,986.11	307,958.33
63763QAM9	National Securities Clearing Corporation	3.923	99.7839	01/21/2026	15,000,000.00	14,967,583.33	14,967,583.33	14,875,195.83	92,387.50
47816GAM1	Johnson & Johnson	3.739	99.7933	01/21/2026	50,000,000.00	49,896,666.67	49,896,666.67	49,746,833.33	149,833.34
4523EMAM5	Illinois Tool Works Inc.	3.880	99.7856	01/21/2026	21,374,000.00	21,328,164.64	21,328,164.64	21,261,703.38	66,461.26
7426M5AL8	Private Export Funding Corporation	4.278	99.7789	01/20/2026	25,000,000.00	24,944,715.28	24,944,715.28	24,487,888.89	456,826.39
63763QAL1	National Securities Clearing Corporation	3.972	99.7942	01/20/2026	30,000,000.00	29,937,775.00	29,938,250.00	29,679,050.00	259,200.00
63763QAL1	National Securities Clearing Corporation	3.926	99.7942	01/20/2026	50,000,000.00	49,897,083.33	49,897,083.33	49,675,000.00	222,083.33
63763QAG2	National Securities Clearing Corporation	3.983	99.8358	01/16/2026	20,000,000.00	19,967,166.67	19,967,166.67	19,785,488.89	181,677.78
64105HAG7	Nestle Capital Corporation	3.623	99.8496	01/16/2026	50,000,000.00	49,924,791.67	49,924,791.67	49,819,500.00	105,291.67
0556C3AG6	BMW US Capital, LLC	3.731	99.8450	01/16/2026	50,000,000.00	49,922,500.00	49,922,500.00	49,855,333.34	67,166.66
0556C3AG6	BMW US Capital, LLC	3.731	99.8450	01/16/2026	50,000,000.00	49,922,500.00	49,922,500.00	49,855,333.33	67,166.67
63763QAE7	National Securities Clearing Corporation	4.091	99.8545	01/14/2026	50,000,000.00	49,927,236.11	49,927,236.11	49,255,569.44	671,666.67
0556C3AE1	BMW US Capital, LLC	3.730	99.8657	01/14/2026	100,000,000.00	99,865,666.67	99,865,666.67	99,731,333.33	134,333.34
63763QAD9	National Securities Clearing Corporation	3.973	99.8687	01/13/2026	45,000,000.00	44,940,900.00	44,940,900.00	44,630,625.00	310,275.00
63763QAC1	National Securities Clearing Corporation	3.866	99.8824	01/12/2026	40,000,000.00	39,952,944.45	39,952,944.45	39,833,166.67	119,777.78
63763QA80	National Securities Clearing Corporation	4.143	99.9207	01/08/2026	50,000,000.00	49,960,333.33	49,960,333.33	49,240,666.67	719,666.66
63763QA72	National Securities Clearing Corporation	4.352	99.9288	01/07/2026	50,000,000.00	49,964,416.67	49,964,416.67	49,057,041.67	907,375.00
6698M5A74	Novartis Finance Corporation	3.915	99.9350	01/07/2026	50,000,000.00	49,967,500.00	49,967,500.00	49,810,416.67	157,083.33
14912EA72	Caterpillar Financial Services Corporation	3.717	99.9382	01/07/2026	50,000,000.00	49,969,083.33	49,969,083.33	49,902,097.22	66,986.11
14912EA72	Caterpillar Financial Services Corporation	3.717	99.9382	01/07/2026	5,200,000.00	5,196,784.67	5,196,784.67	5,189,818.12	6,966.55
14912EA72	Caterpillar Financial Services Corporation	3.717	99.9382	01/07/2026	50,000,000.00	49,969,083.33	49,969,083.33	49,902,097.22	66,986.11
63763QA23	National Securities Clearing Corporation	3.862	99.9893	01/02/2026	25,000,000.00	24,997,326.39	24,997,326.39	24,922,465.28	74,861.11
---	**---**	**3.888**	**99.4371**	**03/24/2026**	**3,168,574,000.00**	**3,150,596,803.48**	**3,150,596,750.32**	**3,135,072,284.00**	**15,524,466.32**

Corporate
CORP

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss

037833DK3	APPLE INC	4.252	99.0172	11/13/2027	11,148,000.00	10,905,942.99	11,038,437.46	10,755,590.40	282,847.06
037833DK3	APPLE INC	4.070	99.0172	11/13/2027	8,275,000.00	8,119,823.19	8,193,673.30	8,057,615.75	136,057.55
037833DB3	APPLE INC	4.444	98.8263	09/12/2027	4,296,000.00	4,192,103.65	4,245,577.85	4,104,656.16	140,921.69
037833DB3	APPLE INC	3.620	98.8263	09/12/2027	25,000,000.00	24,713,055.81	24,706,575.00	24,497,500.00	209,075.00
037833DB3	APPLE INC	3.618	98.8263	09/12/2027	10,000,000.00	9,885,461.99	9,882,630.00	9,800,900.00	81,730.00
037833DB3	APPLE INC	4.322	98.8263	09/12/2027	8,635,000.00	8,440,830.23	8,533,651.01	8,308,769.70	224,881.31
931142EX7	WALMART INC	4.404	100.5968	09/09/2027	20,000,000.00	19,857,929.58	20,119,360.00	19,738,000.00	381,360.00
931142EX7	WALMART INC	4.326	100.5968	09/09/2027	3,770,000.00	3,747,780.27	3,792,499.36	3,729,095.50	63,403.86
594918CQ5	MICROSOFT CORP	3.994	99.7609	06/15/2027	6,441,000.00	6,388,821.05	6,425,599.57	6,339,103.38	86,496.19
594918CQ5	MICROSOFT CORP	3.718	99.7609	06/15/2027	5,000,000.00	4,978,122.40	4,988,045.00	4,958,350.00	29,695.00
037833CR9	APPLE INC	3.677	99.4829	05/11/2027	20,000,000.00	19,877,252.34	19,896,580.00	19,761,200.00	135,380.00
037833CR9	APPLE INC	3.647	99.4829	05/11/2027	10,411,000.00	10,351,120.33	10,357,164.72	10,295,958.45	61,206.27
931142CH4	WALMART INC	3.581	102.8663	04/05/2027	3,351,000.00	3,442,658.07	3,447,049.71	3,536,712.42	(89,662.71)
771196BV3	ROCHE HOLDINGS INC	4.559	98.3638	03/10/2027	5,000,000.00	4,875,609.25	4,918,190.00	4,726,800.00	191,390.00
771196BV3	ROCHE HOLDINGS INC	4.326	98.3638	03/10/2027	25,000,000.00	24,440,518.42	24,590,950.00	23,772,500.00	818,450.00
771196BV3	ROCHE HOLDINGS INC	4.213	98.3638	03/10/2027	20,000,000.00	19,576,622.22	19,672,760.00	19,084,800.00	587,960.00
771196BV3	ROCHE HOLDINGS INC	4.128	98.3638	03/10/2027	5,710,000.00	5,594,389.28	5,616,572.98	5,461,957.60	154,615.38
771196BV3	ROCHE HOLDINGS INC	3.870	98.3638	03/10/2027	6,000,000.00	5,895,050.22	5,901,828.00	5,785,980.00	115,848.00
594918CG7	MICROSOFT CORP	4.560	99.7491	09/15/2026	14,108,000.00	14,000,837.97	14,072,603.03	13,685,606.48	386,996.55
037833DN7	APPLE INC	4.211	98.8962	09/11/2026	15,000,000.00	14,785,019.89	14,834,430.00	14,538,600.00	295,830.00
037833DN7	APPLE INC	5.003	98.8962	09/11/2026	10,557,000.00	10,355,466.87	10,440,471.83	9,891,064.44	549,407.39
---	**---**	**4.116**	**99.1529**	**05/08/2027**	**237,702,000.00**	**234,424,416.03**	**235,674,648.81**	**230,830,760.28**	**4,843,888.53**

MM Fund

MMFUND

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
949921126	ALLSPRING:GOVT MM SEL	3.740	1.0000	12/31/2025	120,000,000.00	120,000,000.00	120,000,000.00	120,000,000.00	0.00
31607A703	FIDELITY IMM:GOVT INSTL	3.730	1.0000	12/31/2025	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	0.00
665278404	NORTHERN INST:US GVT SHS	3.640	1.0000	12/31/2025	187,500.00	187,500.00	187,500.00	187,500.00	0.00
85749T517	SS INST INV:US GV MM OPP	3.720	1.0000	12/31/2025	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
69347S	PNC BANK DEPOSIT	3.750	1.0000	12/31/2025	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
69347S	PNC BANK DEPOSIT	3.750	1.0000	12/31/2025	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
69347S	PNC BANK DEPOSIT	3.750	1.0000	12/31/2025	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	0.00
4812CA538	JPMORGAN:US GVT MM EMPWR	3.680	1.0000	12/31/2025	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
---	**---**	**3.745**	**1.0000**	**12/31/2025**	**282,187,500.00**	**282,187,500.00**	**282,187,500.00**	**282,187,500.00**	**0.00**

Muni

MUNI

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
60412AR54	MINNESOTA ST	4.051	101.0209	08/01/2028	1,250,000.00	1,250,000.00	1,262,760.87	1,250,000.00	12,760.87
419792M29	HAWAII ST	4.513	102.4667	10/01/2027	5,000,000.00	5,038,847.83	5,123,335.18	5,084,150.00	39,185.18
13063D3N6	CALIFORNIA ST	4.847	101.3494	03/01/2027	9,300,000.00	9,300,000.00	9,425,495.87	9,300,000.00	125,495.87
13063DRD2	CALIFORNIA ST	4.259	99.0047	10/01/2026	5,500,000.00	5,425,698.20	5,445,259.75	5,336,155.00	109,104.75
13063EBN5	CALIFORNIA ST	5.096	101.0900	09/01/2026	30,000,000.00	30,075,509.58	30,326,990.14	30,269,100.00	57,890.14
93974EYC4	WASHINGTON STATE	3.370	99.9370	08/01/2026	20,825,000.00	20,825,000.00	20,811,872.45	20,825,000.00	(13,127.55)
13063DMA3	CALIFORNIA ST	4.011	99.7522	04/01/2026	13,500,000.00	13,455,933.58	13,466,552.85	13,335,975.00	130,577.85
91411UBB0	UNIVERSITY CALIF REVS 0% CP 02-11-2026	4.007	99.5270	02/11/2026	14,000,000.00	13,938,773.34	13,933,778.60	13,895,466.67	38,311.93
---	**---**	**4.323**	**100.4269**	**08/24/2026**	**99,375,000.00**	**99,309,762.53**	**99,796,045.71**	**99,295,846.67**	**500,199.04**

Mutual Fund

Open-End Fund

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
900999101	CalTRUST Liquidity Fund	3.806	1.0000	---	93,865,661.30	93,865,661.30	93,865,661.30	93,865,661.30	0.00
900999101	CalTRUST Liquidity Fund	3.806	1.0000	---	9,134,338.70	9,134,338.70	9,134,338.70	9,134,338.70	0.00
900999101	CalTRUST Liquidity Fund	3.806	1.0000	---	40,000,000.00	40,000,000.00	40,000,000.00	40,000,000.00	0.00
900999101	CalTRUST Liquidity Fund	3.806	1.0000	---	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	0.00
900999101	CalTRUST Liquidity Fund	3.806	1.0000	---	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00	0.00
900999101	**CalTRUST Liquidity Fund**	**3.806**	**1.0000**	**---**	**313,000,000.00**	**313,000,000.00**	**313,000,000.00**	**313,000,000.00**	**0.00**

Non-US Gov

SUPRANATIONAL

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
459058LY7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	3.609	98.8757	10/28/2030	8,500,000.00	8,459,340.77	8,404,434.50	8,457,840.00	(53,405.50)
459058KD4	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	4.630	100.0728	11/22/2028	10,000,000.00	10,000,000.00	10,007,280.00	10,000,000.00	7,280.00

459058LG6	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	5.590	100.1217	05/15/2028	10,000,000.00	10,010,733.58	10,012,170.00	10,017,000.00	(4,830.00)
459058LG6	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	5.584	100.1217	05/15/2028	10,000,000.00	10,010,243.42	10,012,170.00	10,016,200.00	(4,030.00)
459058LG6	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	5.601	100.1217	05/15/2028	10,000,000.00	10,008,994.47	10,012,170.00	10,014,100.00	(1,930.00)
459058LG6	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	5.096	100.1217	05/15/2028	5,000,000.00	5,003,908.13	5,006,085.00	5,006,000.00	85.00
459058LG6	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	4.919	100.1217	05/15/2028	10,000,000.00	10,004,567.20	10,012,170.00	10,006,600.00	5,570.00
45950VTK2	INTERNATIONAL FINANCE CORP	4.841	101.3825	03/23/2027	15,000,000.00	15,000,000.00	15,207,373.65	15,000,000.00	207,373.65
459058KN2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	4.222	100.1716	01/12/2027	9,665,000.00	9,691,022.65	9,681,585.14	9,692,545.25	(10,960.11)
459053XX7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	3.697	98.3891	06/10/2026	25,000,000.00	24,602,222.22	24,597,275.00	24,530,125.00	67,150.00
45950VSY3	INTERNATIONAL FINANCE CORPORATION	4.644	100.0679	02/26/2026	25,000,000.00	25,000,000.00	25,016,985.75	25,000,000.00	16,985.75
45818LSG6	INTER-AMERICAN DEVELOPMENT BANK	3.772	99.7568	01/26/2026	50,000,000.00	49,871,527.78	49,878,400.00	49,727,638.89	150,761.11
---	**---**	**4.413**	**99.8350**	**03/10/2027**	**188,165,000.00**	**187,662,560.21**	**187,848,099.04**	**187,468,049.14**	**380,049.90**

Repo

REPO

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
RP01062026373	Reference Number: L25123000014A0	3.730	100.0000	01/06/2026	250,000,000.00	250,000,000.00	250,000,000.00	250,000,000.00	0.00
RP01052026375	Reference Number: L25122900011A0	3.750	100.0000	01/05/2026	300,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00	0.00
RP01052026377	Reference Number: L25123100011A0	3.770	100.0000	01/05/2026	450,000,000.00	450,000,000.00	450,000,000.00	450,000,000.00	0.00
---	**---**	**3.754**	**100.0000**	**01/05/2026**	**1,000,000,000.00**	**1,000,000,000.00**	**1,000,000,000.00**	**1,000,000,000.00**	**0.00**

US Gov

T-BILL

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
912797SK4	UNITED STATES TREASURY	3.617	97.1708	10/29/2026	50,000,000.00	48,544,226.04	48,585,416.50	48,428,151.04	157,265.46
912797SA6	UNITED STATES TREASURY	3.603	97.4349	10/01/2026	50,000,000.00	48,682,016.67	48,717,444.50	48,566,150.00	151,294.50
912797PV3	UNITED STATES TREASURY	4.135	99.2548	03/19/2026	10,000,000.00	9,915,385.56	9,925,477.80	9,600,004.45	325,473.35
---	**UNITED STATES TREASURY**	**3.659**	**97.4837**	**09/26/2026**	**110,000,000.00**	**107,141,628.26**	**107,228,338.80**	**106,594,305.49**	**634,033.31**

US Gov

US GOV

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
91282CKX8	UNITED STATES TREASURY	4.045	102.1484	06/30/2029	25,000,000.00	25,163,339.32	25,537,109.25	25,189,453.13	347,656.12
91282CKT7	UNITED STATES TREASURY	3.980	102.8984	05/31/2029	20,000,000.00	20,324,923.05	20,579,687.40	20,381,250.00	198,437.40
91282CJF9	UNITED STATES TREASURY	4.010	103.5508	10/31/2028	10,000,000.00	10,225,813.22	10,355,078.10	10,282,812.50	72,265.60
91282CCY5	UNITED STATES TREASURY	3.548	94.0703	09/30/2028	7,000,000.00	6,591,522.93	6,584,921.84	6,405,000.00	179,921.84
912810FB9	UNITED STATES TREASURY	4.003	104.5156	11/15/2027	15,000,000.00	15,534,766.48	15,677,343.75	16,425,000.00	(747,656.25)
91282CFH9	UNITED STATES TREASURY	3.269	99.4258	08/31/2027	5,000,000.00	4,989,027.52	4,971,289.05	4,966,992.19	4,296.86
912810FA1	UNITED STATES TREASURY	3.247	104.3359	08/15/2027	15,000,000.00	15,696,018.08	15,650,390.55	17,133,984.38	(1,483,593.83)
912810FA1	UNITED STATES TREASURY	3.483	104.3359	08/15/2027	15,000,000.00	15,639,715.41	15,650,390.55	16,957,031.25	(1,306,640.70)
91282CEW7	UNITED STATES TREASURY	3.109	99.6563	06/30/2027	15,000,000.00	15,028,997.79	14,948,437.50	15,094,335.94	(145,898.44)
91282CEW7	UNITED STATES TREASURY	3.213	99.6563	06/30/2027	15,000,000.00	15,007,577.46	14,948,437.50	15,024,609.38	(76,171.88)
912828ZS2	UNITED STATES TREASURY	2.845	95.9102	05/31/2027	20,000,000.00	19,387,670.71	19,182,031.20	17,828,906.25	1,353,124.95
91282CEF4	UNITED STATES TREASURY	2.502	98.7578	03/31/2027	25,000,000.00	24,999,514.39	24,689,453.00	24,998,046.88	(308,593.88)
91282CEF4	UNITED STATES TREASURY	2.503	98.7578	03/31/2027	25,000,000.00	24,999,028.79	24,689,453.00	24,996,093.75	(306,640.75)
912810EZ7	UNITED STATES TREASURY	3.048	103.3086	02/15/2027	15,000,000.00	15,558,123.20	15,496,289.10	17,248,828.13	(1,752,539.03)
91282CDQ1	UNITED STATES TREASURY	3.624	97.7773	12/31/2026	50,000,000.00	48,848,870.63	48,888,672.00	48,779,296.88	109,375.12
91282CDQ1	UNITED STATES TREASURY	3.630	97.7773	12/31/2026	50,000,000.00	48,846,333.98	48,888,672.00	48,773,437.50	115,234.50
91282CJP7	UNITED STATES TREASURY	3.616	100.7773	12/15/2026	50,000,000.00	50,351,752.02	50,388,672.00	50,375,000.00	13,672.00
91282CLY5	UNITED STATES TREASURY	3.668	100.6055	11/30/2026	50,000,000.00	50,257,734.59	50,302,734.50	50,291,015.63	11,718.87
912810EY0	UNITED STATES TREASURY	4.205	102.3945	11/15/2026	25,000,000.00	25,454,195.56	25,598,632.75	27,136,718.75	(1,538,086.00)
91282CDG3	UNITED STATES TREASURY	2.884	97.9922	10/31/2026	10,000,000.00	9,864,190.66	9,799,218.70	9,258,203.13	541,015.57
91282CJC6	UNITED STATES TREASURY	3.602	100.7969	10/15/2026	50,000,000.00	50,391,443.35	50,398,437.50	50,488,281.25	(89,843.75)
91282CJC6	UNITED STATES TREASURY	3.698	100.7969	10/15/2026	50,000,000.00	50,354,200.63	50,398,437.50	50,425,781.25	(27,343.75)
91282CCZ2	UNITED STATES TREASURY	2.540	98.0234	09/30/2026	15,000,000.00	14,825,317.25	14,703,515.55	13,943,554.69	759,960.86
91282CCZ2	UNITED STATES TREASURY	0.982	98.0234	09/30/2026	20,000,000.00	19,984,483.43	19,604,687.40	19,895,833.60	(291,146.20)
91282CCW9	UNITED STATES TREASURY	0.902	98.1680	08/31/2026	25,000,000.00	24,975,475.38	24,541,992.25	24,817,382.81	(275,390.56)
91282CCW9	UNITED STATES TREASURY	0.832	98.1680	08/31/2026	25,000,000.00	24,986,802.15	24,541,992.25	24,900,416.25	(358,424.00)
912828Y95	UNITED STATES TREASURY	3.911	99.0391	07/31/2026	50,000,000.00	49,427,495.79	49,519,531.00	49,044,921.88	474,609.12
91282CCJ8	UNITED STATES TREASURY	0.882	98.6875	06/30/2026	20,000,000.00	19,999,326.04	19,737,500.00	19,993,166.80	(255,666.80)
91282CCJ8	UNITED STATES TREASURY	0.906	98.6875	06/30/2026	35,000,000.00	34,994,741.01	34,540,625.00	34,946,679.69	(406,054.69)
91282CCJ8	UNITED STATES TREASURY	3.757	98.6875	06/30/2026	15,000,000.00	14,790,004.19	14,803,125.00	14,738,671.88	64,453.12
91282CKY6	UNITED STATES TREASURY	4.101	100.5156	06/30/2026	50,000,000.00	50,125,280.56	50,257,812.50	50,251,953.13	5,859.37
91282CBT7	UNITED STATES TREASURY	0.715	99.3164	03/31/2026	25,000,000.00	25,002,098.11	24,829,101.50	25,039,062.50	(209,961.00)
91282CKH3	UNITED STATES TREASURY	4.125	100.2109	03/31/2026	10,000,000.00	10,008,832.35	10,021,093.70	10,036,718.75	(15,625.05)
91282CKH3	UNITED STATES TREASURY	4.107	100.2109	03/31/2026	10,000,000.00	10,009,252.14	10,021,093.70	10,038,671.88	(17,578.18)
91282CBQ3	UNITED STATES TREASURY	0.591	99.4766	02/28/2026	20,000,000.00	19,997,154.22	19,895,312.40	19,910,508.60	(15,196.20)

91282CKB6	UNITED STATES TREASURY	4.212	100.1289	02/28/2026	50,000,000.00	50,031,792.83	50,064,453.00	50,201,171.87	(136,718.87)
91282CKB6	UNITED STATES TREASURY	4.212	100.1289	02/28/2026	5,000,000.00	5,003,179.28	5,006,445.30	5,020,117.19	(13,671.89)
912828P46	UNITED STATES TREASURY	0.799	99.7266	02/15/2026	10,000,000.00	10,009,961.93	9,972,656.20	10,401,560.00	(428,903.80)
912828P46	UNITED STATES TREASURY	0.670	99.7266	02/15/2026	10,000,000.00	10,011,560.95	9,972,656.20	10,466,015.63	(493,359.43)
912828P46	UNITED STATES TREASURY	4.307	99.7266	02/15/2026	50,000,000.00	49,839,800.47	49,863,281.00	48,714,843.75	1,148,437.25
91282CBH3	UNITED STATES TREASURY	0.593	99.7109	01/31/2026	10,000,000.00	9,998,237.56	9,971,093.70	9,894,140.63	76,953.07
91282CBH3	UNITED STATES TREASURY	2.447	99.7109	01/31/2026	15,000,000.00	14,975,789.56	14,956,640.55	13,862,109.38	1,094,531.17
91282CBH3	UNITED STATES TREASURY	0.586	99.7109	01/31/2026	10,000,000.00	9,998,294.32	9,971,093.70	9,897,265.63	73,828.07
---	**UNITED STATES TREASURY**	**3.073**	**99.8733**	**11/21/2026**	**1,042,000,000.00**	**1,042,509,639.33**	**1,040,419,490.64**	**1,044,474,844.71**	**(4,055,354.07)**

Summary

Cusip	Description	Yield	Market Price	Final Maturity	Par Value	Book Value	Market Value	Principal	Net Unrealized Gain/Loss
---	**---**	**3.832**	**96.1766**	**05/21/2027**	**16,875,270,934.08**	**16,806,100,786.75**	**16,820,404,553.68**	**16,749,809,988.56**	**70,594,565.12**