PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 14, 2026

NEW ISSUES – BOOK-ENTRY ONLY

RATINGS: Moody's: "A1"
S&P: "AA-"
(See "MISCELLANEOUS – Ratings.")

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Tax-Exempt Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA)

$270,000,000*
General Obligation Bonds,
Election of 2024, Series B

$105,000,000*
2026 General Obligation
Refunding Bonds

Dated: Date of Delivery

Due: As shown on the inside cover

This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The San Francisco Unified School District General Obligation Bonds, Election of 2024, Series B (the "Series 2026 Bonds") are being sold by the City and County of San Francisco (the "City") on behalf of the San Francisco Unified School District (the "District"), located in the City and issued by the District (i) to finance specific construction and modernization projects approved by the voters, (ii) to pay capitalized interest on the Series 2026 Bonds to __________, 20__* and (iii) to pay costs of issuance of the Series 2026 Bonds.

The District's 2026 General Obligation Refunding Bonds (the "Refunding Bonds" and, together with the Series 2026 Bonds, the "Bonds"), are being issued by the District (i) to refund a portion of the District's outstanding San Francisco Unified School District General Obligation Bonds (Proposition A, Election of 2006), Series F (2015) (the "Series F Bonds"), the San Francisco Unified School District General Obligation Bonds (Proposition A, Election of 2011), Series C (2015) (the "Series C Bonds") and the San Francisco Unified School District General Obligation Bonds, Election of 2016, Series A (the "Series A Bonds" and, together with the Series F Bonds and the Series C Bonds, the "Prior Bonds") and (ii) to pay costs of issuance of the Refunding Bonds. The outstanding Prior Bonds to be redeemed and defeased are collectively referred to herein as the "Refunded Bonds." As used herein, the "Tax-Exempt Bonds" are the Refunding Bonds and those Series 2026 Bonds maturing on and after June 15, 2028* (the "Tax-Exempt Series 2026 Bonds"), and the "Taxable Bonds" are those Series 2026 Bonds maturing on October 15, 2026*. See "THE BONDS – Plan of Refunding."

The Board of Supervisors of the City is empowered and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds, all as more fully described herein. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

The Bonds will be issued as current interest bonds. Interest on the Tax-Exempt Bonds is payable commencing on December 15, 2026*, and thereafter on each June 15 and December 15 to maturity. Principal of the Tax-Exempt Bonds is payable on June 15 in each of the years and in the amounts set forth in the Maturity Schedules inside the cover page of this Official Statement. Principal and interest on the Taxable Bonds is payable on October 15, 2026*, as set forth in the Maturity Schedules inside the cover page of this Official Statement. Payments of principal of and interest on the Bonds will be made by the Paying Agent, initially the Treasurer and Tax Collector of the City, as paying agent (the "Paying Agent"), to The Depository Trust Company, New York, New York ("DTC"), for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS – Payment of Principal and Interest."

The District has applied for a municipal bond insurance policy for the scheduled payment of principal of and interest on the Bonds when due, which, if purchased, would be issued concurrently with the delivery of the Bonds.

The Bonds will be issued in book-entry form only, and initially will be issued and registered in the name of Cede & Co., as nominee of DTC. Purchasers will not receive certificates representing their interests in the Bonds. See "THE BONDS – Form and Registration."

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

MATURITY SCHEDULES
See Inside Cover

The Bonds will be offered when, as and if issued by the District and received by the Underwriters, subject to approval of validity by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel, and certain other conditions. Certain matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel, and for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth LLP, San Francisco, California. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about ___________, 2026.

STIFEL

RBC Capital Markets

Siebert Williams Shank
A SHANK WILLIAMS CISNEROS COMPANY

This Official Statement is dated __________, 2026.

* Preliminary, subject to change

MATURITY SCHEDULES

$270,000,000*
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2024, SERIES B

Taxable Bonds

Maturity Date (October 15)	Principal Amount	Interest Rate	Yield†	CUSIP No.‡ (79771T)
	$	%		

Tax-Exempt Series 2026 Bonds

Maturity Date (June 15)	Principal Amount	Interest Rate	Yield†	CUSIP No.‡ (79771T)
	$	%		

$__________ ___% Term Bonds due June 15, 20__ − Yield† ___% – CUSIP Number‡ 79771T__
$__________ ___% Term Bonds due June 15, 20__ − Yield† ___% – CUSIP Number‡ 79771T__

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* Preliminary, subject to change.
† Yields certified by the Underwriters. The District takes no responsibility for the accuracy thereof.
‡ CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data is provided by CUSIP Global Services (CGS) which is owned by FactSet Research Systems, Inc. (“FactSet”). FactSet will manage the CUSIP system on behalf of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the City, the Underwriters, or their agents or counsel assume responsibility for the accuracy of such numbers.

$105,000,000*
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA)
2026 GENERAL OBLIGATION REFUNDING BONDS

Maturity Date (June 15)	Principal Amount	Interest Rate	Yield†	CUSIP No.‡ (79771T)
	$	%		

$__________ ___% Term Bonds due June 15, 20__ − Yield† ___% – CUSIP Number‡ 79771T__
$__________ ___% Term Bonds due June 15, 20__ − Yield† ___% – CUSIP Number‡ 79771T__

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* Preliminary, subject to change.
† Yields certified by the Underwriters. The District takes no responsibility for the accuracy thereof.
‡ CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data is provided by CUSIP Global Services (CGS) which is owned by FactSet Research Systems, Inc. ("FactSet"). FactSet will manage the CUSIP system on behalf of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the City, the Underwriters, or their agents or counsel assume responsibility for the accuracy of such numbers.

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

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption under Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Bonds 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.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The District maintains a website but the information contained therein is not incorporated in this Official Statement. The information and expressions of opinion 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.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. 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 those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

The Underwriters have provided the following sentence for inclusion in this Official Statement: "The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information."

The Underwriters 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 inside the cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

The District maintains a website and certain social media accounts. However, the information presented on the District's website and such accounts 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.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

Name	Title
Rafael Mandelman *(District 8)*	President
Connie Chan *(District 1)*	Supervisor
Stephen Sherrill *(District 2)*	Supervisor
Danny Sauter *(District 3)*	Supervisor
Alan Wong *(District 4)*	Supervisor
Bilal Mahmood *(District 5)*	Supervisor
Matt Dorsey *(District 6)*	Supervisor
Myrna Melgar *(District 7)*	Supervisor
Jackie Fielder *(District 9)*	Supervisor
Shamann Walton *(District 10)*	Supervisor
Chyanne Chen *(District 11)*	Supervisor

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BOARD OF EDUCATION

Name	Title	Term Expires
Phil Kim	President	January 2027
Jaime Huling	Vice President	January 2029
Matt Alexander	Commissioner	January 2029
Alida Fisher	Commissioner	January 2027
Parag Gupta	Commissioner	January 2029
Supryia Ray	Commissioner	January 2029
Lisa Weissman-Ward	Commissioner	January 2027

DISTRICT ADMINISTRATION

Dr. Maria Su, Superintendent
Chris Mount-Benites*, Deputy Superintendent of Business Services and Operations
John Davis*, Deputy Superintendent of Schools
James Harrell*, Associate Superintendent of Human Resources
Hong Mei Pang*, Head of Staff
Komey Vishakan, Esq., Interim General Counsel
Niru Jayaraman, Assistant Superintendent, Fiscal Services/Head Financial Officer
Cadi Poile, Head of Operations
Licinia Iberri, Bond Program Director
Ariel Espiritu Santo, Executive Director of Finance and Administration, Operations and Bond Programs

PROFESSIONAL SERVICES

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

Bond Counsel and Disclosure Counsel
Orrick, Herrington & Sutcliffe LLP
San Francisco, California

Paying Agent
José Cisneros
Treasurer of the City and County of San Francisco
San Francisco, California

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

Verification Agent
Causey Public Finance, LLC
Denver, Colorado

* Executive cabinet member.

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SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA)

$270,000,000*	**$105,000,000***
General Obligation Bonds, Election of 2024, Series B	**2026 General Obligation Refunding Bonds**

INTRODUCTION

This Official Statement, which includes the cover page and appendices hereto (this "Official Statement"), is provided to furnish information in connection with the San Francisco Unified School District General Obligation Bonds, Election of 2024, Series B (the "Series 2026 Bonds"), and the San Francisco Unified School District 2026 General Obligation Refunding Bonds (the "Refunding Bonds" and, together with the Series 2026 Bonds, the "Bonds"), as described more fully herein. As used herein, the "Tax-Exempt Bonds" are the Refunding Bonds and those Series 2026 Bonds maturing on and after June 15, 2028* (the "Tax-Exempt Series 2026 Bonds"), and the "Taxable Bonds" are those Series 2026 Bonds maturing on October 15, 2026*.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Except as required by the Continuing Disclosure Certificate to be executed by the San Francisco Unified School District (the "District"), the District has no obligation to update the information in this Official Statement. See "OTHER LEGAL MATTERS – Continuing Disclosure."

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

Quotations from and summaries and explanations of the Bonds, the District Resolutions (defined herein), the City Resolution (defined herein), the Paying Agent Agreements (defined herein) providing for the issuance of the Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

The District

The San Francisco Unified School District has boundaries that are coterminous with the City and County of San Francisco (the "City"). The District provides public education from transitional kindergarten through grade twelve. The District was established in 1851; however, the District has been a political subdivision of the State of California (the "State") since 1927. The District also administers the County Office of Education. The administrative headquarters of the District are located at 555 Franklin Street, San Francisco, California.

The District operates sixty-four (64) elementary schools, eight (8) alternative learning schools serving grades transitional kindergarten through eight, thirteen (13) middle schools, fourteen (14) high schools, eleven (11) early education schools, nine (9) County and Court schools and three (3) continuation schools. For fiscal year 2026-27, the District has projected enrollment of approximately 48,267 students, including special education and continuing education students. For fiscal year 2026-27, the District estimates that approximately 6,175 students will be enrolled at the twelve (12) fiscally independent charter schools that operate within the District's boundaries for which the District is the

* Preliminary, subject to change.

charter-approving agency. In its budget for fiscal year 2026-27, the District has projected 7,452.7 full-time equivalent employees including certificated (credentialed teaching staff), classified (non-teaching) and management personnel at the District and the San Francisco County Office of Education. The District has projected fiscal year 2026-27 general fund revenues of approximately $1.4 billion and general fund expenditures of approximately $1.4 billion. The total assessed valuation of taxable property in the District in fiscal year 2026-27 is approximately $361.6 billion.

The District is governed by a Board of Education (the "Board of Education") consisting of seven voting members. The voting members are elected to four-year terms in staggered years so that, as nearly as practicable, one-half of the members shall begin their term in each odd-numbered year. The District's day-to-day operations are managed by a board-appointed Superintendent of Schools (the "Superintendent"). The Board of Education appointed Dr. Maria Su to serve as Superintendent in October 2024. Dr. Su previously served as Executive Director of the San Francisco Department of Children, Youth and Their Families.

THE BONDS

Authority for Issuance; Purpose

Series 2026 Bonds. The Series 2026 Bonds are issued pursuant to the Constitution and laws of the State of California (the "State"), including the provisions of Chapter 1 and 1.5 of Part 10 of the Education Code of the State (the "Education Code"), Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Government Code"), and other applicable provisions of law. The Series 2026 Bonds are authorized by a resolution adopted by the Board of Supervisors of the City on July 14, 2026 (the "City Resolution"), by a resolution adopted by the Board of Education on May 26, 2026 (the "Series 2026 District Resolution"), and issued pursuant to a Paying Agent Agreement (the "Series 2026 Paying Agent Agreement") dated as of September 1, 2026, between the District and the Treasurer and Tax Collector of the City, as paying agent (the "Paying Agent").

The District received authorization to issue the Series 2026 Bonds at an election held on November 5, 2024 (the "2024 Authorization") by 55% or more of the votes cast by eligible voters within the District. The voter-approved measure, known locally as Proposition A (2024), authorized the District to issue bonds in an aggregate principal amount not to exceed $790,000,000 to finance specific construction and modernization projects approved by the voters, summarized as follows: to improve earthquake safety and accessibility at San Francisco public schools; provide reliable internet in classrooms; replace worn-out plumbing, electrical and ventilation systems; improve student nutrition services; and have updated security features. The Series 2026 Bonds are the second series of the authorized bonds to be issued pursuant to the Proposition A (2024) authorization. After the issuance of the Series 2026 Bonds, there will be $360,000,000 in unissued authorization under Proposition A (2024).[*] For a discussion of all outstanding bonds of the District, see APPENDIX A – "DISTRICT FINANCIAL AND OPERATING INFORMATION – District Debt Structure."

Proceeds of the Series 2026 Bonds will be applied to (i) finance projects authorized pursuant to the 2024 Authorization, (ii) to pay capitalized interest on the Series 2026 Bonds to ________ 15, 20__[*] and (iii) to pay costs of issuance of the Bonds. See "THE BONDS – Application and Investment of Series 2026 Bond Proceeds."

As required by the Education Code and Proposition A (2024), the District has established a Citizens' Oversight Committee to review District expenditures of bond proceeds and progress in completing the projects specified in the measure, and to make periodic reports to the public in order to

[*] Preliminary, subject to change.

ensure that bond funds are spent only for authorized purposes. The District utilizes an auditor to perform annual Bond Performance and Expenditure audits to ensure the bond funds are expended in conformity with the authorized purposes and audit objectives set by the Citizens' Oversight Committee. The District makes no representations herein as to the specific application of the proceeds of the Series 2026 Bonds, the estimated completion date of any of the projects, or whether the authorized bonds will provide sufficient funds to complete all of the projects, or any particular project.

Refunding Bonds. The Refunding Bonds are issued pursuant to the Constitution and laws of the State, including the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, applicable provisions of the Education Code and other applicable provisions of law. The Refunding Bonds are authorized by a resolution adopted by the Board of Education on May 26, 2026 (the "Refunding District Resolution" and, together with the Series 2026 District Resolution, the "District Resolutions"), and issued pursuant to a Paying Agent Agreement (the "Refunding Paying Agent Agreement" and, together with the Series 2026 Paying Agent Agreement, the "Paying Agent Agreements") dated September 1, 2026, between the District and the Paying Agent. The Government Code permits the issuance of bonds payable from *ad valorem* property taxes without a vote of the electors solely to refund other outstanding general obligation bonds which were originally approved by such a vote, provided that the total debt service to maturity on the refunding bonds does not exceed the total debt service to maturity on the bonds being refunded.

Proceeds of the Refunding Bonds will be applied (i) to refund on a current basis a portion of the District's outstanding San Francisco Unified School District General Obligation Bonds (Proposition A, Election of 2006), Series F (2015) (the "Series F Bonds"), the San Francisco Unified School District General Obligation Bonds (Proposition A, Election of 2011), Series C (2015) (the "Series C Bonds") and the San Francisco Unified School District General Obligation Bonds, Election of 2016, Series A (the "Series A Bonds" and, together with the Series F Bonds and the Series C Bonds, the "Prior Bonds"); and (ii) to pay costs of issuance of the Refunding Bonds. The outstanding Prior Bonds to be refunded and defeased are collectively referred to herein as the "Refunded Bonds." See "THE BONDS – Plan of Refunding."

Bond Insurance

The District has applied for a municipal bond insurance policy for the scheduled payment of principal of and interest on the Bonds when due, which, if purchased, would be issued concurrently with the delivery of the Bonds.

Form and Registration

The Bonds will be issued in fully registered book-entry form only, as current interest Bonds without coupons, in denominations of $5,000 principal amount each or any integral multiple thereof. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Registered ownership of the Bonds may not be transferred except as described in APPENDIX G. Purchases of Bonds under the DTC system must be made by or through a DTC participant, and ownership interests in Bonds or any transfer thereof will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Bonds, Beneficial Owners will not receive physical certificates representing their ownership interests. See "APPENDIX G – BOOK-ENTRY ONLY SYSTEM."

Payment of Principal and Interest

The Bonds will be dated the date of their delivery, and bear interest at the rates set forth on the inside cover page hereof, on June 15 and December 15 of each year, commencing on December 15, 2026* (each, an "Interest Payment Date"), until payment of the principal amount thereof, computed using a year of 360 days consisting of twelve 30-day months. Bonds authenticated and registered on any date prior to the close of business on December 1, 2026*, will bear interest from the date of their delivery. Bonds authenticated during the period between the 1st day of the calendar month immediately preceding an Interest Payment Date (the "Record Date") and the close of business on that Interest Payment Date will bear interest from that Interest Payment Date. Any other Bond will bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Bond, interest is then in default on outstanding Bonds, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Payment of interest on any Bond on each Interest Payment Date (or on the following business day, if the Interest Payment Date does not fall on a business day) will be made to the person appearing on the registration books of the Paying Agent as the registered owner thereof as of the preceding Record Date, such interest to be paid by check or draft mailed to such owner at such owner's address as it appears on such registration books or at such other address as the owner may have filed with the Paying Agent for that purpose on or before the Record Date. The owner of an aggregate principal amount of $1,000,000 or more of Bonds may request in writing to the Paying Agent that such owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the applicable Record Date.

Principal will be payable on the dates listed inside the front cover page hereto, or upon redemption prior to maturity, upon surrender of Bonds at such office of the Paying Agent as the Paying Agent shall designate. The interest, principal and premiums, if any, on the Bonds will be payable in lawful money of the United States of America from moneys on deposit in the interest and sinking fund of the District (the "Interest and Sinking Fund") within the City treasury, consisting of *ad valorem* property taxes collected and held by the Treasurer and Tax Collector of the City (the "Treasurer"), together with any net premium and accrued interest received upon issuance of the Bonds.

So long as all outstanding Bonds are held in book-entry form and registered in the name of a securities depository or its nominee, all payments of principal of, premium, if any, and interest on the Bonds and all notices with respect to such Bonds will be made and given, respectively, to such securities depository or its nominee and not to Beneficial Owners. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer.

Redemption*

Optional Redemption of the Series 2026 Bonds. The Series 2026 Bonds maturing on or before June 15, 20__, are not subject to redemption prior to their respective stated maturity dates. The Series 2026 Bonds maturing on and after June 15, 20__ shall be subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after June 15, 20__ at a redemption price equal to 100% of the principal amount of the Series 2026 Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Optional Redemption of the Refunding Bonds. The Refunding Bonds maturing on or before June 15, 20__, are not subject to redemption prior to their respective stated maturity dates. The Refunding Bonds maturing on and after June 15, 20__ shall be subject to redemption prior to their respective stated

* Preliminary, subject to change.

maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after June 15, 20__ at a redemption price equal to 100% of the principal amount of the Refunding Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption of the Series 2026 Bonds. The $___________ Term Series 2026 Bond maturing on June 15, 20__, is also subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (June 15)	Principal Amount to Be Redeemed
†	

† Maturity.

Mandatory Sinking Fund Redemption of the Refunding Bonds. The $___________ Term Refunding Bond maturing on June 15, 20__, is also subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (June 15)	Principal Amount to Be Redeemed
†	

† Maturity.

The principal amount to be redeemed in each year shown in the tables above will be reduced at the option of the District, in integral multiples of $5,000, by the amount of such Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Selection of Bonds for Redemption. If less than all of a series of Bonds are called for redemption, such Bonds shall be redeemed in any order selected by the District or as otherwise directed by the District. Whenever less than all of the Bonds of any one maturity are designated for redemption, the Paying Agent will select the Bonds to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Bond will be deemed to consist of individual Bonds within the respective series, of $5,000 denominations each, which may be separately redeemed.

Notice of Redemption. Notice of redemption of a series of Bonds is required to be mailed by the Paying Agent postage prepaid not less than 20 nor more than 60 days prior to the redemption date (i) by first class mail to the respective Owners of such Bonds at the addresses appearing on the bond registration books of the Paying Agent and (ii) as may be further required in accordance with the Continuing Disclosure Certificate. See APPENDIX E – "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Each notice of redemption will contain the following information: (i) the date of such notice; (ii) the name of the affected Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price, if available; (v) the dates of maturity of the Bonds to be redeemed; (vi) if less than all of the Bonds are to be redeemed, the distinctive numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective maturities or portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; and (ix) a statement that such Bonds must be surrendered by the Owners at the office of the Paying Agent designated for such purpose. The actual receipt by any Owner of any Bond of notice of such redemption will not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, will not affect the validity of the proceedings for the redemption of such Bonds.

Rescission of Notice of Redemption. The District may rescind any redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

Conditional Notice. Any notice of optional redemption delivered hereunder may be conditioned on any fact or circumstance stated therein, and if such condition will not have been satisfied on or prior to the redemption date stated in such notice, said notice will be of no force and effect on and as of the stated redemption date, the redemption will be cancelled, and the District will not be required to redeem the Bonds that were the subject of the notice. The Paying Agent will give notice of such cancellation and the reason therefor in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such cancellation will not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice will not affect the validity of the cancellation.

Effect of Notice of Redemption. When notice of redemption has been given substantially as provided for in the respective Paying Agent Agreement, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in the respective Paying Agent Agreement, the Bonds designated for redemption will become due and payable on the specified redemption date and interest will cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds will be redeemed and paid at the redemption price thereof out of the money provided therefor. The owners of such Bonds so called for redemption after such redemption date will look for the payment of such Bonds and the redemption premium thereon, if any, only to moneys on deposit for the purpose in the Interest and Sinking Fund of the District or the escrow fund established for such purpose. All Bonds redeemed will be cancelled forthwith by the Paying Agent and will not be reissued.

Defeasance

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of the United States of America or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund, be fully sufficient in the opinion of a certified public accountant licensed to practice in the State to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

If at any time the District pays or causes to be paid or there is otherwise paid to the owners of any or all outstanding Bonds all of the principal, interest and premium, if any, represented by such Bonds when due, or as described above, or as otherwise provided by law, then such Owners will cease to be entitled to the obligation of the City to levy and collect taxes to pay the Bonds as described in each respective Paying Agent Agreement, and such obligation and all agreements and covenants of the District to such Owners hereunder will thereupon be satisfied and discharged and will terminate, except only that the District will remain liable for payment of all principal, interest and premium, if any, represented by such Bonds, but only out of moneys on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment, provided, that the unclaimed moneys provisions described in such Paying Agent Agreement will apply in all events.

Unclaimed Moneys

Any money held in any fund created pursuant to a Paying Agent Agreement, or held by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) will be transferred to the Interest and Sinking Fund for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys will be transferred to the general fund of the District as provided and permitted by law.

Application and Investment of Series 2026 Bond Proceeds

The net proceeds of sale of the Series 2026 Bonds, exclusive of any premium and accrued interest received, will be deposited in the City treasury to the credit of the building fund of the District (the "Building Fund"). Any premium and accrued interest received will be deposited upon receipt in the Interest and Sinking Fund of the District within the City treasury.

A portion of the proceeds of the Series 2026 Bonds will be retained by the Paying Agent in a costs of issuance fund and used to pay costs associated with the issuance of the Series 2026 Bonds. Any proceeds of sale of the Series 2026 Bonds not needed to fund school construction and modernization projects pursuant to Proposition A or used to pay costs of issuance of the Series 2026 Bonds will be transferred to the Treasurer for deposit in the District's Interest and Sinking Fund in the City treasury, and applied only for payment of principal of and interest on outstanding bonds of the District. Amounts deposited into the Interest and Sinking Fund, as well as proceeds of taxes held therein for payment of the Series 2026 Bonds, will be invested at the sole discretion of the Treasurer pursuant to law and the City's investment policy. See APPENDIX F – "CITY AND COUNTY OF SAN FRANCISCO INVESTMENT POLICY AND INVESTMENT REPORT."

All funds held by the Treasurer with respect to the Series 2026 Bonds hereunder shall be invested at the Treasurer's discretion pursuant to law and the investment policy of the City. See APPENDIX F – "CITY AND COUNTY OF SAN FRANCISCO INVESTMENT POLICY AND INVESTMENT REPORT."

The District has covenanted to not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or inaction would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Bonds under Section 103 of the Code.

In the event that at any time the District is of the opinion that it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Treasurer with respect to the Tax-Exempt Bonds, or by the Paying Agent under the Series 2026 Paying Agent Agreement, the District will so instruct the Treasurer or the Paying Agent, as appropriate, in writing, and the Treasurer and the Paying Agent will take such action as may be necessary in accordance with such instructions.

If the District provides to the Treasurer or the Paying Agent an opinion of Bond Counsel that any specified action required under the Series 2026 Paying Agent Agreement is no longer required or that some further or different action is required in order to maintain the exclusion from federal income tax of interest on Tax-Exempt Bonds under Section 103 of the Code, the Treasurer and the Paying Agent may conclusively rely on such opinion in complying with the requirements of the Series 2026 Paying Agent Agreement, and the covenants thereunder will be deemed to be modified to that extent.

Earnings on the investment of moneys in either fund will be retained in that fund and used only for the purposes to which that fund may lawfully be applied. Moneys in the Building Fund may only be applied for the purposes for which the Series 2026 Bonds were approved. Moneys in the Interest and Sinking Fund may only be applied to make payments of interest, principal and premium, if any, on bonds of the District. See APPENDIX F – "CITY AND COUNTY OF SAN FRANCISCO INVESTMENT POLICY AND INVESTMENT REPORT."

Plan of Refunding

A portion of the proceeds from the sale of the Refunding Bonds will be deposited in an escrow fund (the "Escrow Fund") to be created and maintained by U.S. Bank Trust Company, National Association, acting as escrow agent (the "Escrow Agent"), by and between the District and the Escrow Agent. Moneys in the Escrow Fund will be invested in cash or non-callable direct obligations of the United States Treasury or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, and applied to pay all principal of, redemption premium and interest on the Refunded Bonds on the date designated for their redemption, as tentatively set forth below.

A portion of the proceeds will be retained by the Paying Agent in a costs of issuance fund and used to pay costs associated with the issuance of the Refunding Bonds and the refunding of the Refunded Bonds. Any proceeds of sale of the Refunding Bonds not needed to fund the Escrow Fund or to pay costs of issuance of the Refunding Bonds will be transferred to the Treasurer for deposit in the District's Interest and Sinking Fund in the City treasury, and applied only for payment of principal of and interest on outstanding bonds of the District. Amounts deposited into the Interest and Sinking Fund, as well as proceeds of taxes held therein for payment of the Refunding Bonds, will be invested at the sole discretion of the Treasurer pursuant to law and the City's investment policy. See APPENDIX F – "CITY AND COUNTY OF SAN FRANCISCO INVESTMENT POLICY AND INVESTMENT REPORT."

Causey Public Finance, LLC, a Certified Public Accountant licensed to practice in the State, acting as verification agent (the "Verification Agent") with respect to the Escrow Fund, has verified the mathematical accuracy of the computations relating to the sufficiency of the moneys proposed to be deposited and invested in the Escrow Fund, together with earnings thereon, for the payment of interest on the Refunded Bonds to the redemption date and the payment and redemption on such date of all said Refunded Bonds.

The Prior Bonds to be refunded are as follows*:

San Francisco Unified School District
General Obligation Bonds
(Proposition A, Election of 2006), Series F (2015)
(Proposition A, Election of 2011), Series C (2015)

Redemption Date: December 7, 2026*

Maturity Date (June 15)	Principal Amount	Interest Rate	CUSIP† (79771T)
2027	$11,965,000	5.000%	KX4
2028	12,560,000	5.000	KY2
2029	13,190,000	3.000	KZ9
2030	13,585,000	3.000	LA3
2031	13,995,000	4.000	LB1
2032	14,550,000	3.250	LC9
2033	15,030,000	4.000	LD7
2034	15,630,000	4.000	LE5
2035	16,250,000	3.500	LF2

San Francisco Unified School District
General Obligation Bonds
Election of 2016, Series A

Redemption Date: December 7, 2026*

Maturity Date (June 15)	Principal Amount	Interest Rate	CUSIP† (79771T)
2027	$ 7,285,000	5.000%	MD6
2028	7,645,000	3.000	ME4
2029	7,875,000	3.000	MF1
2030	8,110,000	3.000	MG9
2031	8,355,000	3.000	MH7
2032	8,605,000	3.250	MJ3
2033	8,885,000	4.000	MK0
2034	11,000,000	4.000	ML8
2035	11,400,000	4.000	MM6
2036	12,000,000	4.000	MN4
2037	12,500,000	4.000	MP9

* Preliminary, subject to change. The District may choose to refund all or a portion of each maturity of the Prior Bonds.

† CUSIP numbers are provided for convenience of reference only. None of the District, the City, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds	Series 2026 Bonds	Refunding Bonds	Total
Principal Amount of Bonds			
[Plus/Less] [Net] Original Issue [Premium/Discount]			
Total Sources:			
Uses of Funds			
Deposit to Building Fund			
Deposit to Escrow Fund			
Deposit to Interest and Sinking Fund			
Underwriters' Discount			
Costs of Issuance[1]			
Total Uses:			

[1] Includes fees of the municipal advisor, bond counsel, disclosure counsel, rating agencies, paying agent, escrow agent, verification agent, Bond Insurance premium, if applicable, printer and other miscellaneous expenses.

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SCHEDULED DEBT SERVICE

Semi-Annual Debt Service

The semi-annual debt service payments on the Bonds are summarized in the table below (without regard to optional redemption).

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA)
SEMI-ANNUAL DEBT SERVICE PAYMENTS

	Series 2026 Bonds		Refunding Bonds		Total Semi-Annual Debt Service
Period Ending	Principal	Interest	Principal	Interest	
December 15, 2026					
June 15, 2027					
December 15, 2027					
June 15, 2028					
December 15, 2028					
June 15, 2029					
December 15, 2029					
June 15, 2030					
December 15, 2030					
June 15, 2031					
December 15, 2031					
June 15, 2032					
December 15, 2032					
June 15, 2033					
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December 15, 2041					
June 15, 2042					
December 15, 2042					
June 15, 2043					
December 15, 2043					
June 15, 2044					
December 15, 2044					
June 15, 2045					
December 15, 2045					
June 15, 2046					
December 15, 2046					
June 15, 2047					
December 15, 2047					
June 15, 2048					
Total					

Outstanding Bonds

General. In addition to the Bonds, the District has outstanding ten additional series of general obligation bonds, each of which is secured by *ad valorem* property taxes upon all property subject to taxation by the District on a parity with the Bonds. See Appendix A – "DISTRICT FINANCIAL AND OPERATING INFORMATION – District Debt Structure – *General Obligation Bonds*."

2006 Authorization. The District received authorization at an election held on November 7, 2006 to issue bonds of the District in an aggregate principal amount of $450,000,000 (the "2006 Authorization"). The District has issued six series of bonds under the 2006 Authorization, including the San Francisco Unified School District (Proposition A, Election of 2006) General Obligation Bonds Series A (2007) in the aggregate principal amount of $100,000,000; the San Francisco Unified School District (Proposition A, Election of 2006) General Obligation Bonds Series B (2009) in the aggregate principal amount of $150,000,000; the San Francisco Unified School District (Proposition A, Election of 2006) General Obligation Bonds Series C (2010) in the aggregate principal amount of $12,955,000, consisting of federally taxable Direct Subsidy Qualified School Construction Bonds ("QSCBs"); the San Francisco Unified School District (Proposition A, Election of 2006) General Obligation Bonds Series D (2010) in the aggregate principal amount of $72,370,000, consisting of federally taxable Build America Bonds ("BABs"); the San Francisco Unified School District (Proposition A, Election of 2006) General Obligation Bonds Series E (2010) (Tax-Exempt) in the aggregate principal amount of $99,675,000; and the San Francisco Unified School District (Proposition A, Election of 2006) General Obligation Bonds Series F (2015) in the aggregate principal amount of $15,000,000. The District has no remaining authorized and unissued bonds under the 2006 Authorization.

2011 Authorization. The District received authorization at an election held on November 8, 2011 to issue bonds of the District in an aggregate principal amount of $531,000,000 (the "2011 Authorization"). The District has issued three series of bonds under the 2011 Authorization, including the San Francisco Unified School District General Obligation Bonds (Proposition A, Election of 2011), Series A (2012) in the aggregate principal amount of $115,000,000; the San Francisco Unified School District General Obligation Bonds (Proposition A, Election of 2011), Series B (2014) in the aggregate principal amount of $205,000,000; and the San Francisco Unified School District General Obligation Bonds (Proposition A, Election of 2011), Series C (2015) in the aggregate principal amount of $211,000,000. The District has no remaining authorized and unissued bonds under the 2011 Authorization.

2016 Authorization. The District received authorization at an election held on November 8, 2016 to issue bonds of the District in an aggregate principal amount of $744,250,000 (the "2016 Authorization"). The District has issued three series of bonds under the 2016 Authorization, including the San Francisco Unified School District General Obligation Bonds, Election of 2016, Series A in the aggregate principal amount of $180,000,000; the San Francisco Unified School District General Obligation Bonds, Election of 2016, Series B in the aggregate principal amount of $280,000,000; and the San Francisco Unified School District General Obligation Bonds, Election of 2016, Series C in the aggregate principal amount of $284,250,000. The District has no remaining authorized and unissued bonds under the 2016 Authorization.

2024 Authorization. The District received authorization at an election held on November 5, 2024 to issue bonds of the District in an aggregate principal amount of $790,000,000 (the "2024 Authorization"). The District has issued one series of bonds under the 2024 Authorization, consisting of the San Francisco Unified School District General Obligation Bonds, Election of 2024, Series A in the aggregate principal amount of $160,000,000. Following the issuance of the Series 2026 Bonds, the District will have $360,000,000* remaining authorized and unissued bonds under the 2024 Authorization.

Refunding Bonds. In addition, refunding bonds were issued (i) on March 6, 2012 (the "2012 Refunding Bonds") for the purpose of refunding a portion of the District's General Obligation Bonds, (Proposition A, Election of 2003), Series A (2004) and Series B (2005), which 2012 Refunding Bonds are no longer outstanding; (ii) on October 21, 2015 (the "2015 Refunding Bonds") for the purpose of refunding the District's outstanding (Proposition A, Election of 2003) General Obligation Bonds, Series C (2006) and partially refunding the District's General Obligation Bonds (Proposition A, Election of 2006) Series A (2007), which 2015 Refunding Bonds are no longer outstanding; (iii) on March 21, 2017 (the "2017 Refunding Bonds" for the purpose of refunding a portion of the District's (Proposition A, Election of 2006) General Obligation Bonds, Series B (2009); (iv) on August 27, 2020 (the "2020 Refunding Bonds" for the purpose of refunding a portion of the District's (Proposition A, Election of 2006) General Obligation Bonds Series A (2007), (Proposition A, Election of 2006) General Obligation Bonds Series E (2010 (Tax-Exempt), General Obligation Bonds (Proposition A, Election of 2011) Series A (2012), and 2012 General Obligation Refunding Bonds; and (v) on May 26, 2022 (the "2022 Refunding Bonds") for the purpose of refunding a portion of the District's General Obligation Bonds (Proposition A, Election of 2011), Series B (2014).

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* Preliminary, subject to change.

Aggregate Debt Service

The following table summarizes the annual aggregate debt service requirements of all outstanding bonds of the District (including the Bonds), assuming no optional redemptions.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
AGGREGATE ANNUAL DEBT SERVICE

Year Ending (June 15)	Combined Outstanding General Obligation Bonds*	Series 2026 Bonds	Refunding Bonds	Aggregate Annual Debt Service
2027	$146,650,868.91			
2028	106,830,613.76			
2029	106,176,886.26			
2030	105,916,257.50			
2031	91,967,437.50			
2032	91,960,937.50			
2033	85,896,800.00			
2034	72,926,400.00			
2035	72,878,750.00			
2036	56,198,850.00			
2037	56,223,200.00			
2038	43,225,550.00			
2039	43,225,750.00			
2040	43,221,000.00			
2041	27,233,500.00			
2042	27,234,500.00			
2043	8,555,500.00			
2044	8,557,500.00			
Total:	$1,194,880,301.43			

* Includes debt service on the Refunded Bonds to be refunded.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

In order to provide sufficient funds for repayment of principal and interest when due on the Bonds, the Board of Supervisors of the City (the "Board of Supervisors") is empowered and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District.

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the State Constitution and other State law, and are not a debt or obligation of the City. No fund of the City is pledged or obligated to repayment of the Bonds.

Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the Government Code (which became effective on January 1, 2016), all general obligation bonds issued by local agencies, including refunding bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the Bonds are executed and delivered. Section 53515 further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

Pledge of and Lien on Tax Revenues

Pursuant to the District Resolutions, the District pledges, and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors of the County with respect to each voter-approved bond measure of the District for the payment of District Bonds issued under such bond measure and all amounts on deposit in any interest and sinking fund of the District related to such bond measure with respect to the District Bonds of such bond measure, in order to secure the payment of the principal or redemption price of and interest on such District Bonds. This pledge and grant is valid and binding from the date of the District Resolutions for the benefit of the owners of the District Bonds and successors thereto. The property taxes and amounts held in any interest and sinking fund of the District shall be immediately subject to this pledge and grant, and the pledge and grant constitutes a lien and security interest which immediately attaches to (i) the property taxes theretofore and thereafter collected and (ii) the amounts held in any interest and sinking fund of the District. The pledge and grant shall secure the payment of District Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant and without the need of any physical delivery, recordation, filing, or further act. The pledge and grant is an agreement between the District and the owners of District Bonds to provide security for the District Bonds in addition to any statutory lien that may exist, and the District Bonds secured by the pledge and grant are or were issued to finance one or more of the projects specified in the applicable voter-approved measure.

"District Bonds" means all bonds, including refunding bonds, of the District heretofore or hereafter issued pursuant to voter-approved measures of the District, including bonds approved by the voters of the District pursuant to the 2006 Authorization, the 2011 Authorization, the 2016 Authorization and the 2024 Authorization.

Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts receive property taxes for payment of voter-approved bonds as well as for general operating purposes.

Local property taxation is the responsibility of various county officers. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the county treasurer-tax collector holds school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on the Bonds when due, as ex-officio treasurer of the school district holds and invests school district funds, including taxes collected for payment of school bonds. The State Board of Equalization (the "Board of Equalization") also assesses certain special classes of property, as described later in this section.

Assessed Valuation of Property Within the District

All property (real, personal and intangible) is taxable unless an exemption is granted by the State Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real property. Most taxable property is assessed by the assessor of the county in which the property is located. Some special classes of property are assessed by the State Board of Equalization.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared so that taxes can be levied on the new assessed value before the next regular assessment roll is completed. See "−Appeals of Assessed Valuation; Blanket Reductions of Assessed Values" below.

State Assessed Property. Under the State Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of

State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property's value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Classification of Locally Taxed Property. Locally taxed 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 property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as "utility" property.

The greater the assessed value of taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds. The following table shows the recent history of taxable property assessed valuation in the District, each as of the date of the equalized assessment roll is established in August of each year.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Assessed Valuation of Secured and Unsecured Property
Fiscal Years 2016-17 to 2026-27

Fiscal Year	Local Secured	Utility	Unsecured	Total	Annual % Change
2016-17	$195,319,718,011	$242,464,205	$13,750,364,838	$209,312,547,054	-
2017-18	217,167,706,689	456,895,690	14,017,474,513	231,642,076,892	10.67%
2018-19	241,800,535,728	453,925,863	14,410,415,905	256,664,877,496	10.80
2019-20	261,018,657,481	437,144,893	17,009,940,509	278,465,742,883	8.49
2020-21	280,818,331,421	433,728,865	17,524,316,683	298,776,376,969	7.29
2021-22	291,894,672,529	440,718,111	16,771,714,976	309,107,105,616	3.46
2022-23	308,322,777,035	462,641,841	16,699,598,804	325,485,017,680	5.30
2023-24	322,627,415,691	461,641,382	17,502,971,985	340,592,029,058	4.64
2024-25	330,530,499,851	445,515,298	16,800,021,051	347,776,036,200	2.11
2025-26	337,542,489,938	463,844,238	16,020,103,709	354,026,437,884	1.80
2026-27	345,340,682,395	480,816,303	15,793,523,543	361,615,022,241	2.14

Source: California Municipal Statistics, Inc. for fiscal years 2016-17 through 2025-26; City and County of San Francisco for fiscal year 2026-27.

A property's annual assessed value is determined as of January 1 preceding the start of the fiscal year for which taxes are billed and paid. Under California's Proposition 13, a property's annual assessed value is the lesser of (1) its base year value (fair market value as of the date of change in ownership or completion of new construction), factored for inflation at no more than two percent per year; or (2) its fair market value as of that January 1. See also "APPENDIX A – DISTRICT FINANCIAL AND OPERATING INFORMATION – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues." A qualifying taxpayer can seek assessed value adjustment from the assessment appeals board, from the County Assessor's Office, or both. If a property's fair market value is assessed below its factored base year value, the reduced value is enrolled on a temporary basis (for one year) and is commonly referred to as a "Proposition 8" reduction, after the 1978 initiative, or simply as a "decline in value" reduction. If a property receives such a temporary reduction, the County Assessor is required to annually review the property's temporary reduction for each subsequent January 1 lien date, until such time as the market value again exceeds the property's factored base year value, at which point the County Assessor reestablishes the factored base year value as the taxable value to be enrolled for that January 1 lien date. See also "*– Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*."

COVID-19's impact on real property values in the County first arose on the 2021 Assessment Roll, resulting in an almost four-times increase in the total count of Proposition 8 reductions granted compared to the 2020 Assessment Roll (up from 2,059 to 8,212) and more than 8-times increase in the value of the reductions (up from approximately $272.0 million to approximately $2.2 billion). For the 2025 Assessment Roll, the total count and value of approved Proposition 8 reductions were 9,375 and approximately $4.8 billion, respectively. There are no projections for 2026 Assessment Roll; however, for the January 1, 2026, lien date, the County Assessor projects completing 11,247 "decline-in-value" reviews, up slightly from 10,739 in 2025.

The two most significant factors driving changes beginning with the 2021 Assessment Roll were Proposition 8 reductions for hotel and condominium properties. In response to COVID-19, the County Assessor's Office performed proactive reviews of commercial properties, which resulted in temporary reductions of approximately $1.0 billion for 26 hotel properties on the 2021 Assessment Roll. For the 2025 Assessment Roll, the County Assessor reviewed and applied Proposition 8 assessed value reductions for 25 hotel properties, totaling approximately $1.3 billion and expects 2026 to be similar. Meanwhile, condominiums accounted for the largest share of new reductions since the onset of COVID-19 at over 70% of the total value of temporary reductions (excluding hotels) on the 2021 and 2022 Assessment Rolls, but declining as a percentage of the total value of temporary reductions (excluding hotels) each year since, now accounting for just over half (51%) of the total value of temporary reductions (excluding hotels).

In order to more efficiently address a subset of regular open appeals on certain classes of residential property with an assessed value below $5.0 million, in December 2023, the County Assessor's Office applied the same regression model it uses for confirming sales prices to determine Proposition 8 reductions to condominiums with open appeals. In December 2024 the project expanded from solely condominiums to also include dwellings (single-family residences) which practice was repeated again in December 2025. On this basis, stipulation letters were then sent in February 2026 to 617 condominiums and 205 dwellings (single-family residences) containing a recommended value and instructions about how to withdraw their open appeal if they accepted said value. Taxpayers were given roughly a month to withdraw their appeals and accept the recommended value, which 407 condominiums and 139 dwellings (single-family residences) did according to County Assessor records. Taken together, the result of these 546 withdrawals is a temporary downward adjustment of the enrolled value for these properties totaling approximately $106.0 million.

The greater the assessed value of taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the District's bonds. The net total assessed valuation of taxable property in the District at the start of fiscal year 2025-26 was approximately $354.0 billion, compared to approximately $347.8 billion in fiscal year 2024-25. During economic downturns, declining market values of real estate, increased foreclosures, and increases in requests submitted to the county assessor and the Appeals Board (defined herein) for reductions in assessed value have generally caused a reduction in the assessed value of some properties in the District. Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control, such as a general market decline in land values, or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). See also "−*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*" below. Natural and economic forces can affect the assessed value of taxable property in the District. The District is located in a seismically active region, and damage from an earthquake in or near the District could cause moderate to extensive or total damage to taxable property. See "− *Risk of Decline in Property Values; Earthquake Risk*" below. Other natural or man-made disasters, such as flood and sea level rise (see "− *Drought,*" "− *2022-23 Winter Storms,*" "− *2023-24 Winter Storms,*" "− *Risk of Sea Level Changes and Flooding*," "− *Wildfire,*" and "− *Climate Change*" below), fire, toxic dumping, acts of terrorism or public health emergencies, such as the COVID-19 pandemic, could also cause a reduction in the assessed value of taxable property within the District. Economic and market forces, such as a downturn in the District's economy generally, can also affect assessed values, particularly as these forces might reverberate in the residential housing and commercial property markets. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year.

The more property (by assessed value) owned by a single taxpayer, the more exposure of tax collections to weakness in that taxpayer's financial situation and ability or willingness to pay property taxes. In fiscal year 2025-26, the largest single taxpayer owned approximately 0.58% of the total local secured assessed valuation of property in the District. See "− *Largest Taxpayers in District*."

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application, in the form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must submit an application to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIIIA of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis. No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 ("AB 102"). AB 102 restructures the functions of the State Board of Equalization and creates two new agencies: (a) the California Department of Tax and Fee Administration (the "Tax Administration Department") and (b) the Office of Tax Appeals. Under AB 102, the Tax Administration Department will take over programs previously in the State Board of Equalization's 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 State Board of Equalization will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the State Board of Equalization only hears appeals related to the programs that it constitutionally administers and the Office of Tax Appeals hears appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Offices 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.

See APPENDIX A – "DISTRICT FINANCIAL AND OPERATING INFORMATION – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues" for a discussion of other limitations on the valuation of real property with respect to *ad valorem* property taxes.

Risk of Decline in Property Values; Earthquake Risk. Property values could be reduced by factors beyond the District's control, including earthquake and a depressed real estate market due to general economic conditions in the City, the region and the State.

The assessed valuation of the City could be substantially reduced as a result of a major earthquake proximate to the City. The City is located in a seismically active region. Active earthquake faults underlie both the City and the surrounding Bay Area. Three major earthquake faults that comprise the San Andreas Fault System extend through the Bay Area. They include the San Andreas Fault, the Hayward Fault and the Calaveras Fault. On August 24, 2014, an earthquake occurred in Napa, California. The tremor's epicenter was located approximately 3.7 miles northwest of American Canyon near the West Napa Fault and registered 6.0 on the Richter scale of earthquake intensity. The Napa earthquake caused fires, damaged buildings and roads, and injured approximately 200 people. The Napa earthquake was the largest earthquake in the Bay Area since the 1989 Loma Prieta earthquake on the San Andreas Fault, which was centered about 60 miles south of San Francisco and registered 6.9 on the Richter scale of earthquake intensity. The Loma Prieta earthquake caused fires and collapses of and structural damage to buildings, highways and bridges in the Bay Area.

In August 2016, the 2014 Working Group on California Earthquake Probabilities (a collaborative effort of the United States Geological Survey, the California Geological Society and the Southern California Earthquake Center) issued a revised report that states there is a 72% chance that one or more earthquakes of magnitude 6.7 or larger will occur in the Bay Area before the year 2043. Such earthquakes may be very destructive. Property within the City could sustain extensive damage in a major earthquake, and a major earthquake could adversely affect the area's economic activity.

Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as drought, flood, fire, toxic dumping, acts of terrorism, pandemic, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional bonds in the future might also cause the tax rate to increase.

Drought. In recent years the State has experienced severe drought conditions. In January 2014, the Governor declared a Statewide Drought State of Emergency due to the State facing serious water shortfalls due to the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The State Water Resources Control Board (the "State Water Board") subsequently issued a Statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures.

On March 5, 2021, the Secretary of the United States Department of Agriculture designated 50 of 58 counties in California, including the County, as primary natural disaster areas due to drought. On April 21, 2021, the Governor issued a drought emergency proclamation (the "April Drought Proclamation") which applied to two counties within the State. On May 10, 2021, the Governor declared a State of Emergency due to the State facing serious water shortfalls, and ordered State and local agency implementation of certain provisions to adequately respond to drought conditions, significantly expanding the April Drought Proclamation to 41 counties within the State, including the City. On July 8, 2021, the Governor expanded the declaration further to include an additional nine counties in the State. On October 19, 2021, the Governor extended the declaration to include the remaining counties such that the drought state of emergency was then in effect Statewide. However, increased rainfall in late 2022 and early 2023 led to the rescission of certain of these restrictions as described in the following section "*– 2022-23 Winter Storms*." According to the U.S. Drought Monitor, as of August 4, 2026, the County does not have any drought conditions.

It is not possible for the District to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the boundaries of the District or the extent to which drought conditions may impact District facilities or the assessed value of taxable property within the District.

2022-23 Winter Storms. The State experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack, leading to an unseasonably wet winter in late 2022 and early 2023, which impacted communities across the State (the "2022-23 Winter Storms"). The increased rainfall caused by the 2022-23 Winter Storms has eased drought conditions across the State considerably. Accordingly, in March 2023, the Governor rescinded some of the State's drought restrictions, including restrictions in the City. In addition, in January 2023, the Governor announced an extension of its tax filing deadline for residents and businesses in counties which were impacted by the 2022-23 Winter Storms and the resulting mudslides and flooding (the "2023 Winter Storm Tax Extension"). Most counties in the State were included in the 2023 Winter Storm Tax Extension, such that certain individual and business tax payments which would have typically been due at various times between January and September 2023 were then due on October 16, 2023.

2023-24 Winter Storms. Portions of the State experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack, leading to an unseasonably wet winter in late 2023 and early 2024, which impacted communities within the State (the "2023-24 Winter Storms"). In particular, portions of the City experienced severe storms and flooding. In February 2024, the Franchise Tax Board announced an extension of its tax filing deadline for residents and businesses in the City.

It is not possible for the District to make any representation regarding the extent to which the 2022-23 Winter Storms, the 2023-24 Winter Storms or any future winter storms, or related increased rainfall, mudslides or flooding conditions, could cause reduced economic activity within the boundaries of the District or the extent to which such conditions may impact District facilities or the assessed value of taxable property within the District.

Risk of Sea Level Changes and Flooding. In April 2017, the Working Group of the California Ocean Protection Council Science Advisory Team (in collaboration with several state agencies, including the California Natural Resource Agency, the Governor's Office of Planning and Research, and the California Energy Commission) published a report that was formally adopted in March 2018, entitled "Rising Seas in California: An Update on Sea Level Rise Science" (the "Sea Level Rise Report") to provide a new synthesis of the state of science regarding sea level rise. Among many findings, the Sea Level Rise Report indicates that the effects of sea level rise are already being felt in coastal California with more extensive coastal flooding during storms, exacerbated tidal flooding, and increased coastal erosion. In addition, the report notes that the rate of ice sheet loss from Greenland and Antarctic ice sheets poses a particular risk of sea level rise for the California coastline. Additionally, in March 2020, a consortium of State and local agencies, led by the Bay Area Conservation and Development Commission, released a detailed study entitled, "Adapting to Rising Tides Bay Area: Regional Sea Level Rise Vulnerability and Adaptation Study," on how sea level rise could alter the Bay Area, potentially leading to jobs being relocated, displacement of lower-income residents, and the loss of ecologically valuable shoreline habitat. The District may be particularly vulnerable to impacts associated with sea level rise due to development on its coastline. A wide range of critical infrastructure, such as roads, airports, hospitals, schools, emergency facilities, wastewater treatment plants, power plants, and wetlands is also vulnerable. Continued development in vulnerable areas will put additional assets at risk and raise protection costs.

Wildfire. In recent years, portions of California have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. Property damage due to wildfire could result in a significant decrease in the assessed value of property in the District. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact the value of taxable property within the District.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. See "*– Drought*," "*– 2022-23 Winter Storms*," "*– 2023-24 Winter Storms*," "*– Risk of Sea Level Changes and Flooding*" and "*– Wildfire*" 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 in unable to predict when or if adverse impacts of climate change will occur or the extent of such impacts.

The District is unable to predict whether sea level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the assessed value of property in the District, the financial condition of the District and the local economy.

Bonding Capacity. As a unified school district, the District may issue bonds in an amount up to 2.5% of the assessed valuation of taxable property within its boundaries. The District's gross bonding capacity (also commonly referred to as the "bonding limit" or "debt limit") is approximately $8.9 billion and its net bonding capacity is approximately $7.9 billion (prior to the issuance of the Bonds and the defeasance of the Refunded Bonds). Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the District's bonding capacity.

In accordance with the law which permitted the Series 2026 Bonds to be approved by a 55% affirmative vote, bonds approved by the District's voters pursuant to the 2024 Authorization may not be issued unless the District projects that repayment of all outstanding bonds approved at the election will require a tax rate no greater than $60.00 per $100,000 of assessed value. Based on the assessed value of taxable property in the District at the time of issuance of the Series 2026 Bonds, the District projects that the maximum tax rate required to repay all outstanding bonds approved at such election will be within that legal limit. The tax rate test applies only when new bonds are issued, and is not a legal limitation upon the authority of the Board of Supervisors to levy taxes at such rate as may be necessary to pay debt service on the Series 2026 Bonds in each year.

Assessed Valuation by Land Use. The following table gives a distribution of taxable real property located in the District by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Assessed Valuation and Parcels by Land Use
Fiscal Year 2025-26

Non-Residential:	2025-26 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Commercial	$25,311,008,852	7.50%	9,614	4.67%
Office	60,050,208,806	17.79	1,818	0.88
Industrial	11,053,974,975	3.27	7,032	3.42
Hotel/Motel	11,518,777,626	3.41	758	0.37
Recreational	2,737,308,824	0.81	455	0.22
Government/Social/Institutional	790,444,555	0.23	2,529	1.23
Miscellaneous	1,050,853,997	0.31	855	0.42
Subtotal Non-Residential	$112,512,577,635	33.33%	23,061	11.21%
Residential:				
Single Family Residence	$101,531,692,751	30.08%	97,364	47.33%
Condominium/Townhouse	57,522,702,224	17.04	50,673	24.63
2+ Residential Units/Apartments	60,497,839,185	17.92	26,788	13.02
Timeshare properties	255,589,870	0.08	2,589	1.26
Subtotal Residential	$219,807,824,030	65.12%	177,414	86.24%
Vacant Parcels	$5,222,088,273	1.55%	5,256	2.55%
Total	$337,542,489,938	100.00%	205,731	100.00%

[1] Local secured assessed valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Residential Properties. The following table focuses on the per parcel assessed valuation of single-family residential properties only, the value of which comprised approximately 30.08% of the assessed value of taxable property in the District in fiscal year 2025-26. The average assessed value per single-family residential parcel was $1,042,805, and the median assessed value was $666,017.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Per Parcel Assessed Valuation of Single-Family Homes
Fiscal Year 2025-26

	No. of Parcels	2025-26 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	97,364	$101,531,692,751	$1,042,805	$666,017

2025-26 Assessed Valuation	No. of Parcels[(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $249,999	19,898	20.437%	20.437%	$2,452,514,658	2.416%	2.416%
$250,000 - $499,999	18,889	19.400	39.837	7,101,514,510	6.994	9.410
$500,000 - $749,999	13,851	14.226	54.063	8,524,666,237	8.396	17.806
$750,000 - $999,999	11,129	11.430	65.493	9,729,793,080	9.583	27.389
$1,000,000 - $1,249,999	8,584	8.816	74.310	9,572,840,150	9.428	36.817
$1,250,000 - $1,499,999	5,836	5.994	80.304	7,989,139,402	7.869	44.686
$1,500,000 - $1,749,999	4,771	4.900	85.204	7,721,225,290	7.605	52.291
$1,750,000 - $1,999,999	3,361	3.452	88.656	6,274,055,978	6.179	58.470
$2,000,000 - $2,249,999	2,205	2.265	90.921	4,658,670,167	4.588	63.059
$2,250,000 - $2,499,999	1,661	1.706	92.627	3,938,640,233	3.879	66.938
$2,500,000 - $2,749,999	1,259	1.293	93.920	3,297,875,585	3.248	70.186
$2,750,000 - $2,999,999	931	0.956	94.876	2,667,731,055	2.627	72.813
$3,000,000 - $3,249,999	727	0.747	95.623	2,262,664,003	2.229	75.042
$3,250,000 - $3,499,999	567	0.582	96.205	1,912,335,898	1.883	76.925
$3,500,000 - $3,749,999	459	0.471	96.676	1,660,890,869	1.636	78.561
$3,750,000 - $3,999,999	417	0.428	97.105	1,614,693,397	1.590	80.152
$4,000,000 - $4,249,999	326	0.335	97.440	1,344,859,370	1.325	81.476
$4,250,000 - $4,499,999	304	0.312	97.752	1,330,762,261	1.311	82.787
$4,500,000 - $4,749,999	233	0.239	97.991	1,075,935,733	1.060	83.847
$4,750,000 - $4,999,999	207	0.213	98.204	1,006,958,141	0.992	84.838
$5,000,000 and greater	1,749	1.796	100.000	15,393,926,734	15.162	100.000
Total	97,364	100.000%		$101,531,692,751	100.000%	

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

Largest Taxpayers in District. The twenty taxpayers in the District with the greatest combined assessed valuation of taxable property on the fiscal year 2025-26 tax roll, and the assessed valuations thereof, are shown in the following table.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness in the taxpayer's financial situation and ability or willingness to pay property taxes. In fiscal year 2025-26, the largest single taxpayer owned approximately 0.58% of the total local secured assessed valuation of property in the District. Each taxpayer listed is a unique name listed on the tax rolls. The District cannot determine from City assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Twenty Largest Local Secured Taxpayers 2025-26

	Property Owner	Primary Land Use	2025-26 Assessed Valuation	% of Total[(1)]
1.	Transbay Tower LLC	Office Building	$1,951,770,071	0.58%
2.	GSW Arena LLC	Sports Arena	1,720,270,273	0.51
3.	HWA 555 Owners LLC	Office Building	1,430,298,904	0.42
4.	Park Tower Owner LLC	Office Building	1,186,471,863	0.35
5.	KRE Exchange Owner LLC	Office Building	1,181,992,820	0.35
6.	Elm Property Venture LLC	Office Building	1,123,892,319	0.33
7.	Kilroy Realty LP / Kilroy Realty 303 LLC	Office Building	959,539,371	0.28
8.	PPF Paramount One Market Plaza	Office Building	949,697,266	0.28
9.	Ponte Gadea California LLC	Office Building	891,856,422	0.26
10.	SFDC 50 Fremont LLC	Office Building	815,432,907	0.24
11.	Market Center Owner LP	Office Building	789,706,364	0.23
12.	Parkmerced Owner LLC	Apartments	788,355,462	0.23
13.	Emporium Mall LLC	Shopping Center	766,763,235	0.23
14.	706 Mission Street Co LLC	Condominiums	752,846,356	0.22
15.	BCP-CG 650 Property LLC	Office Building	659,420,219	0.20
16.	SHR St. Francis LLC	Hotel	650,538,422	0.19
17.	JPPF 1155 Battery LP	Office Building	618,757,123	0.18
18.	Uber Technologies Inc.	Office Building	612,826,275	0.18
19.	One Front Street Eat LLC	Office Building	604,840,697	0.18
20.	Tohigh Property Investment LLC	Office/Residential	599,925,957	0.18
			$19,055,202,326	5.65%

(1) 2025-26 local secured assessed valuation: $337,542,489,938.
Source: California Municipal Statistics, Inc.

Tax Rates

The State Constitution permits the levy of an *ad valorem* property tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on school bonds and other voter-approved indebtedness in a given year depends on the assessed value of taxable property in that year. The rate of tax imposed on unsecured property for repayment of such Bonds and indebtedness is based on the prior year's secured property tax rate. The rate of tax imposed may be affected by economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc.

One factor in the ability of taxpayers to pay additional taxes for general obligation bonds is the cumulative rate of tax. The following table shows *ad valorem* property tax rates for the fiscal years 2021-22 through 2025-26 in the Tax Rate Area of the District.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Summary of *Ad Valorem* Property Tax Rates
(Dollars Per $100 of Assessed Valuation)
2021-22 through 2025-26

	2021-22	2022-23	2023-24	2024-25	2025-26
General	$1.00000000	$1.00000000	$1.00000000	$1.00000000	$1.00000000
City and County of San Francisco	0.11463663	0.10761763	0.11295032	0.10600267	0.11051006
San Francisco Unified School District	0.04503343	0.04216026	0.04025720	0.03345173	0.04004005
San Francisco Community College District	0.01681493	0.01595993	0.01108630	0.01718123	0.01693314
Bay Area Rapid Transit District	0.00600000	0.01400000	0.01340000	0.01480000	0.01520000
TOTAL	$1.18248499	$1.17973782	$1.17769382	$1.17143563	$1.18268325

Source: California Municipal Statistics, Inc.

Tax Collections and Delinquencies

As required by State Law, the District utilizes the services of the City for the assessment and collection of taxes for District purposes. District taxes are collected at the same time and on the same tax rolls as are City and other special district taxes.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1. When necessitated by changes in assessed value in the course of a year, a supplemental assessment is prepared, and taxes are pro-rated for the portion of the tax year remaining after the change.

Property taxes on the secured roll are due in two equal installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. If the taxes have not been paid by June 30, the tax is deemed to be in default. Secured roll property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If the taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale at a public auction by the Treasurer.

Property taxes on the unsecured roll are due as of the lien date of January 1 and become delinquent if unpaid on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the Treasurer may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the City, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The Treasurer may also bring a civil suit against the taxpayer for payment.

Generally, once an installment of property tax becomes delinquent, penalties are assessed commencing on the applicable delinquency date until the delinquent installment(s) and all assessed penalties are paid. In the event of foreclosure and sale of property by a mortgage lender, all past due property taxes, penalties, and interest are required to be paid before such property is transferred to a purchaser or new owner.

Property tax delinquencies may be impacted by economic and other factors beyond the District'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, among other factors, high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or natural or manmade disaster, such as earthquake, drought, flood, fire or toxic dumping. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. If delinquencies increase substantially as a result of the unprecedented events of a pandemic, such as the COVID-19 pandemic, or other events outside the control of the District, the City does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies. Annual reserves can be used towards debt service where tax collections are insufficient to pay such debt service.

The District cannot predict the extent of delinquencies and delayed tax collections, or the resulting impact on the District's financial condition or operations. However, the City has adopted the Teeter Plan (defined herein), according to which the City distributes to the District the amount levied on the secured and supplemental tax rolls, instead of the amount actually collected. See "– *Teeter Plan*."

The following table sets forth a recent history of tax payment delinquencies in the District, without regard to the Teeter Plan.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Secured Tax Delinquencies[1]
Fiscal Years 2015-16 through 2024-25

Fiscal Year	Secured Tax Charge	Amount Delinquent June 30	Percent Delinquent June 30
2015-16	$2,146,646,004	$14,089,301	0.66%
2016-17	2,310,696,197	12,020,054	0.52
2017-18	2,556,736,908	14,820,215	0.58
2018-19	2,824,518,111	17,721,353	0.63
2019-20	3,320,760,894	27,706,207	0.83
2020-21	3,627,167,123	36,315,872	1.00
2021-22	3,674,855,320	31,327,390	0.85
2022-23	3,876,031,090	30,756,555	0.79
2023-24	4,062,856,539	41,853,637	1.03
2024-25	4,182,098,989	78,487,659	1.88

(1) All taxes collected by the City.
Source: California Municipal Statistics, Inc.

Teeter Plan. The City has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq.* of the State Revenue and Taxation Code. Under the Teeter Plan, each participating local agency levying property taxes in the City, including school districts, receives the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount due from taxpayers had been collected. In return, the City receives and retains delinquent payments, penalties and interest as collected that would have been due the local agency. The City applies the Teeter Plan to general taxes and secured taxes levied for repayment of school district general obligation bonds, including the Bonds.

The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the City (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the City. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the City if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in that agency.

There can be no assurance that the City will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of secured property tax collections to the District. The ability of City to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies.

Direct and Overlapping Debt. Set forth on the following page is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. for debt issued as of August 1, 2026. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule, and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The table generally includes long-term obligations sold in the public capital markets by the public agencies listed. 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.

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SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DIRECT AND OVERLAPPING BONDED DEBT

2025-26 Assessed Valuation: $358,424,092,463 (includes unitary utility valuation)

GENERAL OBLIGATION BONDED DEBT:	Debt 8/1/26
San Francisco City and County General and School Purposes	$2,361,113,671[(1)]
San Francisco Unified School District Bonds	**913,310,000**[(2)]
San Francisco Community College District	548,315,000
TOTAL GENERAL OBLIGATION BONDED DEBT	$3,822,738,671
LEASE OBLIGATION BONDS:	
San Francisco City and County	$1,443,958,731
TOTAL LEASE OBLIGATION BONDED DEBT	$1,443,958,731
TOTAL COMBINED DIRECT DEBT	$5,266,697,402
OVERLAPPING TAX AND ASSESSMENT DEBT:	
Bay Area Rapid Transit District General Obligation Bonds (33.728%)	$939,341,995
San Francisco Community Facilities District No. 6	109,440,000
San Francisco Community Facilities District No. 7	24,940,000
San Francisco Community Facilities District No. 2009-1, Improvement Areas 1 and 2	1,892,593
San Francisco Community Facilities District No. 2014-1 Transbay Transit Center	555,635,000
San Francisco Community Facilities District No. 2016-1 Treasure Island I.A. 1 and 2	98,420,000
San Francisco Community Facilities District No. 2020-1 Mission Rock	149,980,000
ABAG Community Facilities District No. 2004-1 Seismic Safety Improvements	7,415,000
ABAG Community Facilities District No. 2006-1 San Francisco Rincon Hill	4,055,000
ABAG Community Facilities District No. 2006-2 San Francisco Mint Plaza	2,385,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	$1,893,504,588
OVERLAPPING TAX INCREMENT DEBT:	
Successor Agency to the San Francisco Redevelopment Agency	$671,826,373
Transbay Joint Powers Authority	217,475,000
TOTAL OVERLAPPING INCREMENT DEBT	$889,301,373
OVERLAPPING TAX INCREMENT REVENUE DEBT:	
San Francisco Infrastructure and Revitalization Financing District No. 1	$63,980,000
TOTAL OVERLAPPING TAX INCREMENT REVENUE DEBT	$63,980,000
TOTAL DIRECT AND OVERLAPPING BONDED DEBT	$8,113,483,363[(3)]

Ratios to 2025-26 Assessed Valuation ($358,424,092,463):
Direct General Obligation Bonded Debt ($913,310,000)............0.25%
Total Direct and Overlapping Bonded Debt 2.26%

Ratio to 2025-26 Redevelopment Incremental Valuation ($45,743,416,351):
Total Overlapping Tax Increment Debt..1.94%

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(1) Excludes aggregate principal amount of $191,505,000 City and County of San Francisco General Obligation Bonds (Healthy, Safe and Vibrant San Francisco, 2024) Series 2026A-1 and Series 2026A-2, issued on August 4, 2026.
(2) Excludes the Bonds to be sold, but includes the Refunded Bonds to be refunded.
(3) Excludes tax and revenue anticipation notes, enterprise revenue bonds and airport improvement corporation bonds.
Source: California Municipal Statistics, Inc.

TAX MATTERS

Tax-Exempt Bonds

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Tax-Exempt Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Tax-Exempt Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX D hereto.

To the extent the issue price of any maturity of the Tax-Exempt Bonds is less than the amount to be paid at maturity of such Tax-Exempt Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Tax-Exempt Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Tax-Exempt Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Tax-Exempt Bonds is the first price at which a substantial amount of such maturity of the Tax-Exempt Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Tax-Exempt Bonds accrues daily over the term to maturity of such Tax-Exempt Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Tax-Exempt Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Tax-Exempt Bonds. Beneficial owners of the Tax-Exempt Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Tax-Exempt Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Tax-Exempt Bonds in the original offering to the public at the first price at which a substantial amount of such Tax-Exempt Bonds is sold to the public.

Tax-Exempt Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Tax-Exempt Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Tax-Exempt Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-Exempt Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Tax-Exempt Bonds may adversely affect the value of, or the tax status of interest on, the Tax-Exempt Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Tax-Exempt Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future federal or state legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Tax-Exempt Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Tax-Exempt Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Tax-Exempt Bonds ends with the issuance of the Tax-Exempt Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the beneficial owners regarding the tax-exempt status of the Tax-Exempt Bonds in the event of an audit examination by the IRS. Under current procedures, beneficial owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Tax-Exempt Bonds, and may cause the District or the beneficial owners to incur significant expense.

Payments on the Tax-Exempt Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate beneficial owner of Tax-Exempt Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Tax-

Exempt Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Tax-Exempt Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a beneficial owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain beneficial owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Taxable Bonds

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Taxable Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Taxable Bonds. The proposed form of opinion of Bond Counsel is contained in APPENDIX D hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to holders of the Taxable Bonds that acquire their Taxable Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Taxable Bonds as part of a hedge, straddle or an integrated or conversion transaction, investors whose "functional currency" is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Taxable Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Taxable Bonds pursuant to this offering for the issue price that is applicable to such Taxable Bonds (i.e., the price at which a substantial amount of the Taxable Bonds are sold to the public) and who will hold their Taxable Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Taxable Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Taxable Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Taxable Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Taxable Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

Taxable Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Taxable Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Taxable Bond.

Sale or Other Taxable Disposition of the Taxable Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition of a Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Taxable Bond, decreased by any amortized premium). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Taxable Bonds. If the District defeases any Taxable Bond, the Taxable Bond may be deemed to be retired and "reissued" for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted U.S. federal income tax basis in the Taxable Bond.

Information Reporting and Backup Withholding. Payments on the Taxable Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Taxable Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a TIN to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. Holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A U.S. Holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA") – U.S. Holders and Non-U.S. Holders," payments of principal of, and interest on, any Taxable Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, described in Section 881(c)(3)(C) of the Code, and (2) a bank which acquires such Taxable Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Taxable Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Disposition of the Taxable Bonds. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA") – U.S. Holders and Non-U.S. Holders," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the District or a deemed retirement due to defeasance of the Taxable Bond) or other disposition of a Taxable Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "Foreign Account Tax Compliance Act ("FATCA") – U.S. Holders and Non-U.S. Holders," under current U.S. Treasury Regulations, payments of principal and interest on any Taxable Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Taxable Bond or a financial institution holding the Taxable Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act ("FATCA") – U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Taxable Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Taxable Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

OTHER LEGAL MATTERS

Possible Limitations on Remedies

General. Following is a discussion of certain considerations in the event that the District should become a debtor in a bankruptcy proceeding. It is not an exhaustive discussion of the potential application of bankruptcy law to the District.

State law contains a number of safeguards to protect the financial solvency of school districts. If the safeguards are not successful in preventing the District from becoming insolvent, the State Superintendent of Public Instruction (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 District for the adjustment of its debts, assuming that the District meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. Under current State law, the District is not itself authorized to file a bankruptcy proceeding, and it is not subject to an involuntary bankruptcy proceeding.

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 parties to the proceedings may be prohibited from taking any action to collect any amount from the District or the City (including *ad valorem* property tax revenues) or to enforce any obligation of the District, without the bankruptcy court's permission, except as described below in the case of "special revenues." In such a proceeding, as part of its plan of adjustment in bankruptcy, 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, including the obligation of the City and the District to raise taxes if necessary to pay the Bonds, if the bankruptcy court determines that the plan is fair, equitable, not unfairly discriminatory and is in the best interests of creditors and otherwise complies with the Bankruptcy Code. 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. 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.

Limitations on Plans of Adjustments. Chapter 9 of the Bankruptcy Code provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in the state in the exercise of its political or governmental powers, including expenditures for such exercise. In addition, Chapter 9 provides that a bankruptcy court may not interfere with the political or governmental powers of the debtor, unless the debtor consents to that action or the plan so provides. State law provides that *ad valorem* property taxes may be levied to pay the principal of and interest on the Bonds and other voted general obligation bonds of the District in an unlimited amount, and that proceeds of such a levy must be used for the payment of principal of and interest on the District's general obligation bonds, including the Bonds, and for no other purpose. Under State law, the District's share of the 1% limited tax imposed by the City is the only *ad valorem* property tax revenue that may be raised and expended to pay liabilities and expenses of the District other than its voter-approved debt, such as its general obligation bonds. If the District should become a debtor in a Chapter 9 proceeding, then it must propose a plan of adjustment of its debts. The plan may not become effective until confirmed by the bankruptcy court. The court may not approve a plan unless it finds, among other conditions, that the District is not prohibited by law from taking any action necessary to carry out the plan and that the plan is in the best interests of creditors and is feasible. If the State law restriction on the levy and expenditure of *ad valorem* property taxes is respected in a bankruptcy case, then *ad valorem* property tax revenue in excess of the District's share of the 1% limited City tax could not be used by the District for any purpose under its plan other than to make payments on the Bonds and its other voted general obligation bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to state law, all general obligation bonds issued by local agencies, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* property taxes. State law provides that the 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. As a result, the lien on debt service taxes will continue to be valid with respect to post-petition receipts of debt service taxes, should the District become the subject of bankruptcy proceedings. However, the automatic stay provisions of the Bankruptcy Code would apply, preventing bondholders from enforcing their rights to payment from such taxes, so payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless such taxes are "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. It is also possible that the bankruptcy court could approve an alternative use of such taxes, if the bondholders are afforded protection that the court determines to be adequate.

Special Revenues. If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues that are collected after the date of the bankruptcy filing 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. The District has specifically pledged the *ad valorem* property taxes for payment of the Bonds. The Bonds and the District's other general obligation bonds were approved at elections held on propositions that described the projects for which such bonds may be issued. As noted above, State law prohibits the use of the proceeds of the District's debt service tax for any purpose other than payment of its general obligation bonds, and the bond proceeds may only be used to fund 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 payment of general obligation bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

The Bankruptcy Code provides that there is no stay of application of pledged special revenues to payment of indebtedness secured by such revenues. The United States Court of Appeals for the First Circuit, in a case arising out of the insolvency proceedings of Puerto Rico, held that this provision permitted voluntary payments of debt service by the issuer of bonds backed by special revenues, but did not permit the bondholders to compel the issuer to make payments of debt service from special revenues. If this decision is followed by other courts, the holders of the Bonds may be prohibited from taking any action to require the District or the City to make payments on the Bonds without the bankruptcy court's permission. This could result in substantial delays in payments on the Bonds.

In addition, even if the *ad valorem* property tax revenues are determined to be "special revenues," the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the District is entitled to use the *ad valorem* property tax revenues to pay necessary operating expenses of the District and its schools, before the remaining revenues are paid to the owners of the Bonds.

Bondholders may experience delays or reductions in payments on the Bonds, the Bonds may decline in value or Bondholders may experience other adverse effects should the District file for bankruptcy.

Possession of Tax Revenues; Remedies. If the City or the District goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the District or the City, as applicable, 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.

Risk of Investment Losses. Pending delivery of *ad valorem* property tax revenues to the Paying Agent, the Treasurer may invest the *ad valorem* property tax revenues in the City Investment Pool or in other investments. Should any of these 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 opinion of Bond Counsel, attached hereto as APPENDIX D, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights.

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District. A complete copy of the proposed form of Bond Counsel opinion is set forth in APPENDIX D hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

Legality for Investment in California

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

Continuing Disclosure

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2025-26 fiscal year (which is due no later than March 30, 2027) and to provide notice of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in APPENDIX E hereto. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

In the previous five years, the District failed to timely file its audited financial statements for fiscal years 2021-22 and 2022-23, because such statements were not available from the auditor, and did not file a notice of failure to file such statements, but did timely file its unaudited financial statements. The District did not timely file its audited financial statements for fiscal years 2021-22 or 2022-23 following the completion and receipt of such audits from the auditor. The Board of Education was presented with and accepted the audited financial statement for fiscal year 2021-22 in March 2024, at which time it was filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA"). The audited financial statement for fiscal year 2021-22 is dated June 2023. The District has hired third parties to assist the District in complying with its continuing disclosure undertakings under the Rule.

Litigation

Four former officials and employees of the District, who formerly held positions as Associate Superintendent, Budget Analyst, Executive Director of Student Health Programs and Excel Supervisor, respectively, were charged in 2015 with multiple felonies relating to financial crimes involving the misappropriation of approximately $6.25 million in State and federal funds. The District has since recovered the full amount of misappropriated funds, and the California Department of Education has allowed the District to retain the recovered funds to be spent on approved uses. The District has since undertaken a review of "carryover" funds held by chief business officials of the District; revised its policies related to invoicing and delivery of services to require more detail and increased internal controls; trained departments on proper maintenance and archiving of records; clarified and strengthened enforcement of its policy relating to outside employment; and instituted a policy prohibiting any department from setting up its own information technology system and instead requiring use of District information technology servers.

Pursuant to Assembly Bill 218 ("AB 218"), which became effective on January 1, 2020, certain changes have been made to the claim prerequisites, available damages and the applicable statute of limitations periods for claims of childhood sexual assault, including claims against public entities like the District. With respect to claims that otherwise would have been barred as of January 1, 2020, AB 218 revived such claims for a period of three years, which period expired on December 31, 2022. Thereafter, the statute of limitations was extended to the day on which the alleged victim reaches 40 years of age. There are currently two AB 218 lawsuits pending against the District. The District conducted a thorough forensic insurance search and is unable to establish coverage during the policy periods for which the incidents are alleged. The District's financial operations could be adversely affected to an extent that cannot currently be predicted in such cases. The District is prepared to pay its self-insured retention of $250,000.

Additionally, there is an AB 218 lawsuit that the District anticipates will soon be filed in court for which the District's self-insured retention during the policy periods of the allegations will be between $1,000,000 and $2,000,000. The District also maintains excess liability coverage which is expected to cover any liability amounts exceeding $2,000,000.

The District received a pre-litigation demand letter from its bond oversight committee alleging that the District is not meeting its statutory obligations to provide sufficient technical and administrative assistance to the committee, and allow for sufficient independence of the committee. The District disagrees with the assertions in the demand letter and is in the early stages of responding to such letter. The District cannot predict whether this matter will proceed to litigation and, if it proceeds to litigation, the result of such litigation.

No litigation is pending or, to the best knowledge of the District, threatened, concerning the validity of the Bonds or the District's ability to receive *ad valorem* property taxes and to collect other revenues, or contesting the District's ability to issue and retire the Bonds, the political existence of the District, the title to their offices of District or City officials who will sign the Bonds and other certifications relating to the Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the original purchasers at the time of the original delivery of the Bonds.

In addition to the AB 218 lawsuits discussed above, the District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

ESCROW VERIFICATION

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriters relating to the computation of the projected payments of principal and interest on the government obligations, and the projected payments of principal, redemption premium, if any, and interest to redeem and defease the Refunded Bonds will be verified by Causey Public Finance, LLC, as Verification Agent. Such computations will be based solely on assumptions and information supplied by the District and the Underwriters. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any effort to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome.

MISCELLANEOUS

Cybersecurity

In spring 2024, the District learned of a cybersecurity incident involving unauthorized access to the internal network profiles of a few District employees, and updating of such profiles to alter the direct deposit payments for such employees. The District investigated the incident, and provided make-whole payments to the impacted employees. Several steps were taken to help prevent similar incidents from occurring in the future, including implementing additional security safeguards and controls to the employee direct deposit and other District processes. Cybersecurity is expected to remain in a state of continuous improvement. The District has not suffered any material financial consequences to date as a result of the incident.

The District relies on a large and complex technology infrastructure to conduct its operations. The District and its departments routinely face cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. The District maintains insurance to cover cybersecurity incidents. No assurances can be given that the security and operational control measures of the District will be successful in guarding against any and each cyber threat and attack. The results of any attack on the computer and information technology systems could have a material adverse impact on the operations of the District and damage the digital networks and systems. The District cannot predict the outcome of any such attack, nor the effect on the operations and finances of the District.

Ratings

The Bonds have been assigned the rating of "A1" by Moody's and of "AA-" by S&P, without regard to any policy of municipal bond insurance. Generally, rating agencies base their ratings on information and material furnished directly to them and on investigations, studies and assumptions made by them. The District has provided certain additional information and materials to the rating agencies (some of which does not appear in this Official Statement). The ratings reflect only the views of the rating agencies, and any explanation of the significance of such ratings may be obtained only from Moody's at www.moodys.com or S&P at www.standardandpoors.com. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agencies, if, in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. The District undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

The District has covenanted in its Continuing Disclosure Certificate to file on EMMA notices of any ratings changes on the Bonds. See APPENDIX E – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating 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 ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

Professionals Involved in the Offering

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel and as Disclosure Counsel to the District with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. Isom Advisors, a Division of Urban Futures, Inc. is acting as Municipal Advisor with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. Stradling Yocca Carlson & Rauth LLP is acting as Underwriters' Counsel with respect to the Bonds, and will receive compensation from the Underwriters contingent upon the sale and delivery of the Bonds.

Underwriting

The Series 2026 Bonds will be purchased by Stifel, Nicolaus & Company, Incorporated, as representative (the “Representative” or “Stifel”) of itself, RBC Capital Markets, LLC (“RBCCM”) and Siebert Williams Shank & Co., LLC (“Siebert” and, together with the Representative and RBCCM, the “Underwriters”) pursuant to a bond purchase agreement (the “Series 2026 Purchase Contract”) by and between the District and the Underwriters, dated __________, 2026, at a price of $____________ (consisting of the principal amount of the Series 2026 Bonds, plus [net] original issue premium of $________ and less an Underwriters’ discount of $________). Pursuant to the Series 2026 Purchase Contract, the Underwriters will purchase all of the Series 2026 Bonds if any are purchased.

The Refunding Bonds will be purchased by the Underwriters pursuant to a bond purchase agreement (the “Refunding Purchase Contract”) by and between the District and the Underwriters, dated __________, 2026, at a price of $____________ (consisting of the aggregate principal amount of the Refunding Bonds, [plus/less] $____________ [net] original issue [premium/discount] and less $__________ Underwriters’ discount). Pursuant to the Refunding Purchase Contract, the Underwriters will purchase all of the Refunding Bonds if any are purchased.

The initial offering prices stated on the inside cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

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

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

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

RBCCM, an Underwriter of the Bonds, has entered into a distribution arrangement with RBC Securities, Inc. (“RBC Securities”) (formerly known as City National Securities, Inc.). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of RBC Securities. As part of this arrangement, RBCCM may compensate RBC Securities for its selling efforts with respect to the Bonds.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

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Additional Information

Quotations from and summaries and explanations of the Bonds, the City Resolution, the District Resolutions, the Paying Agent Agreements, the Escrow Agreement and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

*   *   *

All data contained herein have been taken or constructed from the District's records and other sources, as indicated. This Official Statement and its distribution have been duly authorized and approved by the District.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

By:____
Chris Mount-Benites
Deputy Superintendent of Business Services and Operations

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APPENDIX A

DISTRICT FINANCIAL AND OPERATING INFORMATION

The information in this appendix concerning the operations of the District, the District's finances, and State funding of 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 is payable from the general fund of the District or from State revenues. The Bonds are payable from the proceeds of an ad valorem property tax approved by the voters of the District pursuant to all applicable laws and Constitutional requirements, and required to be levied by the City on property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

THE DISTRICT

General

The San Francisco Unified School District has boundaries that are coterminous with the City and County of San Francisco (the "City"). The District provides public education from transitional kindergarten through grade twelve. The District was established in 1851; however, the District has been a political subdivision of the State of California (the "State") since 1927. The administrative headquarters of the District are located at 555 Franklin Street, San Francisco, California.

The District operates sixty-four (64) elementary schools, eight (8) alternative learning schools serving grades transitional kindergarten through eight, thirteen (13) middle schools, fourteen (14) high schools, eleven (11) early education schools, nine (9) County and Court schools and three (3) continuation schools. For fiscal year 2026-27, the District has projected enrollment of approximately 48,267 students, including special education and continuing education students. For fiscal year 2026-27, the District estimates that approximately 6,175 students will be enrolled at the twelve (12) fiscally independent charter schools that operate within the District's boundaries for which the District is the charter-approving agency. In its budget for fiscal year 2026-27, the District has projected 7,452.7 full-time equivalent employees including certificated (credentialed teaching staff), classified (non-teaching) and management personnel at the District and the San Francisco County Office of Education. The District has projected fiscal year 2026-27 general fund revenues of approximately $1.4 billion and general fund expenditures of approximately $1.4 billion. The total assessed valuation of taxable property in the District in fiscal year 2026-27 is approximately $361.6 billion.

The District is governed by a Board of Education (the "Board of Education") consisting of seven voting members. The voting members are elected to four-year terms in staggered years so that, as nearly as practicable, one-half of the members shall begin their term in each odd-numbered year. The District's day-to-day operations are managed by a board-appointed Superintendent of Schools (the "Superintendent"). The Board of Education appointed Dr. Maria Su to serve as Superintendent in October 2024. Dr. Su previously served as Executive Director of the San Francisco Department of Children, Youth and Their Families.

Superintendent and Administrative Personnel

The Superintendent is appointed by and reports to the Board of Education. The Superintendent is responsible for management of the District's day-to-day operations and supervises the work of other key District administrators.

The following are brief professional biographical summaries of the Superintendent and certain key administrative personnel.

Dr. Maria Su, Superintendent. Dr. Maria Su was appointed as the Superintendent of the District on October 22, 2024. Before joining the District, Dr. Su served as Executive Director of the San Francisco Department of Children, Youth and Their Families for 15 years. In this capacity, she managed a $350 million budget and led the Children and Youth Fund initiative, which provides comprehensive services to children, youth, transitional-age youth, and families throughout the City. Dr. Su serves under a Memorandum of Understanding between the District and the City wherein the City released Dr. Su to serve as Superintendent under the direction of the Board of Education. Dr. Su holds a Bachelor of Science degree in psychology from Boston University and a Doctor of Psychology degree from Alliant International University. Additionally, Dr. Su completed her pre-doctoral and post-doctoral fellowships from the University of California, San Francisco and the San Francisco Chan-Zuckerberg General Hospital, specializing in children and family therapy. Dr. Su is a leader in public service, education, and children and family advocacy, with over 25 years of experience in youth-focused services in the San Francisco Bay Area.

Chris Mount-Benites, Deputy Superintendent of Business Services and Operations. Chris Mount-Benites joined the District as its Deputy Superintendent of Business Services and Operations in August 2025. Prior to coming to the District, Mr. Mount-Benites was the Chief Financial Officer, Chief Operating Officer and Chief Product Officer of the Los Angeles Unified School District, the Superintendent of Burlingame Unified School District, the Deputy Superintendent and Chief Business Officer of Washington Unified School District, the Deputy Superintendent of West Contra Costa Unified School District, the Chief Financial Officer of the UC Berkeley Division of Equity and Inclusion and its Public Education Policy expert, and a high school teacher and Principal in ABC Unified School District. Mr. Mount-Benites has served in similar roles in New York as a teacher, Principal, and Assistant Superintendent of Educational Services. He holds a Bachelor of Art degree in History, Secondary Education and English from SUNY Oswego, a Master of Arts degree in European and Asian History from SUNY Cortland, a Master of Arts degree in Public Administration from CSU Dominguez Hills and an Advanced Professional Certification as a Chief Business Official from the University of Southern California. Mr. Mount-Benites left the instructional side of public education 15 years ago to focus on fiscal and operational improvement for public K-12 schools and universities in California.

Komey Vishakan, Interim General Counsel. Komey Vishakan serves as Interim General Counsel for the District, and is Senior Counsel at Fagen Friedman & Fulfrost LLP, where she advises California public agencies on education law, governance, labor and employment, investigations, and litigation. Ms. Vishakan previously served as General Counsel for the Palo Alto Unified School District and has more than two decades of public sector legal experience in the United States, Australia, and the United Kingdom. She holds a Bachelor of Commerce from the University of Sydney and an LL.B. from the University of Western Sydney.

Niru Jayaraman, Assistant Superintendent, Fiscal Services/Head Financial Officer. Niru Jayaraman serves as Assistant Superintendent, Fiscal Services and Chief Financial Officer for the District. Ms. Jayaraman previously held senior fiscal leadership positions with the Los Angeles Unified School District and has more than 20 years of experience in California public education finance. She holds a Bachelor of Arts degree from the University of California, Los Angeles, and a Master of Public Policy degree from the University of Chicago.

Cadi Poile, Head of Operations. Cadi Poile serves as Head of Operations for the District. Before joining the District in 2019, she held leadership roles with the San Francisco Recreation and Park Department and nonprofit environmental organizations, with a career focused on public operations, facilities, and stewardship. Ms. Poile holds a Bachelor's degree in Anthropology and Environmental Science from the University of Washington.

Licinia Iberri, Bond Program Director. Ms. Licinia Iberri serves as the Bond Program Director at the District where she oversees the planning, financing, procurement, and delivery of the District's capital improvement program. Prior to joining the District, Ms. Iberri held project management and leadership positions with the San Francisco Municipal Transportation Agency and the San Francisco Redevelopment Agency. Ms. Iberri holds a Bachelor's degree in Urban Studies from Macalester College and a Master's degree in Urban Planning from the University of Southern California. Her experience includes public infrastructure delivery, municipal finance, capital planning, public procurement, contract administration, and project management.

Ariel Espiritu Santo, Executive Director of Finance and Administration, Operations and Bond Programs. Ariel Espiritu Santo serves as Executive Director of Finance and Administration for the District's Operations including the Bond Program, where she oversees financial management and administrative functions. Ms. Espiritu Santo holds a Master of Business Administration from the Wharton School, a Master of Arts in International Studies from the Joseph H. Lauder Institute at the University of Pennsylvania, and a Bachelor's degree from Stanford University. She has experience in public administration, finance, budgeting, and capital program management.

DISTRICT FINANCIAL MATTERS

State Funding of Education; State Budget Process

General. As is true for all school districts in California, the District's operating income consists primarily of two components: a State portion funded from the State's general fund in accordance with the Local Control Funding Formula (the "Local Control Funding Formula" or "LCFF") (see "− *Allocation of State Funding to School Districts; Local Control Funding Formula*") and a local portion derived from the District's share of the 1% local *ad valorem* property tax authorized by the State Constitution (see "− *Local Sources of Education Funding*"). In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District has projected to receive approximately 46.0% of its general fund revenues from State funds (not including the local portion derived from the District's share of the local *ad valorem* property tax), projected at approximately $627.4 million in fiscal year 2026-27. Such amount includes both the State funding provided under the LCFF as well as other State revenues (see "− Allocation of State Funding to School Districts; Local Control Funding Formula" and "– *Attendance and LCFF*" and "− Other District Revenues – *Other State Revenues*"). As a result, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may affect the District's revenues and operations.

Under Proposition 98, a constitutional and statutory amendment adopted by the State's voters in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the State Constitution), a minimum level of funding is guaranteed to school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs. Recent years have seen frequent disruptions in State revenues from personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of the State's general fund expenditures, it is generally at the center of annual budget negotiations and adjustments.

In connection with the State Budget Act for fiscal year 2013-14, the State and local educational agencies therein implemented a new funding formula for school finance system called the Local Control Funding Formula (the "Local Control Funding Formula" or "LCFF"). Funding from the LCFF replaced the revenue limit funding system and most categorical programs. See "– Allocation of State Funding to School Districts; Local Control Funding Formula" below for more information.

State Budget Process. According to the State Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. Historically, the budget required a two-thirds vote of each house of the State Legislature for passage. However, on November 2, 2010, the State's voters approved Proposition 25, which amended the State Constitution to lower the vote requirement necessary for each house of the State Legislature to pass a budget bill and send it to the Governor. Specifically, the vote requirement was lowered from two–thirds to a simple majority (50% plus one) of each house of the State Legislature. The lower vote requirement would also apply to trailer bills that appropriate funds and are identified by the State Legislature as "related to the budget in the budget bill." The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. Under Proposition 25, a two–thirds vote of the State Legislature is still required to override any veto by the Governor. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the fiscal year 2026-27 State budget on June 29, 2026.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district's State funding are affected differently. Under the rule of White v. Davis (also referred to as Jarvis v. Connell), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State Constitution (such as appropriations for salaries of elected State officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. Should the State Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the White v. Davis decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the White v. Davis decision to have any long-term effect on its operating budgets.

Aggregate State Education Funding. The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State's share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year's budget, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the State Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor."

Although the State Constitution requires the State to approve a balanced State Budget Act each fiscal year, the State's response to fiscal difficulties in some years has had a significant impact on Proposition 98 minimum guarantee and the treatment of settle-up payments with respect to years in which the Proposition 98 minimum guarantee was suspended. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over $4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

In the past, the State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring apportionments of Proposition 98 funds from one fiscal year to the next; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

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The District cannot predict how State income or State education funding will vary over the term to maturity of the Bonds, and the District takes no responsibility for informing owners of the Bonds as to actions the State Legislature or Governor may take affecting the current year's budget after its adoption. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, *www.dof.ca.gov*, under the heading "California Budget." An impartial analysis of the State budget is posted by the Office of the Legislative Analyst at *www.lao.ca.gov*. In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, *www.treasurer.ca.gov*. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Rainy Day Fund; SB 858. In connection with the 2014-15 State Budget, the Governor proposed certain constitutional amendments ("Proposition 2") to the rainy day fund (the "Rainy Day Fund") for the November 2014 Statewide election. Senate Bill 858 (2014) ("SB 858") amends the Education Code to, among other things, limit the amount of reserves that may be maintained by a school district subject to certain State budget matters, and Senate Bill 751 ("SB 751"), enacted on October 11, 2017, altered the reserve requirements imposed by SB 858. Upon the approval of Proposition 2, SB 858 became operational. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2." See also "– 2026-27 State Budget" discussing the State's plan to draw on this reserve in fiscal year 2026-27.

AB 1469. As part of the 2014-15 State Budget, the Governor signed Assembly Bill 1469 ("AB 1469") which implemented a new funding strategy for the California State Teachers' Retirement System ("CalSTRS"), increased the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. See "– Retirement Benefits – *CalSTRS*" below for more information about CalSTRS and AB 1469.

State Budget

2026-27 State Budget. The Governor signed the fiscal year 2026-27 State budget on June 29, 2026 (the "2026-27 State Budget"). The 2026-27 State Budget largely maintains the framework of the May Revise to the Proposed State Budget for fiscal year 2026-27, which balances the State budget in both fiscal years 2026-27 and 2027-28 and significantly reduces projected structural deficits in fiscal years 2028-29 and 2029-30. The 2026-27 State Budget supports priorities enacted over the past seven fiscal years and includes a number of strategic, mostly one-time, investments made possible in large part by increased revenue since the State budget for fiscal year 2025-26 was adopted.

The 2026-27 State Budget projects a positive SFEU balance in fiscal years 2026-27 and 2027-28, including projected SFEU balances of $4.5 billion in fiscal year 2026-27 and $403.0 million in fiscal year 2027-28. The 2026-27 State Budget also includes a transfer of $6.4 billion into the Projected Surplus Temporary Holding Account (the "Surplus Holding Account") in fiscal year 2026-27, to be allocated in fiscal year 2027-28. The 2026-27 State Budget identifies three revenue measures intended to solidify the State's fiscal structure. First, renewal of a House of Representatives (H.R.) 1-compliant Managed Care Organization tax, projected to increase revenue by $575.0 million in fiscal year 2026-27, $2.3 billion in fiscal years 2027-28 and 2028-29 and $1.7 billion in fiscal year 2029-30 to support the Medi-Cal program and maintain targeted rate increases for primary, maternal, and non-specialty mental health care. Second, extension of the business tax credit limitation of $5.0 million per year for an additional three years through fiscal year 2028-29, projected to increase State general fund revenue by $1.0 billion in fiscal year 2026-27, $3.3 billion in fiscal year 2027-28, $4.7 billion in fiscal year 2028-29, and $4.2 billion in fiscal year 2029-30. Third, extension of the sales tax on prewritten software delivered on a tangible medium to electronically delivered prewritten software, projected to increase State general fund revenue by $450.0 million in fiscal year 2026-27 and $900.0 million in fiscal year 2027-28 and annually thereafter.

Over the last two fiscal years, the State has withdrawn approximately $12.2 billion from the State Rainy Day Fund and suspended deposits into the fund for fiscal years 2024-25 and 2025-26. The 2026-27 State Budget continues the suspension of the fiscal year 2025-26 "true-up." As a result of the increase in revenue, the total suspension in fiscal year 2025-26 is $5.4 billion. However, the 2026-27 State Budget includes a deposit of $3.6 billion into the State Rainy Day Fund in fiscal year 2026-27 and a minor "true-up" for fiscal year 2024-25. After accounting for these actions, the 2026-27 State Budget projects a State Rainy Day Fund balance of $15.1 billion in fiscal year 2026-27, a $4.5 billion balance in the SFEU, and $9.2 billion in the Proposition 98 Rainy Day Fund, bringing combined reserves in fiscal year 2026-27 to

$28.8 billion. When accounting for the balance in the Surplus Holding Account, the 2026-27 State Budget sets aside approximately $35.2 billion for future funding obligations in fiscal year 2026-27.

The 2026-27 State Budget projects total resources available in fiscal year 2025-26 of approximately $302.5 billion, including revenues and transfers of approximately $245.8 billion and a prior year balance of approximately $56.7 billion, and total expenditures in fiscal year 2025-26 of approximately $245.3 billion. The 2026-27 State Budget projects total resources available for fiscal year 2026-27 of approximately $284.0 billion, inclusive of revenues and transfers of approximately $226.8 billion and a prior year balance of approximately $57.2 billion. The 2026-27 State Budget projects total expenditures in fiscal year 2026-27 of approximately $251.5 billion, inclusive of non-Proposition 98 expenditures of approximately $158.6 billion and Proposition 98 expenditures of approximately $92.9 billion. The 2026-27 State Budget projects total reserve balances of $56.8 billion at the end of fiscal year 2026-27. This includes $28.0 billion in the Reserve for Liquidation of Encumbrances, $4.5 billion in the SFEU, $9.2 billion in the Proposition 98 Rainy Day Fund and $15.1 billion in the State Rainy Day Fund. The 2026-27 State Budget includes total funding of $151.4 billion for all TK-12 education programs, including $91.1 billion from the State's general fund and $60.3 billion from other funds. The 2026-27 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, educator workforce, and preschool.

Certain budgeted programs and adjustments for TK-12 education set forth in the 2026-27 State Budget include the following:

- Proposition 98 Minimum Guarantee. The 2026-27 State Budget projects Proposition 98 funding levels of $124.9 billion in fiscal year 2024-25, $125.3 billion in fiscal year 2025-26, and $128.1 billion in fiscal year 2026-27. The Proposition 98 minimum guarantee is in Test 1 for fiscal years 2024-25 through 2026-27, meaning that the funding level of the Proposition 98 minimum guarantee for such fiscal years is equal to approximately 40% of the State's general fund revenues, plus local property tax revenues. Pursuant to the Proposition 98 formula, this percentage of State general fund revenues is not reduced to reflect enrollment adjustments, which further increases per pupil funding. The Proposition 98 formula requires an $8.3 billion maintenance factor payment in fiscal year 2024-25, to be paid in addition to the Proposition 98 minimum guarantee level, which will fully retire the Proposition 98 maintenance factor balance. The 2026-27 State Budget maintains a $3.9 billion settle-up amount in fiscal year 2025-26. In spring 2027, if revenues remain at the same or higher levels for fiscal year 2025-26, the State is statutorily required to pay this amount back to TK-14 schools and the State will need to schedule its payment in the State budget for fiscal year 2027-28, either from funds available in that budget or scheduled across multiple budget years. The 2026-27 State Budget also includes a $1.9 billion settle-up payment in fiscal year 2024-25, completely paying off the settle-up owed to the Proposition 98 minimum guarantee in that fiscal year.

- Proposition 98 Rainy Day Fund. The 2026-27 State Budget projects mandatory deposits into the Proposition 98 Rainy Day Fund across the three-year budget window totaling $8.7 billion. To provide additional long-term budget stability, the 2026-27 State Budget includes a discretionary deposit of $500.0 million in fiscal year 2025-26, leaving the final balance in the Proposition 98 Rainy Day Fund at $9.2 billion. The $9.2 billion balance in fiscal year 2025-26 triggers school district reserve caps beginning in fiscal year 2026-27. See "– *School District Reserves*" and "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – *SB 751*."

- Rebench for Non-Local Educational Agency State Preschool Program. Historically, California State Preschool Program contractors that are not local educational agencies have received non-

Proposition 98 general fund resources, while local educational agency contractors have received Proposition 98 general fund resources. To reduce programmatic complexity, the 2026-27 State Budget changes the funding source for non-local educational agency State Preschool Program providers to Proposition 98 general fund resources. To allow for this transition without negatively impacting Proposition 98 general fund-supported programs, the 2026-27 State Budget "rebenches" Proposition 98 by expanding it in proportion to the size of the incoming program. Specifically, the 2026-27 State Budget shifts $813.0 million from the State's general fund to the Proposition 98 general fund and increases the Proposition 98 minimum guarantee Test 1 percentage from 39.3% to 39.6%.

- Local Control Funding Formula. The 2026-27 State Budget includes a statutory LCFF cost-of-living adjustment of 2.87%, which, when combined with population growth adjustments, will result in an increase of approximately $1.1 billion in discretionary funds for LEAs as compared to the State budget for fiscal year 2025-26. Additionally, the 2026-27 State Budget includes $1.1 billion to further increase funding for the LCFF. This discretionary investment, commonly referred to as a "super COLA," results in a total statutory plus discretionary LCFF cost-of-living adjustment of 4.31%. The 2026-27 State Budget also includes an ongoing increase of $31.3 million in Proposition 98 general fund resources to provide a 20% increase in LCFF funding for Necessary Small Schools. This additional funding will help the smallest schools in the State maintain instructional programming when student population fluctuates.

- Special Education. The 2026-27 State Budget reflects an increase of $2.4 billion in special education funding for students with disabilities, or 43% over the State budget for fiscal year 2025-26. These funds will allow all LEAs in the State to receive special education funding at the same rate and will increase the per-student funding rate to $1,340. The 2026-27 State Budget also includes an ongoing allocation of $80.0 million for the special education extraordinary cost pool and the low-incidence disabilities add-on, a one-time increase of $30.0 million for the Supporting Inclusive Practices Project, a one-time increase of $25.0 million for the Inclusive College Technical Assistance Center, and a one-time investment of $10.0 million to support alternative pathways and alternative means to a high school diploma for students with disabilities.

- Student Support and Professional Development Discretionary Block Grant. The 2026-27 State Budget provides $5.0 billion in one-time Proposition 98 general fund resources for the Student Support and Professional Development Discretionary Block Grant. These funds will provide LEAs with additional fiscal support to address rising costs, as well as fund Statewide priorities.

- Community Schools. The 2026-27 State Budget includes $1.0 billion in ongoing Proposition 98 general fund resources to expand the community school model to more school sites that have large concentrations of students from low-income families, English learners, and youth in foster care.

- Literacy and Math Instruction. The 2026-27 State Budget provides a one-time increase of $350.0 million to extend funding for the Literacy Coaches and Reading Specialists Grant Program for all grantees until June 30, 2031.

- Teacher Preparation and Professional Development. The 2026-27 State Budget includes nearly $750.0 million in new investments to address teacher shortages, including, but not limited to: (1) an additional $408.0 million in one-time Proposition 98 general fund resources for the Student Teacher Stipend Program to extend the program and provide an additional $5,000 stipend for student teachers pursuing a credential in a high-need field; and (2) $250.0 million in one-time

Proposition 98 general fund resources to continue educator residency programs through fiscal year 2029-30.

- Support for Immigrant Students. The 2026-27 State Budget includes new investments to the State's TK-12 immigrant and newcomer students, including but not limited to: (1) $100.0 million in one-time Proposition 98 general fund resources for the State Department of Education, in consultation with the Department of Social Services, to establish the California's New Americans in Schools program to provide supportive services for newcomer pupils, English learners, and immigrant families; and (2) $75.0 million in one-time Proposition 98 general fund resources to establish Dream Resource Centers at high schools serving grades 9-12 to support pupils with social services, State-funded immigration legal services, academic opportunities, and parent and family workshops.

- Early Education. The 2026-27 State Budget includes funding to strengthen State preschool and early education programs, the 2026-27 State Budget, including but not limited to, $250.0 million in one-time Proposition 98 general fund resources for the Universal Prekindergarten Planning & Implementation Grant, which supports expansion of high-quality State preschool and transitional kindergarten programs for two-, three-, and four-year-old students throughout the State.

Additional budgeted programs and adjustments for TK-12 education set forth in the 2026-27 State Budget include the following:

- Learning Recovery Emergency Block Grant. The 2026-27 State Budget provides $757.3 million in one-time Proposition 98 general fund resources to support the Learning Recovery Emergency Block Grant, which provides funds to LEAs to establish learning recovery initiatives through the 2027-28 school year. This investment is the final payment to this program, which has received multi-year investments totaling $7.2 billion in past budgets to support schools in learning recovery efforts related to the COVID-19 pandemic.

- Kitchen Infrastructure and Training. The 2026-27 State Budget provides $500.0 million in one-time Proposition 98 general fund resources for specialized kitchen equipment, infrastructure, and training to support schools in providing more freshly prepared meals made with locally grown ingredients.

- Support for Students Experiencing Homelessness. The 2026-27 State Budget provides $116.0 million in one-time Proposition 98 general fund resources to provide three-year grants to LEAs to increase identification of, and improve educational outcomes for, students experiencing homelessness.

- Dual Enrollment. The 2026-27 State Budget provides $100.0 million in one-time Proposition 98 general fund resources to increase access to college and career pathways for high school students, including expanding access to dual enrollment and dual credit opportunities.

The complete 2026-27 State Budget is available from the California Department of Finance website at **www.dof.ca.gov** or **www.ebudget.ca.gov**. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Future Budgets and Budgetary Actions. The District cannot predict what future actions will be taken by the State legislature and the Governor to address changing State revenues and expenditures, collection and receipt of tax revenues, funding of delayed investments, implementation of federal policy changes, or 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 beyond the District's ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash and could impair the State's ability to fund schools during the current fiscal year and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the Bonds are payable from *ad valorem* property taxes, the 2026-27 State Budget is not expected to have a material impact on the payment of the Bonds.

School District Reserves. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total State 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 A.D.A. Payments allocated to the Proposition 98 Rainy Day Fund under the fiscal year 2021-22 State budget and the fiscal year 2022-23 State budget triggered a reserve cap for school districts in fiscal years 2022-23 and 2023-24, respectively. The balance in the Proposition 98 Rainy Day Fund in fiscal year 2025-26 triggers school district reserve caps beginning in fiscal year 2026-27. See "*– 2026-27 State Budget*" above. School districts may need to access their local reserves in light of operational needs that may exceed expected funding under LCFF in a given fiscal year.

The District, which has an average daily attendance of less than 250,000 (but greater than 30,001), is required to maintain a reserve for economic uncertainty in an amount equal to 2% of its general fund expenditures and other financing uses. At the time of preparation of its fiscal year 2026-27 budget, the District projects it will meet the 2% statutory reserve requirement in fiscal years 2026-27 through 2028-29. The District projects it will not need to use its existing general fund balance in fiscal year 2026-27 to meet its obligations.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in fiscal year 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund ("ERAF") in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as "Proposition 22."

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment will be to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert $1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset

State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of $1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved (see "*– Dissolution of Redevelopment Agencies*" below). Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 1, 2010. Because Proposition 22 reduces the State's authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years – such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Dissolution of Redevelopment Agencies. The adopted State budget for fiscal year 2011-12, as signed by the Governor on June 30, 2011, included as trailer bills Assembly Bill No. 26 (First Extraordinary Session) ("AB1X 26") and Assembly Bill No. 27 (First Extraordinary Session) ("AB1X 27"), which the Governor signed on June 29, 2011. AB1X 26 suspended most redevelopment agency activities and prohibited redevelopment agencies from incurring indebtedness, making loans or grants, or entering into contracts after June 29, 2011. AB1X 26 dissolved all redevelopment agencies in existence and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. Certain provisions of AB1X 26 are described further below.

In July 2011, various parties filed an action before the Supreme Court of the State of California (the "Court") challenging the validity of AB1X 26 and AB1X 27 on various grounds (*California Redevelopment Association v. Matosantos*). On December 29, 2011, the Court rendered its decision in *Matosantos* upholding virtually all of AB1X 26 and invalidating AB1X 27. In its decision, the Court also modified various deadlines for the implementation of AB1X 26. The deadlines for implementation of AB1X 26 described below take into account the modifications made by the Court in *Matosantos*.

On February 1, 2012, and pursuant to *Matosantos*, AB1X 26 dissolved all redevelopment agencies in existence and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency, will be transferred to the control of its successor agency and, unless otherwise required pursuant to the terms of an enforceable obligation, distributed to various related taxing agencies pursuant to AB1X 26.

AB1X 26 requires redevelopment agencies to continue to make scheduled payments on and perform obligations required under its "enforceable obligations." For this purpose, AB1X 26 defines "enforceable obligations" to include "bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of outstanding bonds of the former redevelopment agency" and "any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy." AB1X 26 specifies that only payments included on an "enforceable obligation payment schedule" adopted by a redevelopment agency shall be made by a redevelopment agency until its dissolution. However, until a successor agency adopts a "recognized obligation payment schedule" the only payments permitted to be made are payments on enforceable obligations included on an enforceable obligation payment schedule. A successor agency may amend the enforceable obligation payment schedule at any public meeting, subject to the approval of its oversight board.

Under AB1X 26, commencing February 1, 2012, property taxes that would have been allocated to each redevelopment agency if the agencies had not been dissolved will instead be deposited in a "redevelopment property tax trust fund" created for each former redevelopment agency by the related county auditor-controller and held and administered by the related county auditor-controller as provided in AB1X 26. AB1X 26 generally requires each county auditor-controller, on May 16, 2012 and June 1, 2012 and each January 16 and June 1 (now each January 2 and June 1 pursuant to AB 1484, as described below) thereafter, to apply amounts in a related redevelopment property tax trust fund, after deduction of the county auditor-controller's administrative costs, in the following order of priority:

- To pay pass-through payments to affected taxing entities in the amounts that would have been owed had the former redevelopment agency not been dissolved; provided, however, that if a successor agency determines that insufficient funds will be available to make payments on the recognized obligation payment schedule and the county auditor-controller and State Controller verify such determination, pass-through payments that had previously been subordinated to debt service may be reduced;

- To the former redevelopment agency's successor agency for payments listed on the successor agency's recognized obligation payment schedule for the ensuing six-month period;

- To the former redevelopment agency's successor agency for payment of administrative costs; and

- Any remaining balance to school entities and local taxing agencies.

The District received approximately $21.4 million in pass-through payments in fiscal year 2025-26 and projects receipt of approximately $21.4 million in pass-through payments in fiscal year 2026-27.

It is possible that there will be additional legislation proposed and/or enacted to "clean up" various inconsistencies contained in AB1X 26 and there may be additional legislation proposed and/or enacted in the future affecting the current scheme of dissolution and winding up of redevelopment agencies currently contemplated by AB1X 26. For example, AB 1484 was signed by the Governor on June 27, 2012, to clarify and amend certain aspects of AB1X 26. AB 1484, among other things, attempts to clarify the role and requirements of successor agencies, provides successor agencies with more control over agency bond proceeds and properties previously owned by redevelopment agencies and adds other new and modified requirements and deadlines. AB 1484 also provides for a "tax claw back" provision, wherein the State is authorized to withhold sales and use tax revenue allocations to local successor agencies to offset payment of property taxes owed and not paid by such local successor agencies to other local taxing agencies. This "tax claw back" provision has been challenged in court by certain cities and successor agencies. The District cannot predict the outcome of such litigation and what effect, if any, it will have on the District. Additionally, no assurances can be given as to the effect of any such future proposed and/or enacted legislation on the District.

Allocation of State Funding to School Districts; Local Control Funding Formula

Prior to the implementation of the Local Control Funding Formula in fiscal year 2013-14, under Section 42238 *et seq.* of the State Education Code, each school district was determined to have a target funding level: a "base revenue limit" per student multiplied by the district's student enrollment measured in units of average daily attendance. The base revenue limit was calculated from the district's prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district was the amount needed to reach that district's base revenue limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State "equalization aid." To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State's contribution; ultimately, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State equalization aid, and received only its special categorical aid, which is deemed to include the "basic aid" of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. Such districts were known as "basic aid districts," which are now referred to as "community funded districts." School districts that received some equalization aid were commonly referred to as "revenue limit districts," which are now referred to as "LCFF districts." The District is an LCFF district.

Beginning in fiscal year 2013-14, the LCFF replaced the revenue limit funding system and most categorical programs, and distributes combined resources to school districts through a base revenue limit funding grant ("Base Grant") per unit of A.D.A. with additional supplemental funding allocated to local educational agencies based on their proportion of English language learners, students from low-income families and foster youth. The LCFF originally had an eight year implementation program to incrementally close the gap between actual funding and the target level of funding, as described below. In fiscal year 2018-19, the LCFF was fully funded ahead of the eight year implementation schedule. The LCFF includes the following components:

- A Base Grant for each local educational agency ("LEA"). The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2026-27, the LCFF provided to school districts and charter schools: (a) a Target Base Grant for each LEA equivalent to $11,811 per A.D.A. for kindergarten through grade 3; (b) a Target Base Grant for each LEA equivalent to $10,860 per A.D.A. for grades 4 through 6; (c) a Target Base Grant for each LEA equivalent to $11,181 per A.D.A. for grades 7 and 8; and (d) a Target Base Grant for each LEA equivalent to $13,295 per A.D.A. for grades 9 through 12. However, the amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants will be subject to the discretion of the State. The Base Grant amount for fiscal year 2026-27 includes a cost-of-living adjustment of 4.31%.

- A 20% Supplemental Grant for the unduplicated number of English language learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.

- An additional Concentration Grant equal to 65% of a local education agency's base grant, based on the number of unduplicated English Learners, free or reduced price meal-eligible students and foster youth served by the local agency that comprise more than 55% of the school district's or charter school's total enrollment.

- An Economic Recovery Target (the "ERT") that is intended to ensure that almost every LEA receives at least their pre-recession funding level (i.e., the fiscal year 2007-08 revenue limit per unit of A.D.A.), adjusted for inflation, at full implementation of the LCFF. Upon full implementation, LEAs would receive the greater of the Base Grant or the ERT.

Prior to fiscal year 2022-23, school districts received their LCFF apportionment based on the higher of their prior fiscal year or current fiscal year A.D.A. This apportionment method helped to temporarily mitigate the impact of LCFF funding losses on school districts that result from declining enrollment. To further mitigate the impact of LCFF funding losses in light of the COVID-19 pandemic, the fiscal year 2020-21 State budget included a temporary hold harmless provision for the purpose of calculating apportionments in fiscal year 2020-21 in which A.D.A. for fiscal year 2020-21 was based on fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020). The fiscal year 2021-22 State budget did not extend the A.D.A. hold harmless provision to fiscal year 2021-22.

Nonetheless, in fiscal year 2021-22, school districts still retained the ability to receive their LCFF apportionment based on the higher of their prior fiscal year or current fiscal year A.D.A. in accordance with the LCFF.

The fiscal year 2022-23 State budget, as amended (the "2022-23 State Budget") amended the LCFF calculation to consider the greater of a school district's current fiscal year, prior fiscal year, or the average of three prior fiscal years' A.D.A. to allow school districts more time to adjust to enrollment-related LCFF funding declines. For purposes of fiscal year 2021-22, a school district that can demonstrate it provided independent study offerings to students in fiscal year 2021-22 may consider the greater of such school district's fiscal year 2021-22 A.D.A. or such school district's fiscal year 2021-22 enrollment adjusted for pre-COVID-19 absence rates. Such adjustment is applicable to fiscal year 2021-22 for purposes of calculating a school district's fiscal year 2021-22 annual apportionment and calculating a school district's prior year A.D.A. or the average of three prior years' A.D.A. in fiscal year 2022-23 and future fiscal years in accordance with the amendments made in connection with the 2022-23 State budget.

Under LCFF, for community funded districts, local property tax revenues would be used to offset up to the entire allocation under the new formula. However, community funded districts continue to receive the same level of State aid as allocated under the prior revenue limit funding system in fiscal year 2012-13.

Local Control Accountability Plans. A feature of the LCFF is a system of support and intervention for local educational agencies. School districts, county offices of education and charter schools are required to develop, implement and annually update a three-year local control and accountability plan ("LCAP"). Each LCAP must be developed with input from teachers, parents and the community, and should describe local goals as they pertain to eight areas identified as state priorities, including student achievement, parent engagement and school climate, as well as detail a course of action to attain those goals. Moreover, the LCAPs must be designed to align with the district's budget to ensure adequate funding is allocated for the planned actions.

Each school district must submit its LCAP annually on or before July 1 for approval by its county superintendent, or in the case of the District, the State Superintendent. The State Superintendent then has until August 15 to seek clarification regarding the contents of the LCAP, and the school district must respond in writing. The State Superintendent can submit recommendations for amending the LCAP, and such recommendations must be considered, but are not mandatory. A school district's LCAP must be approved by its county superintendent, or by the State Superintendent, by October 8 of each year if such superintendent finds (i) the LCAP adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the strategies outlined in the LCAP.

Performance evaluations are to be conducted to assess progress toward goals and guide future actions. County superintendents, or the State Superintendent, as applicable, are expected to review and provide support to the school districts under their jurisdiction, while the State Superintendent of Public Instruction performs a corresponding role for county offices of education. The California Collaborative for Education Excellence (the "Collaborative"), a newly established body of educational specialists, was created to advise and assist local educational agencies in achieving the goals identified in their LCAPs. For local educational agencies that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent of Public Instruction would have authority to make changes to a local educational agency's LCAP.

Attendance and Enrollment. Lower birth rates and increased migration out of State have resulted in long-term declining enrollment across State schools. Enrollment can fluctuate due to factors such as population growth, competition from private and parochial schools, inter-district transfers in or out, economic conditions, and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to adjust fixed operating costs. The District's A.D.A. and enrollment, including special education, for fiscal years 2017-18 through 2026-27 is set forth in the following table.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
Average Daily Attendance and Student Enrollment
Fiscal 2017-18 through 2026-27

Year	Average Daily Attendance[1]	Enrollment
2017-18	50,802	52,592
2018-19	50,200	52,468
2019-20	50,107	52,778
2020-21[2]	50,107	52,044
2021-22[2]	44,640	49,046
2022-23	44,864	49,131
2023-24	45,298	48,960
2024-25	45,212	49,153
2025-26	45,242	48,768
2026-27[3]	44,791	48,267

(1) Includes elementary, middle and high school students in opportunity classes, home and hospital, special day class and continuation education. Excludes independent charter schools. These figures represent P-2 A.D.A. for both District and County Office programs combined. A.D.A. for each year, except for fiscal year 2026-27, is for the second period of attendance, typically in mid-April of each school year.
(2) For fiscal years 2020-21 and 2021-22, the District utilized fiscal year 2020-21 A.D.A. to project funding under the LCFF. This estimate is typically based on A.D.A. as of the end of the seventh school month in the prior year, covering a portion of the school year referred to as Period 2 ("P-2"). However, due to school closures to protect students and staff from the COVID-19 pandemic, the P-2 data for fiscal years 2020-21 and 2021-22 reflects attendance through February 29, 2020.
(3) Budgeted.
Source: The District.

Attendance and LCFF. The following table sets forth the District's actual and budgeted A.D.A., enrollment (including percentage of students who are English language learners, from low-income families and/or foster youth (collectively, "EL/LI Students")), and targeted Base Grant per unit of A.D.A. for fiscal years 2017-18 through 2026-27, respectively. The A.D.A. and enrollment numbers reflected in the following table include special education but exclude adult education.

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SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Average Daily Attendance, Enrollment and Targeted Base Grant
Fiscal Years 2017-18 through 2026-27

		A.D.A./Base Grant					Enrollment[14]	
Fiscal Year		TK-3	4-6	7-8	9-12	Total A.D.A.	Total Enrollment	Unduplicated Percent of EL/LI Students
2017-18	A.D.A.[2]:	17,036	11,866	7,109	14,791	50,802	52,592	62.19%
	Targeted Base Grant[3][4]:	$7,941	$7,301	$7,518	$8,939	--	--	--
2018-19	A.D.A.[2]:	16,780	11,287	7,190	14,943	50,200	52,468	61.26
	Targeted Base Grant[3][5]:	$8,235	$7,571	$7,796	$9,269	--	--	--
2019-20	A.D.A.[2]:	16,733	11,211	6,965	15,198	50,107	52,778	59.99
	Targeted Base Grant[3][6]:	$8,503	$7,818	$8,050	$9,572	--	--	--
2020-21	A.D.A.[2]:	16,733	11,211	6,965	15,198	50,107	52,044	59.99
	Targeted Base Grant[3][7]:	$8,503	$7,818	$8,050	$9,572	--	--	--
2021-22	A.D.A.[2]:	14,030	10,141	6,219	14,250	44,640	49,046	58.20
	Targeted Base Grant[3][8]:	$8,935	$8,215	$8,458	$10,057	--	--	--
2022-23	A.D.A.[2]:	14,439	10,212	6,094	14,119	44,864	49,131	58.74
	Targeted Base Grant[3][9]:	$10,119	$9,304	$9,580	$11,391	--	--	--
2023-24	A.D.A.[2]:	14,933	10,205	6,242	13,918	45,298	48,960	59.59
	Targeted Base Grant[3][10]:	$10,951	$10,069	$10,367	$12,327	--	--	--
2024-25	A.D.A.[2]:	14,948	10,153	6,323	13,787	45,212	49,153	60.23
	Targeted Base Grant[3][11]:	$11,068	$10,177	$10,478	$12,460	--	--	--
2025-26	A.D.A.[2]:	15,155	10,194	6,265	13,628	45,242	48,768	60.01
	Targeted Base Grant[3][12]:	$11,323	$10,411	$10,719	$12,746	--	--	--
2026-27[1]	A.D.A.:	15,003	10,092	6,202	13,493	44,791	48,267	59.67
	Targeted Base Grant[3][13]:	$11,811	$10,860	$11,181	$13,295	--	--	--

(1) Figures are projections.
(2) A.D.A. for the second period of attendance, typically in mid-April of each school year.
(3) Such amounts represent the targeted amount of Base Grant per unit of A.D.A., and do not include any supplemental and concentration grants under the LCFF. Such amounts were not fully funded until fiscal year 2018-19.
(4) Targeted fiscal year 2017-18 Base Grant amount reflects a 1.56% cost-of-living adjustment from targeted fiscal year 2016-17 Base Grant amounts.
(5) Targeted fiscal year 2018-19 Base Grant amount reflects a 3.70% cost-of-living adjustment from targeted fiscal year 2017-18 Base Grant amounts.
(6) Targeted fiscal year 2019-20 Base Grant amount reflects a 3.26% cost-of-living adjustment from targeted fiscal year 2018-19 Base Grant amounts.
(7) Targeted fiscal year 2020-21 Base Grant amount reflects a 0.0% cost-of-living adjustment from targeted fiscal year 2019-20 Base Grant amounts.
(8) Targeted fiscal year 2021-22 Base Grant amount reflects a 4.05% cost-of-living adjustment from targeted fiscal year 2020-21 Base Grant amounts.
(9) Targeted fiscal year 2022-23 Base Grant amount reflects an 6.56% cost-of-living adjustment from targeted fiscal year 2021-22 Base Grant amounts, and a 6.70% discretionary increase in Base Grant funding.
(10) Targeted fiscal year 2023-24 Base Grant amount reflects an 8.22% cost-of-living adjustment from targeted fiscal year 2022-23 Base Grant amounts.
(11) Targeted fiscal year 2024-25 Base Grant amount reflects a 1.07% cost-of-living adjustment from targeted fiscal year 2023-24 Base Grant amounts.
(12) Targeted fiscal year 2025-26 Base Grant amount reflects a 2.30% cost-of-living adjustment from targeted fiscal year 2024-25 Base Grant amounts.
(13) Targeted fiscal year 2026-27 Base Grant amount reflects a 4.31% cost-of-living adjustment from targeted fiscal year 2025-26 Base Grant amounts.
(14) Except for fiscal year 2022-23, reflects enrollment as of October report submitted to the CBEDS in each school year. For purposes of calculating Supplemental and Concentration Grants, a school district's fiscal year 2013-14 percentage of unduplicated EL/LI Students was expressed solely as a percentage of its fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI Students enrollment was based on the two-year average of EL/LI Students enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, the percentage of unduplicated EL/LI Students was and will be based on a rolling average of such school district's EL/LI Students enrollment for the then-current fiscal year and the two immediately preceding fiscal years.
Source: The District.

The District received approximately $687.5 million in aggregate revenues allocated under the LCFF in fiscal year 2025-26, and projects receipt of approximately $713.2 million in aggregate revenues under the LCFF in fiscal year 2026-27 (or approximately 52.3% of its unrestricted general fund revenues in fiscal year 2026-27). Such amount includes a projected $64.6 million in supplemental grants and $16.4 million in concentration grants in fiscal year 2026-27.

Local Sources of Education Funding

General. The principal component of local revenues is a school district's property tax revenues, i.e., each district's share of the local 1% property tax, received pursuant to Sections 75 *et seq.* and Sections 95 *et seq.* of the State Revenue and Taxation Code. Section 42238(h) of the State Education Code itemizes the local revenues that are counted towards the amount allocated under the LCFF (and formerly, the base revenue limit) before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to receive. Prior to the implementation of the LCFF, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State aid, and received only its special categorical aid which is deemed to include the "basic aid" of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. Such districts were known as "basic aid districts." School districts that received some State aid were commonly referred to as "revenue limit districts." The District was a revenue limit district and is now referred to as an LCFF district.

Under the LCFF, local property tax revenues are used to offset up to the entire State aid collection under the new formula; however, community funded districts would continue to receive, at a minimum, the same level of State aid as allotted in fiscal year 2012-13. See "*− Allocation of State Funding to School Districts; Local Control Funding Formula*" above for more information about the LCFF.

Local property tax revenues accounted for approximately 24.1% of the District's total general fund revenues in fiscal year 2025-26, and are projected to be approximately $329.0 million, or 24.1% of total general fund revenues in fiscal year 2026-27.

For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Effect of Changes in Enrollment. Changes in local property tax income and A.D.A. affect LCFF districts and community funded districts differently. In an LCFF district, increasing enrollment increases the total amount distributed under the LCFF and thus generally increases a district's entitlement to State equalization aid, while increases in property taxes do nothing to increase district revenues, but only offset the State funding requirement of equalization aid. Operating costs increase disproportionately slowly to enrollment growth; and only at the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State equalization aid, while operating costs decrease slowly and only when, for example, the district decides to lay off teachers or close schools.

In community funded districts, the opposite is generally true: increasing enrollment increases the amount to which the district would be entitled were it an LCFF district, but since all LCFF income (and more) is already generated by local property taxes, there is no increase in State income, other than the $120 per student in basic aid, as described above. Meanwhile, as new students impose increased operating costs, property tax income is stretched further. Declining enrollment does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Losses in enrollment will cause a school district to lose operating revenues, without necessarily permitting the District to make adjustments in fixed operating costs.

The District cannot make any predictions regarding how the current economic environment or changes thereto will affect the State's ability to meet the revenue and spending assumptions in the State's adopted budget, and the effect of these changes on school finance. The District's adopted budget and projected A.D.A. are used for planning purposes only, and do not represent a prediction as to the actual financial performance, attendance, or the District's actual funding level for the current fiscal year or beyond. Certain adjustments will have to be made throughout the year based on actual State funding and actual attendance.

Other District Revenues

Federal Revenues. The federal government provides funding for several District programs, including special education programs. Federal revenues, most of which are restricted, comprise approximately 3.5% (or approximately $48.1 million) of the District's general fund projected revenues for fiscal year 2026-27.

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 particular, such funding may be impacted by the executive order signed by President Trump on March 20, 2025, to begin dismantling the U.S. Department of Education. On June 30, 2025, the Trump Administration announced it would be withholding approximately $6.8 billion in federal funding due to be released on July 1, 2025 for certain Title I, II, III and IV programs, including migrant education, professional development, English-learner services, academic enrichment, before-and after-school programs, and adult basic and literacy education. In the June 30, 2025 announcement, the Trump Administration stated that such program grants were under review and no decision had yet been made for the upcoming academic year.

In addition, on January 27, 2025, the U.S. Office of Management and Budget ("OMB") issued a memorandum directing federal agencies to temporarily pause all activities related to the obligation or disbursement of federal financial assistance, and other relevant activities, that may be implicated by recent executive orders issued under the Trump Administration. On January 29, 2025, OMB rescinded the memorandum. Following the rescission, the White House press secretary noted that the rescission of the memorandum was "[not] a rescission of the federal funding freeze." Then, on January 31, 2025, a federal judge issued a temporary restraining order stating that the Trump Administration cannot pause, freeze, impede, block, cancel, or terminate federal financial-assistance obligations to the states. The U.S. Department of Education released a letter, dated February 14, 2025, notifying schools and colleges to eliminate diversity, equity, and inclusion programs and initiatives by the end of the month or risk losing federal funding.

The District cannot predict the extent of the impact of these changes nor whether such impact may materially affect the District's finances or operations.

Other State Revenues. In addition to State apportionments for Proposition 98 funding through the LCFF, the District receives other State revenues which comprise approximately 17.8% (or approximately $243.3 million) of the District's general fund projected revenues for fiscal year 2026-27. A significant portion of such other State revenues are amounts the District expects to receive from State lottery funds, a portion of which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. The District's State lottery revenue is projected at approximately $12.7 million for fiscal year 2026-27.

Other Local Revenues. In addition to *ad valorem* property taxes, the District receives additional local revenues from other local sources, such as interest earnings, which comprise approximately 26.4% (or approximately $360.0 million) of the District's general fund projected revenues for fiscal year 2026-27.

Parcel Tax – Proposition G and Proposition J. On June 5, 2018, voters within the District approved Proposition G (also known as the Living Wage Educators Act) by a majority vote, establishing an annual tax of $298 per parcel within the District, subject to annual inflation, for each year between July 1, 2018 and June 30, 2038. Proposition G was the subject of litigation. The District was successful in such litigation, and the courts upheld Proposition G, deeming that the parcel tax funds were properly set aside for the District. Subsequently, in fiscal year 2021-22 such funds in the amount of approximately $156 million were transferred to the District, consisting of $36 million of new revenue that had not been previously accounted for and which will be spent in accordance with the requirements of Proposition G, and $120 million, which is a reimbursement to the District for previously incurred Proposition G expenses. The $120 million includes forgiveness of a $26.6 million loan from the City. The City authorized forgiveness of such loan in March 2022.

On November 3, 2020, voters within the City approved Proposition J, replacing Proposition G with a new parcel tax establishing an annual tax rate of $288 per parcel, adjusted for inflation each year, from July 1, 2021 through June 30, 2038, resulting in estimated annual revenue to the District of $56.2 million in fiscal year 2026-27.

Parcel Tax – Quality Teacher & Education Act. The District also receives funding from the Quality Teacher & Education Act ("QTEA"), a parcel tax measure approved by the voters of the City and County of San Francisco in June 2008 (also known as Proposition A). The QTEA provides funding to the District for twenty years beginning in fiscal year 2008-09, and such parcel tax revenues are collected by the City and disbursed to the District. These resources assist in recruiting and retaining effective teachers, supporting innovative instructional strategies, increasing accountability, and improving the District's technology infrastructure. The QTEA is a qualified special tax, and established an annual tax of $198 per parcel commencing July 1, 2008, and adjusting for inflation each year thereafter by the San Francisco All Items Consumer Price Index for all Urban Consumers (CPI-I) as reported by the U.S. Department of Labor's Bureau of Labor Statistics. The District projects receiving an estimated annual revenue of $53.9 million in fiscal year 2026-27.

Parcel Tax – Proposition A. The District also receives funding from Proposition A, a parcel tax measure approved by the voters of the District in June 2010. Proposition A provides funding to the District for twenty years beginning in fiscal year 2010-11, and funds raised from the parcel tax can only be used for capital improvements. Proposition A is a renewal of an annual special tax of not to exceed $32.20 per parcel for single-family residential and nonresidential parcels and $16.10 per dwelling unit for mixed use and multi-family residential parcels, adjusted for inflation, for parcels within Community Facilities District No. 90-1. The District received $8.4 million of combined parcel tax revenues in fiscal year 2025-26 and projects receipt of $7.7 million of combined parcel tax revenues in fiscal year 2026-27.

Sales Tax – Proposition A. A special sales tax of 0.25% was approved by voters in 1993 and continues into perpetuity (also known as Proposition A). Portions of the sales tax revenues are allocated to the District and to San Francisco Community College District. The District received $44.0 million of

Proposition A sales tax funds in fiscal year 2025-26, and projects receipt of $45.0 million in fiscal year 2026-27.

Public Education Enrichment Fund (PEEF). In March 2004, San Francisco voters approved Proposition H, establishing the Public Education Enrichment Fund (PEEF) within the San Francisco City Charter, Section 16.123.1-10. On November 4, 2014, San Francisco voters approved Proposition C, the "Children and Families First" initiative in order to guarantee funding for PEEF through fiscal year 2040-41. The City provides annual contributions from its general fund to PEEF, in order to fund the improvement of quality of education for the youth of San Francisco. PEEF funding is split into two equal portions, with half of funding dedicated to sports, libraries, arts and music ("SLAM funding") and half dedicated as discretionary funding for other general uses programs that promote general education purposes. The funds are allocated to and managed by the District. The District's PEEF allocation for fiscal year 2025-26 was approximately $93.9 million and is projected to be approximately $102.1 million for fiscal year 2026-27. The District's allocation in fiscal years 2010-11 through 2040-41 is required to equal the amount for the prior fiscal year adjusted by the percentage of increase or decrease in the City's discretionary general fund revenues for that year. The District receives two-thirds of its annual PEEF allocation from the City, and the remaining one-third goes to the City's Department of Early Care and Education for support to preschool.

In addition, Proposition C further separated the City's previously established Rainy Day Reserve into a City Rainy Day Reserve and a School Rainy Day Reserve. If the City collects revenue that exceeds the revenue of the previous year by 5% or more, the City is required to deposit half of the excess revenue above the 5% increase into the Rainy Day Reserve; 75% of which is deposited into the City Rainy Day Reserve and 25% of which is deposited into the School Rainy Day Reserve. Amounts due to the School Rainy Day Reserve are now transferred to the District's Special Reserve Fund (defined herein). See " – Summary of District Revenues and Expenditures."

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with the definitions, instructions and procedures of the California School Accounting Manual, as required by the State Education Code. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are generally recognized in the period in which the liability is incurred.

Christy White, Inc. served as independent auditor to the District and its report for fiscal year ended June 30, 2025 is attached to this Official Statement as APPENDIX C. The District considers its audited financial statements to be public information, and accordingly no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit herein that there has been no material change in the financial condition of the District since the audit was concluded.

Summary of District Revenues and Expenditures

The following table summarizes the District's general fund revenues, expenditures and fund balances from fiscal years 2021-22 through 2025-26. See "– District Budget Process and City and County Review" for a general description of the annual budget process for State school districts. The District's audited financial statements for the year ending June 30, 2025 are reproduced in APPENDIX C. The final (unaudited) statement of receipts and expenditures for each fiscal year ending June 30 is required by State law to be approved by the Board of Education by September 15, and the audit report must be filed with the county superintendent of schools (if applicable) and State officials by December 15 of each year.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
General Fund Revenues, Expenditures and Fund Balances[(1)]
Fiscal Years 2021-22 through 2025-26

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Actuals	2025-26 Estimated Actuals
REVENUE/RECEIPTS					
LCFF Sources	$595,430,529	$658,899,172	$687,858,215	$677,458,488	$687,450,107
Federal Sources	145,458,563	69,030,579	69,516,149	43,774,760	50,261,265
Other State Sources	143,438,031	224,167,362	156,748,011	161,936,378	201,772,993
Other Local Sources	424,555,203	290,396,673	353,881,606	358,004,239	372,335,842
TOTAL	$1,308,882,326	$1,242,493,786	$1,268,003,981	$1,241,173,865	$1,311,820,206
EXPENDITURES/ DISBURSEMENTS					
Certificated Salaries	$437,920,315	$444,952,698	$475,700,242	$486,924,573	$490,159,481
Classified Salaries	153,557,322	154,462,150	179,668,318	189,747,972	198,380,656
Employee Benefits	328,971,964	282,529,180	295,328,776	296,816,358	306,459,391
Books and Supplies	35,488,113	32,439,855	37,973,216	40,460,321	47,511,042
Services/Other Operating Expenditures	159,620,029	186,204,429	215,657,499	236,505,862	249,670,874
Capital Outlay	2,032,233	1,498,146	1,803,995	4,627,929	17,682,222
Other Outgo	7,765,213	3,958,298	4,119,138	10,567,891	4,454,501
Other Outgo -Transfers of Indirect Costs	-	(2,212,288)	(1,348,517)	(2,896,590)	(5,318,948)
Debt Service - Interest	989,966	-	-	-	-
TOTAL	$1,126,345,155	$1,103,832,468	$1,208,902,667	$1,262,754,316	$1,308,999,218
Excess (Deficiency) of Revenues Over (Under) Expenditures	$182,537,171	$138,661,318	$59,101,314	$(21,580,451)	$2,820,988
OTHER FINANCING SOURCES/(USES)					
Transfers In/Other Sources	$3,779	-	$1,675	$1,782,989	-
Transfers Out/Other Uses[(2)]	(15,768,609)	$(18,369,684)	(19,371,266)	(17,113,984)	$(111,501,643)[(3)]
TOTAL	$(15,764,830)	$(18,369,684)	$(19,369,591)	$(15,330,995)	$(111,501,643)
EXCESS OF REVENUE, OTHER SOURCES OVER/ (UNDER) EXPENDITURES, OTHER USES	$166,772,341	$120,291,634	$39,731,723	$(36,911,446)	$(108,680,655)
Fund Balance, beginning of year	$126,222,035	$292,994,376	$413,286,010	$465,834,909[(5)]	$428,923,464
Audit Adjustments	-	-	$14,928,353[(4)]	-	-
Fund Balance, beginning of year (as adjusted)	$126,222,035	$292,994,376	$428,214,363	$465,834,909	$428,923,464
Fund Balance, end of year	$292,994,376	$413,286,010	$467,946,086[(5)]	$428,923,463	$320,242,809

(1) Columns may not sum to totals due to rounding.
(2) Transfers out have been directed to the Cafeteria Fund, the Child Development Fund, and/or the Special Reserve Fund for capital in each fiscal year.
(3) The "Transfer Out" of $111.5 million from the general fund in fiscal year 2025-26 was into the new Special Reserve Fund.
(4) The audit adjustment of $14,928,353 in fiscal year 2023-24 was due to the accrual of receivables for the Arts & Music Grant and to post current year payments for lease receivables.
(5) An audit adjustment of $2,111,177, due to a restatement of balances per GASB Statement Numbers 87 and 96, respectively, and to adjust lease receivables and deferred inflows related thereto, accounts for the difference between the fiscal year 2023-24 ending balance and the fiscal year 2024-25 beginning balance.
Sources: District audited actuals for fiscal years 2021-22 through 2024-25; District estimated actuals for fiscal year 2025-26.

The District is required by State law and regulation to maintain various reserves. The District is generally required to maintain a reserve for economic uncertainties in the amount of 2.0% of its total general fund expenditures, based on total student attendance. For fiscal year 2026-27, the District has projected a general fund reserve of 12.0%, or approximately $163.1 million. Substantially all funds of the District are required by law to be deposited with and invested by the Treasurer on behalf of the District, pursuant to law and the investment policy of the City. See APPENDIX F – "CITY AND COUNTY OF SAN FRANCISCO INVESTMENT POLICY AND INVESTMENT REPORT."

The Special Reserve Fund (the "Special Reserve Fund") was established by the Board of Education during the presentation of its first interim budget report for fiscal year 2025-26 at the December 9, 2025, Board of Education meeting. The Special Reserve Fund is used to help balance the District's general fund unrestricted deficit in the out years.

The creation of the Special Reserve Fund helps improve clarity and transparency by reporting the District's general fund reserve balances separately from the unrestricted general fund. Maintaining a reserve supports proactive, long-term planning and helps maintain consistent educational programs by providing a financial buffer during economic downturns or periods of rising uncontrollable costs. Reserves are designed to reduce funding volatility and help the District manage uncertainty.

Upon the Board of Education's approval of the first interim budget report for fiscal year 2025-26, $111.5 million (8% of total general fund expenditures) was transferred from the general fund to create the Special Reserve Fund. These funds are not intended for ongoing expenditures but may be used in the event of an urgent fiscal need. This transfer was approved by the Board of Education pursuant to an accompanying resolution and its Fiscal Reserve Policy.

The Special Reserve effectively consolidated the $40.0 million School Rainy Day Reserve and the $22.0 million Budget Stabilization Reserve.

Fiscal Status of the District

Fiscal Year 2021-22 Budget. Beginning in fiscal year 2018-19, the District began exhibiting signs of fiscal distress that progressed through the end of the fiscal year and carried into fiscal year 2019-20 and subsequent fiscal years. On September 15, 2021, the State Superintendent determined that the District's fiscal year 2021-22 adopted budget included multiyear projections indicating that the District might not satisfy its financial commitments and maintain required reserves in fiscal years 2022-23 and 2023-24, without implementing Board-approved budget reductions. As a result of its financial condition, the State Superintendent designated the District as a "lack of going concern" and took statutorily required actions as it would for a District with a qualified certification at an interim reporting period, including assigning a fiscal expert to advise the District on its financial issues; directing the District to engage with the Fiscal Crisis and Management Assistance Team ("FCMAT"), providing the State Superintendent with a Board-approved fiscal stabilization plan; and directing the District to submit a first interim report for fiscal year 2021-22 that included the Board-approved fiscal stabilization plan.

Fiscal Expert. In October 2021, the State Superintendent appointed Elliot Duchon to act as a fiscal expert (the "Fiscal Expert") to the District to assist the District in identifying budget reductions and advise the District on its financial issues. Prior to his appointment as Fiscal Expert, Mr. Duchon served as Superintendent of Jurupa Unified School District for 17 years. Mr. Duchon previously served as the Jurupa Unified School District's Deputy Superintendent of Business Services and Governmental Relations prior to his appointment as Superintendent. Prior to that, he served as an administrator at the Riverside County Office of Education, and before that as a teacher at Van Buren Elementary School. Mr. Duchon has a Bachelor's degree in political science and a Master's degree in education and psychology from the University of California, Riverside.

FCMAT Reports. In September 2021, the County Office of Education and FCMAT entered into a study agreement to conduct a fiscal health risk analysis of the County Office of Education (the "COE"). In October 2021, the District and FCMAT entered into a study agreement to conduct a fiscal health risk analysis of the District. On March 3, 2022, FCMAT delivered its fiscal health risk analysis of the District (the "District Fiscal Health Risk Analysis (2021)") which identified issues including: deficit spending; issues with budget development, monitoring and updating; and concerns about the District's ability to maintain sufficient reserves. In the District Fiscal Health Risk Analysis (2021), FCMAT identified budget monitoring as the area of most concern, and recommended that the District update its budget at least at each reporting period and articulate the budget revisions or clearly explain any known variances. The District Fiscal Health Risk Analysis (2021) also identified budget development and cash management as significant risk areas and recommended the use of position control as a basis for budget development and site allocations. Additionally, FCMAT raised concerns about the District's high compensation and benefits costs, and the District's practice of approving compensation increases prior to confirming sufficient funding for such increases. FCMAT reviewed twenty fiscal indicators in its analysis, noting that the greater the number of "no" answers to the questions in the analysis, the greater the potential risk of insolvency or fiscal issues for the District. Based on FCMAT's analysis, the District received a risk score which initially placed the District as "moderate risk"; however, FCMAT ultimately identified the District as "high risk" due to its going concern designation by the State Superintendent.

On March 3, 2022, FCMAT delivered its fiscal health risk analysis of the COE (the "COE Fiscal Health Risk Analysis"). Although the COE and the District are separate local education agencies, they are governed by the same Board of Education, managed by the same administration, and essentially operate as a single organization. Therefore, many issues found in FCMAT's analyses of both the District and the COE are shared by the two entities. The COE Fiscal Health Risk Analysis identified issues including: deficit spending; issues with budget development, monitoring and updating; and concerns about the ability to maintain sufficient reserves. In the COE Fiscal Health Risk Analysis, FCMAT identified budget monitoring as the area of most concern, and recommended that the COE update its budget at least at each reporting period and communicate any revisions or clearly explain any known variances. The COE Fiscal Health Risk Analysis also identified budget development as a significant risk area and recommended the use of position control as a basis for budget development. Additionally, FCMAT raised concerns about the COE's lack of planned expenditures of restricted funds before unrestricted funds, and FCMAT noted that the COE's restricted fund balance showed significant increases in the prior three years. FCMAT reviewed twenty fiscal indicators in its analysis, noting that the greater the number of "no" answers to the questions in the analysis, the greater the potential risk of insolvency or fiscal issues for the COE. Based on FCMAT's analysis, the COE received a risk score which initially placed the COE as "moderate risk"; however, FCMAT ultimately identified the COE as "high risk" due to its going concern designation by the State Superintendent.

In December 2023, the District and FCMAT entered into an agreement for FCMAT to conduct a fiscal health risk analysis of the District. On April 26, 2024, FCMAT delivered its fiscal health risk analysis of the District (the "District Fiscal Health Risk Analysis (2024)" and, together with the District Fiscal Health Risk Analysis (2021) and COE Fiscal Health Risk Analysis, the "Fiscal Health Risk Analyses"). FCMAT identified that the District continues to face fiscal challenges. Of the 20 sections reviewed in the District Fiscal Health Risk Analysis (2024), FCMAT identified the following issues: budget monitoring, cash management, collective bargaining, internal controls, enrollment and attendance, and position control. The District Fiscal Health Risk Analysis (2024) noted that it would be optimal for the District's long-term stability to have permanent employees in all positions. The District has lacked a qualified chief business official for several years and this has led to a lack of leadership, a lack of understanding of critical elements of school finance, and poor monitoring of the District's overall fiscal solvency. Additionally, nearly all of the District's classified positions, including managers, are hired through the City's civil services system, which significantly hinders the District's ability to hire for such positions. FCMAT noted the District's lack of collaboration with other school districts in the State as a cause for concern, and expressed that the District could benefit by learning from and/or collaborating with other local educational agencies in the State. Particularly, FCMAT noted that the District's financial system is a significant barrier that prevents the District from conducting business in an accurate, effective and efficient manner. The payroll and human resources modules are not part of the financial system, which has caused significant errors in payroll and benefits. The per-school funding allocation that the District uses hinders the District's ability to implement a position control system. FCMAT observed that the District is not following industry standards or best practices in this area, which negatively impacts the District's fiscal solvency. An inadequate position control system also affects the District's ability to comply with complex State and federal program regulations regarding how specified funds are intended to supplement rather than supplant existing funding, jeopardizing millions in funding.

For further information on FCMAT's review of and conclusions regarding the District's and COE's financial condition, investors are directed to read the full version of the Fiscal Health Risk Analyses, which are publicly available on FCMAT's website at the following address: https://www.fcmat.org/fcmat-reports. The information referred to is prepared by FCMAT and not by the District, and the District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Following the completion of the District Fiscal Health Risk Analysis (2021), the District took three major steps to address concerns raised by FCMAT: (1) establishing a Budget Balancing Plan (defined below), (2) dedicating $60 million to address long-term retiree health liabilities, and (3) identifying $40 million to restore its rainy day reserve. The District's Budget Balancing Plan was developed concurrently with the District Fiscal Health Risk Analysis (2021) and addresses many of the issues identified by FCMAT. Following the completion of the District Fiscal Health Risk Analysis (2024), the District has implemented several measures, including but not limited to (1) hiring staff with State K-12 experience in several critical leadership positions, including an Executive Director of Payroll, a Financial Services Officer, a Director of Budget, an Executive Director of Business Services, and a Director of Accounting, (2) sending staff to State-level business services and human resources conferences with a plan to continue and expand this practice as the District adopts a new enterprise resource planning ("ERP") system that is used by over 60% of districts in the State, (3) implementing a new financial system for the 2025-26 school year, which integrated the budget, accounting, procurement, fiscal, payroll, position control, procurement and contracts, and human resources modules, and moved away from over 12 separate systems to less than three systems, which changes are expected to make the District's operational systems more integrated, highly automated and efficient, (4) centralizing approach for staffing allocation, and (5) continuing reconciliation and assessment of overpayments. The District is in the process of implementing further controls and measures in compliance with the Fiscal Health Risk Analyses. See "– *Fiscal Stabilization Plan*" below.

Fiscal Recovery Plan. Between August and December 2021, the District actively prepared to address its structural budget deficit by following a Zero-Based Budgeting process to prioritize expenditures, as well as to explore opportunities to seek additional revenues. The District took steps to reduce deficit spending and developed a "Fiscal Recovery Plan" or "FRP." The FRP was designed to start in calendar year 2023 and conclude in calendar year 2025. The FRP identified 10 recovery recommendations. As further described below, the District implemented all the recovery recommendations identified in the FRP and as a result had a balanced budget in fiscal year 2023-24 and for two subsequent years in its multi-year projections. The Zero-Based Budget process aimed to prioritize District spending in three categories: Core Services, District Priorities, and Service Enhancements. Budget reductions were focused on Service Enhancements and an effort was made to identify ways to configure the delivery of Core and Priority services more efficiently, and preserve high leverage and high impact investments.

As part of the development of the proposed balancing plan, the District held a series of public meetings to share the proposal and staff analysis as well as to gather input from the Board of Education and the public. Staff engaged with school site leaders, labor partners, parent groups, and other stakeholders who shared valuable perspectives that informed District strategies. By organizing the budget processes in this way, all effort was made to minimize harm to students as a result of budget cuts.

The District ultimately adopted its Fiscal Year 2022-23 and Fiscal Year 2023-24 Budget Balancing Plan (the "Budget Balancing Plan") on December 14, 2021, along with the District's first interim budget report. At that time, the Budget Balancing Plan identified $90 million expenditure reductions (costs for that fiscal year) and $35 million funding sources of each fiscal year, to address the projected budget deficits. Budget expenditure reductions were implemented to direct and indirect services, operations, and administration, and new funding sources included new State grants as well as prior and current year savings. As part of the Budget Balancing Plan, the District revised its Weighted Student Formula, which allocates funding to schools on a per-pupil basis according to enrollment and other student attributes, which has helped capture declining enrollment at schools, to more accurately reflect the projected number of students enrolled at such site.

On March 22, 2022, the District adopted an Update to the Fiscal Year 2022-23 and Fiscal Year 2023-24 Budget Balancing Plan (the "Budget Balancing Plan Update") which was included in its second interim budget report. The Budget Balancing Plan Update incorporated budget assumptions from the Proposed 2022-23 State Budget, and identified $49 million of expenditure reductions (current year costs) and $76 million funding sources and shifts of expenditures onto restricted sources, which addressed projected deficits.

In July 2023, negotiations with the District's three largest labor organizations resulted in unprecedented salary increases which negatively impacted the District's fiscal position. It was projected that salary increases would cost approximately $172.0 million for fiscal year 2023-24 and increase to $178.9 million in fiscal year 2024-25. This necessitated a reduction in expenditures of approximately $103.1 million in fiscal year 2024-25. The first interim budget report for fiscal year 2023-24 included certain budget shifts and reductions in ongoing expenditures. Additionally, the District acknowledged that $52.0 million in ongoing expenditure reductions from the unrestricted general fund for fiscal year 2025-26 were necessary in order to remain fiscally solvent. In December 2023, the District's first interim budget report included budget maneuvers, including $48.3 million in expenditures moved to restricted resources with a plan to eliminate equivalent expenditures for fiscal year 2024-25 unless other restricted funds were identified to cover costs, $40.0 million in ongoing reductions from the unrestricted general fund for fiscal year 2023-24, $95.3 million in ongoing expenditure reductions from the unrestricted general fund for fiscal year 2024-25, and $7.7 million in ongoing expenditure shifts to resources for fiscal year 2024-25. While these shifts allowed the District the ability to maintain the minimum 2% reserve level, the shifts did not address the structural deficit and need for additional budget balancing solutions. As a result, the District filed a qualified first interim budget certification for fiscal year 2023-24.

The District's second interim budget report for fiscal year 2023-24 included a breakdown of action items that were incorporated into the budget for fiscal year 2023-24 and action items that would be incorporated into the budget for fiscal year 2024-25. These action items include $48.3 million in expenditures moved to one-time restricted resources in fiscal year 2023-24, transfer of $28.3 million from restricted funds to the general fund to be incorporated into the budget for fiscal year 2024-25, and a reduction of $15.8 million due to vacant position eliminations. The remaining $24.2 million in reductions were proposed to be incorporated into the adopted budget for fiscal year 2024-25. The California Department of Education reviewed the District's second interim budget report for fiscal year 2023-24 and assigned a negative certification. Due to the negative certification, the California Department of Education required the District to work with fiscal advisors and submit a fiscal stabilization plan by July

1, 2024 to resolve the ongoing deficit in the budget for fiscal year 2024-25 and the two subsequent fiscal years.

On May 3, 2024, the State Superintendent appointed Elliot Duchon and Pam Lauzon to act as fiscal advisors (the "Fiscal Advisors") to the District to assist the District in identifying budget reductions and advise the District on its financial issues. Since then, the District has been working with the California Department of Education and Fiscal Advisors to address the deficit spending with detailed, specific actions and timelines.

Fiscal Stabilization Plan. On June 11, 2024, the Board of Education established a committee to monitor the District's plans and progress toward achieving fiscal and operational health, and review and provide input on the District's fiscal stabilization plan, formerly known as the Fiscal Recovery Plan (the "Fiscal Stabilization Plan"). The Fiscal Stabilization Plan is being updated and approved by the Board of Education on an ongoing basis. An update to the plan was approved by the Board of Education on March 11, 2025, and included approximately $103.0 million and $13.0 million in budget balancing solutions for fiscal years 2025-26 and 2026-27, respectively. The budget solutions included a combination of: (i) decreasing expenditures by reduction or elimination of management, certificated and classified employees and eliminating hundreds of vacant positions; (ii) reducing operating expenses and contributions to restricted programs such as special education, and reducing rentals, leases, repairs, and non-capital expenditures; (iii) reducing supplemental budgets from unrestricted and restricted resources and eliminating expenses funded by expiring sources; and (iv) increasing revenues through enrollment to ADA analysis and LCFF re-calculation. The Board of Education approved layoff notices for classified and certificated staff which were delivered by May 15, 2025. Following the delivery of such notices, an update to the Fiscal Stabilization Plan provided additional details on the potential salary savings. The District is developing a supplemental hiring guide for school sites to support the use of school site restricted and discretionary funds for existing positions to reduce the reliance on unrestricted funds. Any new positions will continue to be subject to the hiring freeze. In addition, the District implemented an incentive plan that allowed the District to enhance retiree benefits and improve job security for existing employees while providing budget and staff planning solutions. The offering of the plan closed on February 21, 2025 with 352 employees opting for the voluntary early retirement. See "– Retirement Benefits – *SERP*."

The District submitted a third interim budget report to the California Department of Education in fiscal year 2024-25, which was submitted to the Board of Education in May 2025.

Payroll System. In January 2022, the District transitioned to a new payroll system, EMPowerSF. Due to implementation challenges many District employees were either under- or over-paid. The District worked with its bargaining units to remediate these errors, and all issues were addressed at the bargaining table. The District does not anticipate any litigation relating to the EMPowerSF payroll system. A new ERP system was implemented and institutionalized at the District in July 2025, which replaced the EMPowerSF payroll system.

Fiscal Year 2025-26 to Present. With State oversight continuing and the District maintaining a negative certification on its interim budget reports, the District hired Chris Mount-Benites as the first Deputy Superintendent of the District in Business Services and Operations to correct the issues identified by the State Department of Education and FCMAT since fiscal year 2021-22. Mr. Mount-Benites recruited for positions long left vacant, including a Head of Operations, a Chief Financial Officer, a Director of Position Control, an Executive Director of Budget, an Assistant Superintendent of Technology, an Executive Director of Accounting and an Executive Director of Payroll.

At the same time, departments and divisions in need of intense training and improvement received intensive training, remediation and direction to align necessary tasks for the operation of a school district to employees responsible for such activities. By the first interim budget report for fiscal year 2025-26, the District showed the first significant progress in years and moved to a qualified certification. In the winter of 2025-26, the District had its first strike in 50 years but came out of the strike settling with the certificated labor organization for two years; the remaining 15 labor unions settled for three years. In each instance the District implemented multi-year agreements as a standard that provides fiscal stability and predictability. The District self-certified as positive at both its third interim budget report for fiscal year 2025-26 and its adopted budget for fiscal year 2026-27, with a three-year balanced budget for the first time in many years for the District. FCMAT returned to the District to conduct the same fiscal analysis of the last several years and the findings are expected to be presented at the Board of Education meeting on September 8, 2026.

In May 2026, the District and FCMAT entered into an agreement for FCMAT to conduct a fiscal health risk analysis of the District. FCMAT is expected to deliver its fiscal health risk analysis of the District (the "District Fiscal Health Risk Analysis (2026)") on September 9, 2026. FCMAT is expected to note that the District continues to face significant fiscal challenges and is at "high risk" based on the 20 sections reviewed by FCMAT. Of the 20 sections reviewed in the District Fiscal Health Risk Analysis (2026), FCMAT is expected to identify the following issues: internal controls and fraud prevention, budget development and adoption, general fund in the current fiscal year, leadership and stability, budget monitoring and updates, deficit spending, position control, and multiyear projections. The District Fiscal Health Risk Analysis (2026) will reflect the status of the District as of the end of January 2026, before the approval of the third interim budget report for fiscal year 2025-26 and the adopted budget for fiscal year 2026-27. For that reason, the District Fiscal Health Risk Analysis (2026) will not be reflective of the District's current financial situation, as described in more detail in the paragraphs above. Additionally, the District has already taken independent action to address some of the concerns addressed in the District Fiscal Health Risk Analysis (2026). District leadership has stabilized, fiscal controls have strengthened significantly – with oversight expected to end in December 2026 – and a three-year balanced budget has been adopted. The District expects to continue its efforts to address the issues outlined in the District Fiscal Health Risk Analysis (2026).

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The following table sets forth the budgeted revenues, expenditures and changes in fund balances for the District's general fund for the fiscal year 2026-27. Certain adjustments may be made throughout the year based on actual State funding and actual District revenues and tax collections. The District cannot make any predictions regarding the disposition of additional pending budget legislation or its effect on the District. The District's budget is a planning tool, and does not represent a prediction as to the actual achievement of any budgeted revenues or fund balances.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Budgeted General Fund Summary for Fiscal Year 2026-27[1]

	Adopted Budget[2]
REVENUES	
LCFF Sources	$713,155,090
Federal Revenue	48,138,795
Other State Revenue	243,260,656
Other Local Revenue	359,992,171
TOTAL	$1,364,546,712
EXPENDITURES	
Certificated Salaries	$504,457,928
Classified Salaries	230,702,294
Employee Benefits	359,003,796
Books and Supplies	46,819,437
Services/Other Operating Expenditures	211,328,762
Other Outgo - Transfers of Indirect Costs	(4,119,933)
Other Outgo (excluding Transfers of Indirect Costs)	4,454,501
Capital Outlay	9,175,467
TOTAL	$1,361,822,252
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$2,724,460
OTHER FINANCING SOURCES (USES)	
Transfers In	-
Transfers Out	-
TOTAL OTHER FINANCING SOURCES (USES)	-
NET CHANGE IN FUND BALANCE	$2,724,460
Fund Balance – Beginning	$320,242,809
Fund Balance – Ending	$322,967,269

(1) Totals may not sum to totals due to rounding.
(2) Adopted budget for fiscal year 2026-27, approved as of June 23, 2026.
Source: The District.

District Budget Process and County Review

State law requires school districts to adopt a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. Under current law, a school district governing board must adopt and file with the county superintendent of schools or, with respect to the District, the State Superintendent of Public Instruction (the "State

Superintendent"), a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the State Superintendent.

The State Superintendent must review and approve, conditionally approve or disapprove the budget no later than September 15. The State Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. In the event that the State Superintendent conditionally approves or disapproves the school district's budget, the State Superintendent will submit to the governing board of the school district no later than September 15 of such year written recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the State Superintendent can approve that budget.

The governing board of the school district, together with the State Superintendent, must review and respond to the recommendations of the State Superintendent on or before October 8 at a regular meeting of the governing board of the school district. The State Superintendent will examine and approve or disapprove of the revised budget by November 8 of such year. If the State Superintendent disapproves a revised budget, the State Superintendent will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the State Superintendent may impose a budget and will report such school district to the State Legislature and the Department of Finance.

Subsequent to approval, the State Superintendent will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations.

If, after taking various remedial actions, the county superintendent, or in the case of the District, the State Superintendent, determines that a school district cannot meet its current or the subsequent year's obligations, the State Superintendent will notify the school district's governing board, the State Superintendent and the president of the State board (or the president's designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the State Superintendent and the school district's governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district's governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district's governing board, a budget for the subsequent fiscal year, and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The State Superintendent will also make a report to the president of the State board or the president's designee about the financial condition of the school district and the remedial actions proposed by the State Superintendent. However, the State Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the State Superintendent assumed authority.

A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 *et seq.*), each school district is required to file two interim certifications with the county superintendent, or in the case of the District, the State Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31), as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The State Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the State Superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent (if applicable), the State Controller and the State Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30.

Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent, or in the case of the District, the State Superintendent, determines that the school district's repayment of indebtedness is probable. The District received qualified certifications on its first and second interim reports for fiscal year 2025-26. See "Fiscal Status of the District – *Fiscal Stabilization Plan*" herein.

For school districts under fiscal distress, the county superintendent, or in the case of the District, the State Superintendent, is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the State Superintendent is not authorized to approve any diversion of revenue from *ad valorem* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the State Superintendent, request an emergency appropriation from the State, in which case the State Superintendent and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the State Superintendent will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State General Fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State General Fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State General Fund that must be repaid in 20 years. Each year, the State Superintendent will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State General Fund will be based upon the availability of funds within the State General Fund.

District Debt Structure

As of August 1, 2026, the District had outstanding general obligation bonds in the aggregate principal amount of $913,310,000 (which amount excludes bonds issued by the City and County on behalf of the District) as described in the table set forth on the following page. For additional details on the District's long-term liabilities, see Note 8 to the District's audited financial statements attached as APPENDIX C hereto and "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Tax Collections and Delinquencies – *Direct and Overlapping Debt*."

General Obligation Bonds**.** The District has issued $280,000,000 of general obligation bonds authorized at an election of the registered voters held on November 4, 2003 (the "2003 Authorization"), at which more than the minimum requisite 55% of the persons voting on the measure voted to authorize the issuance and sale of up to $295,000,000 principal amount of general obligation bonds of the District. The District has no remaining authorized and unissued bonds under the 2003 Authorization.

The District has issued $450,000,000 of general obligation bonds authorized at an election of the registered voters held on November 7, 2006 (the "2006 Authorization"), at which more than the minimum requisite 55% of the persons voting on the measure voted to authorize the issuance and sale of up to $450,000,000 principal amount of general obligation bonds of the District. The District has no remaining authorized and unissued bonds under the 2006 Authorization.

The District has issued $531,000,000 of general obligation bonds authorized at an election of the registered voters held on November 8, 2011 (the "2011 Authorization"), at which more than the minimum requisite 55% of the persons voting on the measure voted to authorize the issuance and sale of up to $531,000,000 principal amount of general obligation bonds of the District. The District has no remaining authorized and unissued bonds under the 2011 Authorization.

The District has issued $744,250,000 of general obligation bonds authorized at an election of the registered voters held on November 8, 2016 (the "2016 Authorization"), at which more than the minimum requisite 55% of the persons voting on the measure voted to authorize the issuance and sale of up to $744,250,000 principal amount of general obligation bonds of the District. The District has no remaining authorized and unissued bonds under the 2016 Authorization.

The District has issued $160,000,000 of general obligation bonds authorized at an election of the registered voters held on November 5, 2024 (the "2024 Authorization"), at which more than the minimum requisite 55% of the persons voting on the measure voted to authorize the issuance and sale of up to $790,000,000 principal amount of general obligation bonds of the District. The Series 2026 Bonds will be the District's second issuance of general obligation bonds issued pursuant to the 2024 Authorization. After the issuance of the Series 2026 Bonds, there will be $360,000,000* of authorized and unissued bonds under the 2024 Authorization.

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* Preliminary, subject to change.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Summary of Outstanding General Obligation Bond Issues[(1)]
As of August 1, 2026

Series Name	Issuance Date	Original Principal Amount	Principal Amount Outstanding
(Proposition A, Election of 2006) General Obligation Bonds Series C (2010) (Federally Taxable Direct Subsidy Qualified School Construction Bonds)	5/27/10	$ 12,955,000	$12,955,000
(Proposition A, Election of 2006) General Obligation Bonds Series D (2010) (Federally Taxable Build America Bonds)	5/27/10	72,370,000	38,575,000
General Obligation Bonds (Proposition A, Election of 2006), Series F (2015)[(2)]	10/21/15	15,000,000	8,420,000
General Obligation Bonds (Proposition A, Election of 2011), Series C (2015)[(2)]	10/21/15	211,000,000	118,335,000
General Obligation Bonds, Election of 2016, Series A[(2)]	4/6/17	180,000,000	103,660,000
General Obligation Bonds, Election of 2016, Series B	8/27/20	280,000,000	174,805,000
2020 General Obligation Refunding Bonds	8/27/20	166,285,000	39,045,000
General Obligation Bonds, Election of 2016, Series C	5/26/22	284,250,000	202,400,000
2022 General Obligation Refunding Bonds	5/26/22	122,050,000	85,230,000
General Obligation Bonds, Election of 2024, Series A	4/30/25	160,000,000	129,885,000
Total		**$1,503,910,000**	**$913,310,000**

(1) Excludes legally defeased bonds.
(2) To be refunded, in whole or in part, with proceeds of the Refunding Bonds.
Source: The District.

Capital Plan. The District has a 10-year Capital Plan that is updated periodically to take into account an annual review of changing capital needs and improved information regarding project requirements and projected costs. Because of the need for reconstruction and repair of existing facilities, including structural changes to comply with disability access standards, the District's current 10-year Capital Plan, formalized as the 2023 Facilities Master Plan, anticipates a total capital facilities need of over $1.6 billion. In addition, pertinent District needs are reflected in the City's annual Capital Plan.

As part of the District's ongoing review of the 10-year Capital Plan, the District is analyzing the needs of District properties, in order to define the scope and projected costs of required new construction, replacement, modernization and deferred maintenance for such properties. The District anticipates funding its capital needs from a combination of proceeds from the sale of general obligation bonds, State-matching funds, developer fees, parcel tax revenues, donations/capital funding campaigns, deferred maintenance allocations and other sources.

Leases. The District has entered into various agreements to lease certain equipment and buildings. None of the agreements contain purchase options. The minimum lease payments expected to be paid under these agreements are provided in the following table.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Minimum Lease Payments

Year Ending June 30	Lease Payment
2026	$885,755
2027	584,564
2028	275,438
Total Minimum Lease Payments	$1,745,757
Less Amount Representing Interest	(48,978)
Present Value of Minimum Lease Payments	$1,696,779

Source: The District.

Tax and Revenue Anticipation Notes. To address predictable annual cash flow deficits resulting from the different timing of revenues and expenditures, the District has issued tax and revenue anticipation notes in each of the years as shown in the following table. The District's notes are a general obligation of the District, payable from the District's general fund and any other lawfully available money. The District does not anticipate issuing tax and revenue anticipation notes in fiscal year 2026-27.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Tax and Revenue Anticipation Notes

Issuance Date	Principal Amount	Interest Rate	Yield	Maturity Date
7/01/2011	$80,000,000	2.00%	0.290%	6/29/2012
8/27/2012	85,000,000	2.00	0.190	6/28/2013
8/15/2013	90,000,000	2.00	0.179	8/14/2014
9/25/2014	52,000,000	5.00	0.130	9/24/2015
9/17/2015	60,000,000	5.00	0.190	8/31/2016
9/30/2016	45,000,000	2.00	0.750	8/31/2017
3/09/2021	100,000,000	2.00	0.150	12/31/2021

Source: The District.

SBITAs. The District has entered into various subscriptions that qualify as subscriptions-based information technology arrangements ("SBITAs"). The minimum subscription payments expected to be paid under the SBITAs are provided in the table on the following page.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Minimum SBITA Payments

Year Ending June 30	Subscription Payment
2026	$2,932,269
2027	1,802,909
2028	991,938
2029	60,143
Total Minimum Subscription Payments	$5,787,259
Less Amount Representing Interest	(1,081,950)
Present Value of Minimum Subscription Payments	$4,705,309

Source: The District.

Employment

The largest part of each school district's general fund budget is used to pay salaries and benefits of certificated (credentialed teaching) and classified (non-instructional) employees. Changes in salary and benefit expenditures from year to year are generally based on changes in staffing levels, negotiated salary increases, and the overall cost of employee benefits.

The District projects the employment of approximately 7,452.7 FTE employees, consisting of 3,919.2 FTE non-management certificated employees, 3,061.2 FTE classified non-management employees, and 472.3 FTE management, supervisor and confidential employees in fiscal year 2026-27. For fiscal year 2025-26, the total certificated and classified payrolls were approximately $490.2 million and $198.4 million, respectively. For fiscal year 2026-27, the total certificated and classified payrolls are projected to be approximately $504.5 million and $230.7 million, respectively.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(City and County of San Francisco, California)
Labor Organizations

Employee Group	Labor Organization	Employees Represented[1]	Contract Expiration
Certificated	United Educators of San Francisco	3,606	June 30, 2027
Classified	United Educators of San Francisco	1,790	June 30, 2027
Classified	Service Employees International Union, Local 1021	987	June 30, 2028
Classified	The International Federation Of Professional and Technical Engineers, Local 21 ProTech and Non ProTech Units	51	June 30, 2028
Classified	International Brotherhood Of Electrical Workers, Local 6	10	June 30, 2028
Classified	International Union of Operating Engineers, Stationary Engineers Local 39, AFL-CIO	9	June 30, 2028
Classified	San Francisco Building and Construction Trades Council	52	June 30, 2028
Supervisory/Other	United Administrators of San Francisco	245	June 30, 2028
Total		6,750	

(1) Includes full-time and part-time employees (not FTEs).
Source: The District.

The District has settled all collective bargaining agreements with all of its labor partners. United Educators of San Francisco is settled through June 30, 2027 and all other units are settled through June 30, 2028.

Compensated Absences (Vacation). The long-term portion of accumulated and unpaid employee vacation for the District as of June 30, 2025, was $18,183,751.

Retirement Benefits

The District participates in retirement plans with the State Teachers Retirement Plan administered by CalSTRS which covers certificated employees hired as of or after July 1, 1972. Classified employees and certain certificated employees hired prior to July 1, 1972 are eligible to participate in the single-employer San Francisco Employees' Retirement System ("SFERS"). The District also provides pension benefits to employees not eligible for CalSTRS or SFERS systems.

CalSTRS. The CalSTRS defined benefit pension plan provides retirement benefits (generally 2% of final compensation for each year of credited service) to participating employees based on hiring date, age, final compensation and years of credited service. The CalSTRS benefit pension plan is funded through a combination of investment earnings and statutorily set contributions from participating employees, employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily set rates did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined employee, employer and State contributions to CalSTRS were not sufficient to pay actuarially determined amounts. To address the shortfall and implement a new funding strategy, Assembly Bill 1469, signed into law by former Governor Brown as part of the fiscal year 2014-15 State budget, increased employee, employer and State contributions to CalSTRS as part of a plan to eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014.

Pursuant to AB 1469, since fiscal year 2021-22, the State Teachers' Retirement Board is authorized to modify the percentages paid by employers and employees to eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations and subject to certain limitations. The State Teachers' Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers' Retirement Board may also adjust the State's contribution rate by a maximum of 0.5% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations. The District cannot predict the impact of State, national, and international events on investment earnings and contribution rates or the amount the District will be required to pay for pension related costs in future fiscal years.

The employer contribution rate for fiscal year 2021-22 was 16.92%, which reflects a 2.18% reduction from the statutorily prescribed rate as a result of the State redirecting certain State supplemental pension payments to reduce employer contribution rates in fiscal years 2020-21 and 2021-22. For fiscal years 2022-23, 2023-24, 2024-25, and 2025-26, the employer contribution rate was approximately 19.10% of covered payroll and will remain at 19.10% for fiscal year 2026-27. The employer contribution rate is inclusive of the employer base contribution of 8.25% of payroll provided by the California Education Code. The State's total contribution was increased from approximately 6.83% of payroll in fiscal year 2017-18 to approximately 10.83% of payroll in fiscal year 2021-22. The State's contribution rate was approximately 10.83% of payroll for fiscal years 2022-23, 2023-24, 2024-25, and 2025-26, and will remain at approximately 10.83% for fiscal year 2026-27. The State's contribution includes an annual payment of 2.50% of payroll pursuant to a supplemental inflation protection program. The employee contribution rate for CalSTRS members first hired on or before December 31, 2012 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 60 members) was 10.25% for fiscal years 2016-17 through 2024-25 and will remain at 10.25% for fiscal year 2025-26. The employee contribution rate for CalSTRS members first hired on or after January 1, 2013 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 62 members) was approximately 9.21% for fiscal years 2016-17 and 2017-18, approximately 10.21% for fiscal years 2018-19 through 2025-26 and will remain at approximately 10.21% for fiscal year 2026-27.

The following table sets forth the District's employer contributions from the general fund of the District to CalSTRS as well as the State's non-employer contributions to CalSTRS on behalf of the District for fiscal years 2017-18 through 2024-25, the estimated contribution for fiscal year 2025-26 and the budgeted contribution for fiscal year 2026-27.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT AND COUNTY OFFICE OF EDUCATION
(City and County of San Francisco, California)
Annual CalSTRS Contributions
Fiscal Years 2017-18 through 2026-27
($ in thousands)

Fiscal Year	Amount
2017-18	$53,764
2018-19	67,355
2019-20	74,720
2020-21	67,839
2021-22	69,141
2022-23	84,583
2023-24	90,144
2024-25	91,061
2025-26(1)(2)	129,510
2026-27(1)(3)	137,122

(1) Includes on-behalf payments.
(2) Estimated.
(3) Projected.
Source: The District.

The District's total employer contributions to CalSTRS for fiscal years 2017-18 through 2024-25 were equal to 100% of the required contributions for each year.

The actuarial valuation for the entire CalSTRS defined benefit program as of June 30, 2025 (the "2025 CalSTRS Actuarial Valuation") showed an estimated unfunded actuarial liability of $81.99 billion based on the actuarial value of assets, a decrease of approximately $6.68 billion from the June 30, 2024, valuation. Such estimated unfunded actuarial liability was projected to decrease slightly in the June 30, 2024, valuation, which projected an unfunded actuarial liability of $87.17 billion as of June 30, 2025. The actual unfunded actuarial liability as of June 30, 2025, represents a net actuarial gain of approximately $5.12 billion. Such net actuarial gain is due primarily to member salary increases being less than assumed, change in actuarial value assumptions based on the most recent experience analysis, market value returns (estimated at 9.20%) being higher than assumed (7.00%) and returns on actuarial value of assets (estimated at 8.20%) being greater than assumed as the recognition of a portion of the current year actuarial investment gain and the prior year deferred gains. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2025, and June 30, 2024, based on the actuarial assumptions, were approximately 79.30% and 76.70%, respectively. According to the 2025 CalSTRS Actuarial Valuation, the funded ratio increased by 2.60% during the past year. As described in the 2025 CalSTRS Actuarial Valuation, the increase in the funded ratio is primarily due to the expected contributions made to pay down the unfunded actuarial obligation in fiscal year 2024-25 along with other positive factors. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related costs. Accordingly, there can be no assurances that the District's required contributions to CalSTRS will not increase in the future, subject to the limitations of AB 1469.

The following are certain of the actuarial assumptions set forth in the 2025 CalSTRS Actuarial Valuation: measurement of accruing costs by the "Entry Age Normal Actuarial Cost Method," an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, 3.25% payroll growth, and 2.75% projected inflation, 0.00% lump-sum death benefit amount increases and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The 2025 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPRA (as defined herein). See "− California Public Employees' Pension Reform Act of 2013" below for a discussion of the pension reform measure signed by the Governor in September 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

CalSTRS produces a comprehensive annual financial report and actuarial valuations which include financial statements and required supplementary information. Copies of the CalSTRS comprehensive annual financial report and actuarial valuations may be obtained from CalSTRS. The information presented in these reports is not incorporated by reference in this Official Statement.

SFERS. SFERS is charged with administering a defined benefit pension plan that covers substantially all City employees and certain other employees. At its January 2015 meeting, after review of the analysis and recommendation prepared by the consulting actuarial firm, the Retirement Board of SFERS (the "SFERS Retirement Board") voted to change SFER's long-term investment earnings assumption from 7.50% to 7.58%, long-term wage/inflation assumption from 3.83% to 3.75% and long-term consumer prices index assumption from 3.33% to 3.25%. These economic assumptions together with demographic assumptions based on periodic demographic studies are utilized to prepare the actuarial valuation of SFERS each year. Upon receipt of the consulting actuarial firm's valuation report, SFERS staff provides a recommendation to the SFERS Retirement Board for their acceptance of the consulting actuary's valuation report. In connection with such acceptance, the SFERS Retirement Board acts to set the annual employer contribution rates required by SFERS as determined by the consulting actuarial firm and approved by the SFERS Retirement Board.

In accordance with the Charter of the City, District participants contribute 7.5% to 13.5% of their salaries to SFERS. The funding policy of SFERS provides for actuarially determined periodic contributions by the District at rates such that sufficient assets will be available to SFERS to pay District participants' benefits when due. The employer contribution rate for fiscal year 2025-26 was 16.91% of covered payroll and is 16.53% for fiscal year 2026-27.

A history of the system-wide required contributions as well as the District's and the County Office of Education's combined contributions to SFERS are set forth in the following table. The District's portion of historical contributions have equaled 100% of the required contribution for each of the relevant fiscal years.

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
Schedule of Employer Contributions
Fiscal Years 2015-16 through 2024-25
($ in thousands)

Year Ended June 30	System-Wide Actuarially Required Contribution	Percentage Contributed	District and County Office of Education Actuarially Required Contribution	Percentage Contributed
2016	$526,805	100.0%	$15,645	100.0%
2017	551,809	100.0	17,068	100.0
2018	619,067	100.0	19,530	100.0
2019	645,056	100.0	20,496	100.0
2020	742,985	100.0	23,510	100.0
2021	836,559	100.0	25,105	100.0
2022	768,463	100.0	22,089	100.0
2023	672,651	100.0	19,174	100.0
2024	672,618	100.0	19,791	100.0
2025	685,309	100.0	18,530	100.0

Source: SFERS' Actuarial Valuation reports as of July 1, 2016 through July 1, 2025; the District.

The following table sets forth the maximum employer contribution rates for fiscal years 2017-18 through 2026-27.

CITY AND COUNTY OF SAN FRANCISCO
San Francisco Employment Retirement System
Fiscal Years 2017-18 through 2026-27

Fiscal Year ended June 30	Maximum Employer Contribution Rates
2018	23.46%
2019	23.31
2020	25.19
2021	26.90
2022	24.41
2023	21.35
2024	18.24
2025	16.91
2026	16.53
2027	16.68

Source: SFERS' Actuarial Valuation report as of July 1, 2025.

The following table sets forth SFERS' schedule of funding progress for fiscal years 2015-16 through 2024-25.

CITY AND COUNTY OF SAN FRANCISCO
San Francisco Employee Retirement System
Fiscal Years 2015-16 through 2024-25
($ in thousands)

Actuarial Valuation Date (July 1)	Actuarial Value of Assets	Actuarial Liability (AL)	Unfunded AL	Funded Ratio	Covered Payroll	Unfunded AL as a % of Covered Payroll
2016	$20,654,703	$24,403,882	$3,749,179	85%	$3,062,422	122%
2017	22,185,244	25,706,090	3,520,846	86	3,242,468	109
2018	23,866,027	27,335,147	3,469,390	87	3,385,517	102
2019	25,247,549	28,798,581	3,551,032	88	3,549,936	100
2020	26,695,845	29,499,918	2,804,074	90	3,703,103	76
2021	30,043,222	31,905,275	1,862,053	94	3,828,797	49
2022	32,275,474	33,591,565	1,316,091	96	3,984,150	33
2023	34,137,005	35,531,967	1,214,962	97	4,258,568	29
2024	36,038,298	37,314,504	1,276,206	97	4,623,854	28
2025	38,185,053	39,446,082	1,261,029	97	4,959,834	25

Source: SFERS' Actuarial Valuation report as of July 1, 2025.

Governor's Pension Reform. On August 28, 2012, Governor Brown and the State Legislature reached agreement on a law that reforms pensions for State and local government employees. AB 340, which was signed into law on September 12, 2012, established the California Public Employees' Pension Reform Act of 2012 ("PEPRA") which governs pensions for public employers and public pension plans on and after January 1, 2013. For new employees, PEPRA, among other things, caps pensionable salaries at the Social Security contribution and wage base, which is $137,300 for 2020, or 120% of that amount for employees not covered by Social Security, increases the retirement age by two years or more for all new public employees while adjusting the retirement formulas, requires State employees to pay at least half of their pension costs, and also requires the calculation of benefits on regular, recurring pay to stop income spiking. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays and purchases of service credit. PEPRA applies to all State and local public retirement systems, including county and district retirement systems. PEPRA only exempts the University of California system and charter cities and counties whose pension plans are not governed by State law.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make. CalSTRS and SFERS are more fully described in Note 11 to the District's financial statements attached hereto as APPENDIX C – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025."

SERP. The Supplemental Employee Retirement Plan ("SERP") is an incentive plan that allows the District to enhance retiree benefits and improve job security for existing employees while providing budget and staff planning solutions. The SERP is a voluntary plan for employees with active status as certificated, classified, supervisory, or confidential employee of the District with a full-time equivalency in a permanent position, who are in a paid and active status with the District, and are at least 55 years of age with 5 years of consecutive service by June 30, 2025. Employees opting into SERP must have retired from the District on or before June 30, 2025 and submitted to the District a completed SERP enrollment package, a letter of resignation and an irrevocable letter of SERP Participation no later than February 21, 2025. SERP is designed to address declining enrollment, minimize reduction in force, assist in proactive staff planning, enhance retirement benefits and compensate long-term employees. The plan became effective on July 1, 2025, and the employer contribution required to fund each participant's benefit is equal to 60% of the participant's annual salary for the participant's last school year of employment.

The SERP was found to meet the operational and financial goals of the District and was approved by the Board of Education at its open meeting on March 11, 2025.

Other Post-Employment Benefits. The District provides medical insurance benefits to eligible retirees and their spouses. To be eligible for retiree health benefits, employees hired after January 9, 2009 must have at least five years of credited service with a City employer: City and County of San Francisco, San Francisco Unified School District, San Francisco Community College District, or San Francisco Superior Court. Different premium contribution rates apply for classified employees hired after January 9, 2009, based on years of credited service with the City employers.

- With at least 5 years, but less than 10 years of credited service, the retiree member must pay the full premium rate and does not receive any employer premium contribution.

- With at least 10 years but less, than 15 years of credited service, the retiree will receive 50% of the employer premium contribution for themselves and eligible dependents.

- With at least 15 years, but less than 20 years of credited service, the retiree will receive 75% of the employer premium contribution for themselves and eligible dependents.

- With 20 or more years of credited service or disability retirement, the retiree will receive 100% of the employer premium contribution for themselves and eligible dependents.

Certificated teachers hired after July 1, 2004, with 20 or more years of credited service or disability retirement, the retiree will receive 100% of the employer premium contribution for themselves and eligible dependents.

Paraprofessionals hired after July 1, 2004, with 10 or more years of credited service or disability retirement, the retiree will receive 100% of the employer premium contribution for themselves and eligible dependents.

Employees who separated service from a City employer before June 30, 2001 and retire after January 6, 2012 receive the employer health premium subsidies in effect at the time of their separation. The retiree member receives 100% of the employer premium contribution defined by the City Charter. The retiree pays the full premium for any other enrolled dependents.

In 2017, the District implemented GASB Statement Number 75 ("Statement Number 75"). Under Statement Number 75, net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service ("total OPEB liability"), less the amount of the OPEB plan's fiduciary net position. As of June 30, 2025, the District's total OPEB liability was $744,828,179 and its net OPEB liability was $654,738,564. As of June 30, 2025, the District recognized OPEB expense was $21,881,903. The District has established both an internal service fund and an irrevocable trust with respect to funding its accrued OPEB liability. The District has budgeted $35.9 million in transfers to be paid towards its OPEB expense in fiscal year 2026-27. As of June 30, 2025, the fiduciary net position of the OPEB trust reported in the District's most recent actuarial valuation was $90,089,615. The balance in the OPEB trust does not yet reflect the approved transfer of approximately $60 million in funds from Proposition G. See "– Other District Revenues – *Parcel Tax – Proposition G and Proposition J*." See APPENDIX C – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025," Note 10 for additional information regarding the OPEB obligation and the postemployment benefits plan.

The following table sets forth the District's and the County Office of Education's combined annual payments on post-employment benefits for fiscal years 2017-18 through 2026-27.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
AND COUNTY OFFICE OF EDUCATION
Annual OPEB Payments
Fiscal Years 2017-18 through 2026-27
($ in Millions)

Fiscal Year	Payment Amount
2017-18	$30.7
2018-19	30.6
2019-20	31.8
2020-21	35.0
2021-22	36.8
2022-23	32.1
2023-24	34.0
2024-25	35.5
2025-26	38.3
2026-27[1]	40.9

[1] Projected.
Source: The District.

Charter Schools

Independent charter schools operate as autonomous public schools, under charter from a school district, county office of education, or the State Board of Education, with minimal supervision by the local school district. Independent charter schools receive revenues from the State and from the District for each student enrolled, and thus effectively reduce revenues available for students enrolled in District schools. The District is also required to accommodate charter school students originating in the District in facilities comparable to those provided to regular District students.

Twelve independent charter schools for which the District is the charter-approving agency, inclusive of four (4) elementary/middle schools, three (3) intermediate/middle schools, and five (5) high schools, currently operate in the District's boundaries. The District estimates that the combined attendance of the charter schools is approximately 6,175 students.

As of the 2026-27 school year, there is also one State Board of Education authorized charter school operating in the District: an elementary/middle school serving grades K-8 with approximately 461 students.

The District pays revenue in lieu of property taxes based on each charter school's individual LCFF calculation. For fiscal year 2025-26, the District's total transfer of in lieu payments to charter schools in the District was approximately $30.5 million. For fiscal year 2026-27, the District projects a total transfer of in lieu payments to charter schools in the District of approximately $30.5 million.

Insurance, Risk Pooling and Joint Powers Arrangements

The District has a risk management department that is responsible for procuring its various lines of coverage, processing all tort claims and litigation, all insurance and risk management activities. The current structure combines self-insurance with primary and excess coverage. The risk management staff works with other District departments on prevention and mitigation strategies to minimize the potential of loss to people and property. The current financial strategy for the risk management program includes an actuarial study of property and liability programs, and projected settlement outcomes of pending litigation.

The District participates in four joint ventures under joint powers authorities: the Santa Clara County Schools' Insurance Group ("SCCSIG"), the School Project for Utility Rate Reduction ("SPURR"), the Schools Excess Liability Fund ("SELF") and the Alliance for Schools Cooperative Insurance Programs ("ASCIP"). The relationships between the District and the joint powers authorities are such that membership remains until and unless the District decides to withdraw from one or all. The District also maintains excess policies for lines of coverage such as, but not limited to, property, sexual abuse misconduct and terrorism with commercial insurance agencies.

The District does not maintain earthquake coverage, but has, for the first time, purchased $10 million of parametrics coverage to avoid relying on its general reserves and the expectation that funds will be available from the Federal Emergency Management Agency ("FEMA"). There is no guarantee that sufficient reserves or FEMA assistance would be available in the event of a major seismic event in the San Francisco Bay Area. The District will continue to periodically evaluate the cost analysis of earthquake insurance.

The District offers its employees dental insurance through a self-insured program, life and long-term disability insurance that is purchased through commercial carriers, and health insurance that is purchased through the City Health Service System. While the District considers its insurance coverage to be adequate, the District is unable to predict the availability or cost of such insurance in the future.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

On June 6, 1978, State voters approved Proposition 13 ("Proposition 13"), which added Article XIIIA to the State Constitution ("Article XIIIA"). Article XIIIA limits the amount of any *ad valorem* property tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* property taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for payment of the Series 2026 Bonds falls within the exception described in (iii) of the immediately preceding sentence. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

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

County of Orange v. Orange County Assessment Appeals Board No. 3. Section 51 of the State Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new "base year value" for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIIIA. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

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 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 2% annual adjustment 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.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed at $4 per $100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Proposition 19. Proposition 19, which was approved by the voters of the State on November 3, 2020, among other things, allows an owner of a primary residence who is over 55 years of age, severely disabled, or a victim of a wildfire or natural disaster to transfer the taxable value (i.e., the base year value plus inflation adjustments) of their primary residence to a replacement primary residence located anywhere in the State, regardless of the location or value of the replacement primary residence, that is purchased or newly constructed as that person's principal residence within two years of the sale of the original primary residence. Proposition 19 limits a person who is over 55 years of age or severely disabled to three transfers under these provisions. Proposition 19 also excludes from the terms "purchase" and "change in ownership" for purposes of determining the "full cash value" of property the purchase or transfer of a family home or family farm of the transferor in the case of a transfer between parents and their children, or between grandparents and their grandchildren if all the parents of those grandchildren are deceased. In the case of a transfer of a family home, Proposition 19 require that the property continue as the family home of the transferee. The District is unable to predict the effect such measure may have on tax assessments within the District.

Article XIIIB of the State Constitution

An initiative to amend the State Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979, thereby adding Article XIIIB to the State Constitution ("Article XIIIB"). Under Article XIIIB state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriation of moneys which are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the "appropriations limit" is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State's allowable limit.

Article XIIIC and Article XIIID of the State Constitution

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

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

Parcel taxes are imposed within the District which are subject to the provisions of Proposition 218. See "THE DISTRICT – Other District Revenues." The District also receives 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.

Statutory Limitations

On November 4, 1986, State voters approved Proposition 62, an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute: (a) requires new or higher general taxes to be approved by two-thirds of the local agency's governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the California Supreme Court upheld Proposition 62 in its decision on September 28, 1995 in *Santa Clara County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as whether the decision applies retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

Proposition 39

On November 7, 2000, California voters approved Proposition 39, called the "Smaller Classes, Safer Schools and Financial Accountability Act" (the "Smaller Classes Act") which amends Section 1 of Article XIIIA, Section 18 of Article XVI of the California Constitution and Section 47614 of the California Education Code and allows an alternative means of seeking voter approval for bonded indebtedness of a school district or community college district by 55% of the vote, rather than the two-thirds majority required under Section 18 of Article XVI of the Constitution. The 55% voter requirement applies only if the bond measure submitted to the voters includes, among other items: (1) a restriction that the proceeds of the bonds may be used for "the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities," (2) a list of projects to be funded and a certification that the school district board has evaluated "safety, class size reduction, and information technology needs in developing that list" and (3) that annual, independent performance and financial audits will be conducted regarding the expenditure and use of the bond proceeds.

Section 1(b)(3) of Article XIIIA has been added to exempt from the 1% *ad valorem* property tax limitation under Section 1(a) of Article XIIIA of the Constitution levies to pay bonds approved by the 55% of the voters, subject to the restrictions explained above. The *ad valorem* property tax for payment on the Bonds falls within the exception described in the preceding sentence.

The Legislature enacted AB 1908, Chapter 44, which became effective upon passage of Proposition 39 and amends various sections of the California Education Code. Under amendments to Section 15268 and 15270 of the California Education Code, the following limits on *ad valorem* property taxes apply in any single election: (1) for a school district, indebtedness shall not exceed $30 per $100,000 of taxable property, (2) for a unified school district, indebtedness shall not exceed $60 per $100,000 of taxable property, and (3) for a community college district, indebtedness shall not exceed $25 per $100,000 of taxable property. Finally, AB 1908 requires that a citizens' oversight committee must be appointed to review the use of the bond funds and inform the public about their proper usage. 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.

Proposition 98 and Proposition 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). 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 (collectively, "K-14 districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9%, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State's budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIIIB spending limit would restrain the State's ability to fund such other programs by raising taxes.

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for K-14 school districts and the K-14 school Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 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 could be transferred to schools is 4% of the minimum State spending for education mandated by the Accountability Act, as described above.

On June 5, 1990, State voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the State Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the "change in the cost of living" by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State's spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the "excess" tax revenues, determined based on a two-year cycle, would be transferred to K-14 school districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts' minimum funding level), and that any such transfer to K-14 school districts would not be built into the school districts' base expenditures for calculating their entitlement for State aid in the following year and would not increase the State's appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain "qualified capital outlay projects" and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 school districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 school districts were guaranteed the greater of (a) 40.9% of general fund revenues (the "first test") or (b) 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 (the "second test"). Under Proposition 111, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a "credit" to be paid in future years when general fund revenue growth exceeds personal income growth.

Proposition 30 and Proposition 55

On November 6, 2012, voters approved Proposition 30, also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State's income taxpayers by one to three percent for a period of seven years from January 1, 2012 through the end of 2018, and (b) increased the sales and use tax by one-quarter percent for a period of four years from January 1, 2013 through the end of 2016. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see "– Proposition 98 and Proposition 111" above). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the "Education Protection Account"), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the California Tax Extension to Fund Education and Healthcare Initiative ("Proposition 55"), approved by voters on November 8, 2016, extends by twelve years the temporary personal income tax increases on incomes over $250,000 that was first enacted by Proposition 30; Proposition 55 did not extend the sales tax increases imposed by Proposition 30. Revenues from the tax increase will be allocated to school districts and community colleges in the State.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see "DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process."

Proposition 2

General. Proposition 2, which included certain constitutional amendments to the Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election.

State Rainy Day Fund. The Proposition 2 constitutional amendments related to the Rainy Day Fund (i) require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the "Public School System Stabilization Account") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Public School System Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

SB 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 Public School System Stabilization Account, 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 A.D.A. of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an A.D.A. that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

SB 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 Public School System Stabilization Account 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 District, which has an A.D.A. of more than 30,000, is required to maintain a reserve for economic uncertainty in an amount equal to 2% of its general fund expenditures and other financing uses.

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California 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.

Proposition 2 (2024)

At the November 5, 2024 election, voters in the State approved the Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 ("Proposition 2 (2024)"). Proposition 2 (2024) authorizes the sale and issuance of $10.0 billion in general obligation bonds for new construction and modernization of K-14 facilities. The District makes no representation or guarantee that it will either pursue or qualify for Proposition 2 (2024) State facilities funding.

To receive funding under Proposition 2 (2024), a district must develop a five-year master plan, including (i) an inventory of existing facilities, sites and property; (ii) existing classroom capacity and projected enrollment; (iii) a capital planning budget, and (iv) a deferred maintenance plan. Specific guidelines are being developed by the Department of General Services and the Department of Education. The District shall take the requirements of Proposition 2 (2024) into consideration in the development of its facilities master plan.

TK-12 School Facilities. Proposition 2 (2024) includes $3.3 billion for new construction of TK-12 facilities and an additional $4.0 billion for modernization of existing TK-12 facilities. TK-12 school districts will be required to pay for 50% of new construction costs and 40% of modernization costs with local revenues. If a school district lacks sufficient local funding it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of $1.2 billion will be available for the modernization and new construction of charter school facilities ($600 million) and technical education facilities ($600 million). Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two project types may apply for State loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, State grants are capped at $3 million for a new facility and $1.5 million for a modernized facility. Charter schools must be deemed financially sound prior to project approval.

Community College Facilities. Proposition 2 (2024) includes $1.5 billion for community college district facility projects, including land acquisition, new building construction, modernization of existing buildings, and equipment purchases. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then determines which projects to submit to the State Legislature and Governor based on a scoring system that considers in the amount of local funds contributed to the project. The Governor and State Legislature select among eligible projects as part of the annual state budget process.

The District may pursue funding under Proposition 2 (2024), however the District cannot predict whether such funding will be approved, or if approved, what projects will be funded or the amount of funding which will be received.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID, as well as Propositions 2, 30, 55, 62, 98, 111 and 218, 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.

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APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE DISTRICT

The San Francisco Unified School District has boundaries that are coterminous with City and County of San Francisco (the "City") and serves the communities within the City. The following economic and demographic data for the City are presented for informational purposes only. The Bonds are not a debt or obligation of the City, and taxes to pay the Bonds are levied only on taxable property located within the District.

The historical data and results presented in the tables that follow may differ materially from future results as a result of economic or other factors, including as a result of the impact of COVID-19.

Population

The population of the City and County of San Francisco from 2007 to 2026 are shown in the following table.

POPULATION GROWTH
City and County of San Francisco
2007 Through 2026

Year	Population	Annual % Change
2007	787,127	-
2008	795,002	1.00%
2009	800,239	0.66
2010	805,235	0.62
2011	815,714	1.30
2012	826,354	1.30
2013	839,556	1.60
2014	846,661	0.85
2015	855,489	1.04
2016	861,977	0.76
2017	867,378	0.63
2018	872,724	0.62
2019	872,219	(0.06)
2020	873,965	0.20
2021	850,783	(2.65)
2022	836,264	(1.71)
2023	842,227	0.71
2024	841,228	(0.12)
2025	844,394	0.38
2026[1]	845,658	0.15

[1] As of January 1, 2026.
Source: California Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2007-2026, with 2010 Census Benchmark for City and County of San Francisco.

Employment

The following table summarizes industry employment in the City and County of San Francisco from 2020 through 2025. Professional and business services, education and health services, government, and leisure and hospitality are the largest employment sectors in the City.

Industry	Employment[1]					
	2020	2021	2022	2023	2024	2025
Agriculture	200	300	300	200	200	200
Mining, Logging & Construction	23,200	22,100	22,900	23,300	22,000	22,000
Manufacturing	13,400	11,700	11,900	12,600	10,200	10,200
Trade, Transportation & Utilities	73,200	70,100	70,700	66,400	63,600	60,800
Information	54,600	58,200	67,500	63,900	63,000	63,000
Financial Activities	60,300	61,000	61,700	59,200	53,800	53,200
Professional and Business Services	200,900	200,600	217,000	203,800	186,400	181,700
Education and Health Services	91,500	93,900	96,500	99,600	100,100	101,200
Leisure and Hospitality	59,100	57,000	75,600	82,000	81,100	81,800
Other Services	21,800	22,800	23,900	24,200	23,200	22,800
Government	98,200	101,300	106,500	108,500	112,800	111,400
Total	696,500	699,000	754,500	743,700	716,200	708,400

[1] Employment is reported by place of work: it does not include persons involved in labor-management disputes. Figures are rounded to the nearest hundred. Columns may not sum to totals due to rounding.

Source: California State Department of Employment Development, Labor Market Information Division.

The following tables summarize the civilian labor force, employment and unemployment in the City and County of San Francisco from 2019 to 2025. The annual average unemployment rate in the City in 2025 was approximately 4.1%.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
City and County of San Francisco
Annual Averages, 2019 Through 2025

Year	Civilian Labor Force	Employed Labor Force[1]	Unemployed Labor Force[2]	Unemployment Rate[3]
2019	541,000	528,000	13,000	2.4%
2020	520,700	476,400	44,300	8.5
2021	500,800	472,900	27,800	5.6
2022	519,900	505,400	14,500	2.8
2023	518,700	500,900	17,800	3.4
2024	508,800	488,700	20,100	3.9
2025	506,400	485,600	20,700	4.1

[1] Includes persons involved in labor-management trade disputes.
[2] Includes all persons without jobs who are actively seeking work.
[3] This rate is computed from unrounded data: it may differ from rates computed from rounded figures in this table.
Source: California State Department of Employment Development, Labor Market Information Division.

Major Employers

The following tables show the largest employers located in the City and County of San Francisco in 2025, as set forth in the most recent annual comprehensive financial report of the City and County of San Francisco.

LARGEST EMPLOYERS
City and County of San Francisco[1]

Company	Type of Business	San Francisco Employees (FTEs)
City and County of San Francisco	Government	36,822
UCSF Health	Healthcare	29,475
Salesforce	Technology	11,953
United Airlines	Airline	10,000
San Francisco Unified School District	TK-12 Education	9,047
Sutter Health	Healthcare	6,134
Wells Fargo & Co.	Financial Services	5,886
Kaiser Permanente	Healthcare	4,676
Allied Universal	Security Systems	3,827
Uber Technologies Inc.	Ridesharing	3,413

[1] Most current data available.
Source: Annual Comprehensive Financial Report, City & County of San Francisco, Fiscal Year 2024-25.

Taxable Sales

Taxable sales in the City and County of San Francisco from 2021 through 2025 are shown in the following table.

TAXABLE SALES
2021 through 2025
($ in Thousands)

	2021	2022	2023	2024	2025
Apparel Stores	$1,587,967	$1,746,756	$1,576,178	$1,515,683	$1,529,257
General Merchandise	667,929	691,405	628,274	629,358	639,293
Food Stores	722,409	768,428	794,715	792,042	826,197
Eating & Drinking Places	2,953,372	4,266,095	4,537,493	4,612,261	5,027,514
Home Furnishings & Appliances	919,239	940,944	790,701	760,261	869,477
Building Material & Farm Implements	685,894	691,181	636,795	571,945	642,740
Automotive Group	625,719	575,322	590,487	743,973	627,105
Service Stations	432,767	612,261	553,559	494,260	468,521
Other Retail Stores	2,508,494	2,633,438	2,500,262	2,443,268	2,447,357
Total Retail Stores	11,103,793	12,925,833	12,608,465	12,563,051	13,077,461
All Other Outlets	5,503,320	6,685,572	6,493,611	6,368,626	6,957,117
Total All Outlets[1]	$16,607,114	$19,611,406	$19,102,077	$18,931,677	$20,034,578

[1] Columns may not sum to totals due to rounding.
Source: California State Board of Equalization.

Income

The following tables provide a summary of per capita personal income for the City and County of San Francisco, the State of California and the United States, and personal income and annual percent change for the City and County of San Francisco, for recent calendar years.

PER CAPITA PERSONAL INCOME
2019 through 2024[1]

Year	San Francisco	California	United States
2019	$127,302	$64,219	$55,567
2020	136,856	70,090	59,151
2021	160,328	77,113	64,692
2022	153,759	77,230	66,303
2023	162,335	81,231	70,713
2024	171,497	86,378	73,227

[1] Most recent data available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

PERSONAL INCOME
2019 through 2024[1]
(in thousands)

Year	San Francisco	Annual Percent Change
2019	$112,277,739	-
2020	119,725,318	6.6%
2021	130,747,503	9.2
2022	125,186,977	(4.3)
2023	132,976,966	6.2
2024	141,918,003	6.7

[1] Most recent data available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

APPENDIX C

FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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San Francisco Unified School District

AUDIT REPORT
June 30, 2025

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

OTHER INFORMATION

OTHER INDEPENDENT AUDITORS' REPORTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINANCIAL SECTION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Independent Auditors' Report

Governing Board
San Francisco Unified School District
San Francisco, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 San Francisco Unified School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, the San Francisco Unified School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. 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 misstatement, whether due to fraud or error.

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Responsibilities of Management for the Financial Statements (continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2026 on our consideration of the San Francisco Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the San Francisco Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Francisco Unified School District's internal control over financial reporting and compliance.

Christy White, Inc

San Diego, California
January 21, 2026

INTRODUCTION

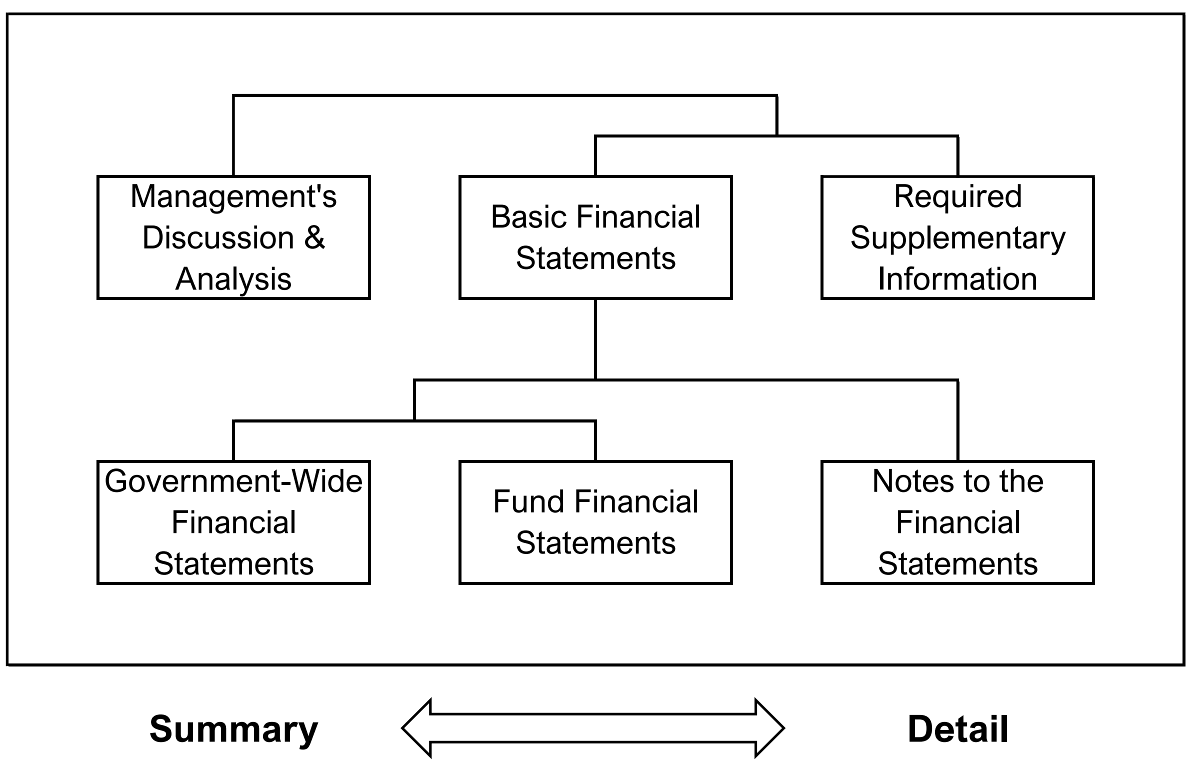
Our discussion and analysis of San Francisco Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position was $632,732,879 at June 30, 2025. This was an increase of $80,483,621 from the prior year, after restatement.
- Overall revenues were $1,480,173,836 which exceeded expenses of $1,399,690,215.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

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

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.

- **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.

  - **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

  - **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.

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

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

Government-Wide Statements

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

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

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

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was $632,732,879 at June 30, 2025, as reflected in the table below. Of this amount, $(1,092,018,838) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2025	**2024**	**Net Change**
ASSETS			
Current and other assets	$ 1,349,524,979	$ 1,302,660,343	$ 46,864,636
Capital assets	2,083,505,197	1,982,681,823	100,823,374
Total Assets	3,433,030,176	3,285,342,166	147,688,010
DEFERRED OUTFLOWS OF RESOURCES	412,813,884	442,035,165	(29,221,281)
LIABILITIES			
Current liabilities	296,024,617	272,135,657	23,888,960
Long-term liabilities	2,300,130,801	2,266,922,976	33,207,825
Total Liabilities	2,596,155,418	2,539,058,633	57,096,785
DEFERRED INFLOWS OF RESOURCES	616,955,763	615,959,949	995,814
NET POSITION			
Net investment in capital assets	1,286,846,957	1,229,309,641	57,537,316
Restricted	437,904,760	443,561,788	(5,657,028)
Unrestricted	(1,092,018,838)	(1,100,512,680)	8,493,842
Total Net Position	$ 632,732,879	$ 572,358,749	$ 60,374,130

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

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

	Governmental Activities		
	2025	**2024**	**Net Change**
REVENUES			
Program revenues			
Charges for services	$ 8,103,587	$ 5,448,504	$ 2,655,083
Operating grants and contributions	466,187,764	465,123,628	1,064,136
Capital grants and contributions	492,288	30,419,125	(29,926,837)
General revenues			
Property taxes	598,313,263	666,934,711	(68,621,448)
Unrestricted federal and state aid	350,058,847	346,544,560	3,514,287
Other	57,018,087	54,554,395	2,463,692
Total Revenues	1,480,173,836	1,569,024,923	(88,851,087)
EXPENSES			
Instruction	774,562,135	727,001,106	47,561,029
Instruction-related services	162,982,636	169,286,194	(6,303,558)
Pupil services	230,741,832	216,208,733	14,533,099
General administration	91,355,154	85,975,800	5,379,354
Plant services	91,426,421	80,358,079	11,068,342
Ancillary services	12,354,777	6,501,726	5,853,051
Debt service	31,835,727	35,463,472	(3,627,745)
Other outgo	4,392,672	4,119,138	273,534
Enterprise activities	38,861	222,606	(183,745)
Total Expenses	1,399,690,215	1,325,136,854	74,553,361
Change in net position	80,483,621	243,888,069	(163,404,448)
Net Position - Beginning, as Restated*	552,249,258	328,470,680	223,778,578
Net Position - Ending	$ 632,732,879	$ 572,358,749	$ 60,374,130

**Beginning net position was restated for the 2025 and 2024 fiscal years.*

The cost of all our governmental activities this year was $1,399,690,215 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was only $598,313,263 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

In the table below, we have presented the net cost of each of the District's functions. Net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Net Cost of Services	
	2025	**2024**
Instruction	$ 506,257,056	$ 454,363,716
Instruction-related services	101,064,003	97,914,272
Pupil services	136,873,650	112,288,606
General administration	72,930,855	71,483,051
Plant services	85,095,313	75,308,890
Ancillary services	4,646,593	1,618,484
Debt service	31,835,727	35,463,472
Transfers to other agencies	(13,813,229)	(24,504,543)
Enterprise activities	16,608	209,649
Total	$ 924,906,576	$ 824,145,597

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of $1,054,526,840, which is more than last year's ending fund balance of $1,011,873,514. The District's General Fund had $22,513,258 less in operating revenues than expenditures for the year ended June 30, 2025. The District's Building Fund had $135,050,256 less in operating revenues than expenditures for the year ended June 30, 2025, additionally, the Building Fund had $173,649,173 in net financing sources for a total increase in fund balance of $38,598,917.

CURRENT YEAR BUDGET 2024-2025

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

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2024-2025 the District had invested $2,083,505,197 in capital assets, net of accumulated depreciation and amortization.

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS			
Land	$ 7,100,000	$ 7,100,000	$ -
Construction in progress	200,736,285	59,639,805	141,096,480
Buildings & improvements	2,864,841,636	2,830,557,656	34,283,980
Furniture & equipment	53,989,329	53,612,094	377,235
Less: Accumulated depreciation	(1,048,698,197)	(977,065,599)	(71,632,598)
Lease assets - buildings & improvements	1,763,461	1,448,940	314,521
Lease assets - furniture & equipment	1,816,957	1,367,464	449,493
Less: Accumulated amortization (lease assets)	(1,943,209)	(1,101,556)	(841,653)
Subscription assets	11,217,638	13,905,940	(2,688,302)
Less: Accumulated amortization (subscription assets)	(7,318,703)	(6,782,921)	(535,782)
Total	$ 2,083,505,197	$ 1,982,681,823	$ 100,823,374

Long-Term Liabilities

At year-end, the District had $2,300,130,801 in long-term liabilities, an increase of 0.57% from last year's restated long-term liabilities – as shown in the table below.

	Governmental Activities		
	2025	2024	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	$ 1,126,211,180	$ 1,041,836,108	$ 84,375,072
Leases	1,696,779	1,506,258	190,521
Subscriptions	4,705,309	7,566,261	(2,860,952)
Compensated absences*	18,183,751	34,712,640	(16,528,889)
Net OPEB liability	654,738,564	649,334,618	5,403,946
Net pension liability	599,147,964	633,816,484	(34,668,520)
Less: current portion of long-term liabilities	(104,552,746)	(81,739,902)	(22,812,844)
Total	$ 2,300,130,801	$ 2,287,032,467	$ 13,098,334

**Compensated Absences for 2024 was restated in order to record the District's compensated absences in accordance with GASB Statement No. 101 which supersedes GASB Statement No. 16 for the year ended June 30, 2025.*

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Long-Term Declining Enrollment

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

Revenue Uncertainties

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

Pension Liabilities and Employer Rates

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

Economic and Market Conditions

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

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

Summary

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Business Office, San Francisco Unified School District, 135 Van Ness Avenue, San Francisco, California, 94102 or (415) 241-6542.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	$ 1,147,459,600
Accounts receivable	144,849,824
Inventory	1,572,113
Prepaid expenses	60,121
Lease receivable	55,583,321
Capital assets:	
Capital assets, not depreciated	207,836,285
Capital assets, net of accumulated depreciation	1,870,132,768
Lease assets, net of accumulated amortization	1,637,209
Subscription assets, net of accumulated amortization	3,898,935
Total Assets	3,433,030,176
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	261,681,995
Deferred outflows related to OPEB	150,097,245
Deferred amount on refunding	1,034,644
Total Deferred Outflows of Resources	412,813,884
LIABILITIES	
Accrued liabilities	144,880,906
Unearned revenue	22,253,965
Claims liabilities	24,337,000
Long-term liabilities, current portion	104,552,746
Long-term liabilities, non-current portion	2,300,130,801
Total Liabilities	2,596,155,418
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	159,448,777
Deferred inflows related to OPEB	396,402,358
Deferred amount on refunding	3,779,324
Deferred inflows related to leases	57,325,304
Total Deferred Inflows of Resources	616,955,763
NET POSITION	
Net investment in capital assets	1,286,846,957
Restricted:	
Capital projects	79,365,556
Debt service	91,797,712
Educational programs	241,234,520
Food service	21,020,056
Associated student body	4,486,916
Unrestricted	(1,092,018,838)
Total Net Position	$ 632,732,879

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

SAN FRANCISCO UNIFIED 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	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	$ 774,562,135	$ 2,709,633	$ 265,103,158	$ 492,288	$ (506,257,056)
Instruction-related services					
Instructional supervision and administration	78,089,096	632,012	41,098,113	-	(36,358,971)
Instructional library, media, and technology	14,083,558	304,754	8,265,404	-	(5,513,400)
School site administration	70,809,982	109,992	11,508,358	-	(59,191,632)
Pupil services					
Home-to-school transportation	43,302,208	44,267	2,656,152	-	(40,601,789)
Food services	47,251,213	164,322	39,030,219	-	(8,056,672)
All other pupil services	140,188,411	1,141,824	50,831,398	-	(88,215,189)
General administration					
Centralized data processing	23,365,079	152,223	3,974,349	-	(19,238,507)
All other general administration	67,990,075	305,477	13,992,250	-	(53,692,348)
Plant services	91,426,421	109,093	6,222,015	-	(85,095,313)
Ancillary services	12,354,777	2,287,016	5,421,168	-	(4,646,593)
Enterprise activities	38,861	886	21,367	-	(16,608)
Interest on long-term debt	31,835,727	-	-	-	(31,835,727)
Other outgo	4,392,672	142,088	18,063,813	-	13,813,229
Total Governmental Activities	$ 1,399,690,215	$ 8,103,587	$ 466,187,764	$ 492,288	(924,906,576)
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes					365,479,621
Property taxes, levied for debt service					115,882,453
Property taxes, levied for other specific purposes					116,951,189
Federal and state aid not restricted for specific purposes					350,058,847
Interest and investment earnings					37,302,961
Interagency revenues					1,175,613
Miscellaneous					18,539,513
Subtotal, General Revenue					1,005,390,197
CHANGE IN NET POSITION					80,483,621
Net Position - Beginning, as Restated					552,249,258
Net Position - Ending					$ 632,732,879

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

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 429,563,230	$ 370,307,705	$ 275,224,049	$ 1,075,094,984
Accounts receivable	112,025,580	2,904,505	29,403,446	144,333,531
Stores inventory	1,503,549	-	68,564	1,572,113
Prepaid expenditures	60,121	-	-	60,121
Lease receivable	55,583,321	-	-	55,583,321
Total Assets	$ 598,735,801	$ 373,212,210	$ 304,696,059	$ 1,276,644,070
LIABILITIES				
Accrued liabilities	$ 99,381,821	$ 34,512,502	$ 8,643,638	$ 142,537,961
Unearned revenue	13,105,213	-	9,148,752	22,253,965
Total Liabilities	112,487,034	34,512,502	17,792,390	164,791,926
DEFERRED INFLOWS				
Deferred inflows related to leases	57,325,304	-	-	57,325,304
Total Deferred Inflows	57,325,304	-	-	57,325,304
FUND BALANCES				
Nonspendable	1,634,873	-	79,912	1,714,785
Restricted	207,698,941	338,699,708	232,063,880	778,462,529
Committed	109,132,417	-	34,814,394	143,946,811
Assigned	8,283,582	-	19,945,483	28,229,065
Unassigned	102,173,650	-	-	102,173,650
Total Fund Balances	428,923,463	338,699,708	286,903,669	1,054,526,840
Total Liabilities, Deferred Inflows and Fund Balances	$ 598,735,801	$ 373,212,210	$ 304,696,059	$ 1,276,644,070

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

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balance - Governmental Funds		$ 1,054,526,840

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

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

Capital assets	$ 3,126,667,250	
Lease assets	3,580,418	
Subscription assets	11,217,638	
Accumulated depreciation	(1,048,698,197)	
Accumulated amortization (lease assets)	(1,943,209)	
Accumulated amortization (subscription assets)	(7,318,703)	2,083,505,197

Deferred amount on refunding:

In governmental funds, the net effect of refunding bonds is recognized when debt is issued, whereas this amount is deferred and amortized in the government-wide financial statements: (2,744,680)

Mandatory sinking fund:

In governmental funds, mandatory sinking fund payments are not reported. In the statement of net position, all assets are reported: 22,040,000

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: (1,858,061)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Total general obligation bonds	$ 1,126,211,180	
Leases	1,696,779	
Subscriptions	4,705,309	
Compensated absences	18,183,751	
Net OPEB liability	654,738,564	
Net pension liability	599,147,964	(2,404,683,547)

(continued on the next page)

Deferred outflows and inflows of resources relating to pensions:		
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.		
Deferred outflows of resources related to pensions	$ 261,681,995	
Deferred inflows of resources related to pensions	(159,448,777)	102,233,218
Deferred outflows and inflows of resources relating to OPEB:		
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.		
Deferred outflows of resources related to OPEB	$ 150,097,245	
Deferred inflows of resources related to OPEB	(396,402,358)	(246,305,113)
Internal service funds:		
Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets, deferred outflows of resources, liabilities, and deferred inflows of resources of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:		26,019,025
Total Net Position - Governmental Activities		$ 632,732,879

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	$ 677,458,488	$ -	$ 14,150,765	$ 691,609,253
Federal sources	43,743,440	-	41,724,615	85,468,055
Other state sources	161,936,378	-	43,735,301	205,671,679
Other local sources	358,035,559	16,382,765	185,631,363	560,049,687
Total Revenues	1,241,173,865	16,382,765	285,242,044	1,542,798,674
EXPENDITURES				
Current				
Instruction	740,903,330	-	36,102,832	777,006,162
Instruction-related services				
Instructional supervision and administration	68,666,646	-	8,299,861	76,966,507
Instructional library, media, and technology	15,023,262	-	-	15,023,262
School site administration	62,085,524	-	8,933,965	71,019,489
Pupil services				
Home-to-school transportation	41,551,562	-	-	41,551,562
Food services	4,382,522	-	40,816,665	45,199,187
All other pupil services	143,273,318	-	2,637,457	145,910,775
General administration				
Centralized data processing	18,256,553	-	14	18,256,567
All other general administration	60,879,183	-	7,107,168	67,986,351
Plant services	84,574,960	1,466,365	1,989,433	88,030,758
Facilities acquisition and construction	5,857,549	149,666,805	20,101,445	175,625,799
Ancillary services	8,379,865	-	3,653,399	12,033,264
Enterprise activities	37,498	-	-	37,498
Transfers to other agencies	4,392,672	-	-	4,392,672
Debt service				
Principal	5,222,293	163,934	84,545,000	89,931,227
Interest and other	200,386	135,917	41,906,094	42,242,397
Total Expenditures	1,263,687,123	151,433,021	256,093,333	1,671,213,477
Excess (Deficiency) of Revenues Over Expenditures	(22,513,258)	(135,050,256)	29,148,711	(128,414,803)
Other Financing Sources (Uses)				
Transfers in	-	13,649,173	16,583,984	30,233,157
Other sources	2,715,796	160,000,000	8,352,333	171,068,129
Transfers out	(17,113,984)	-	(13,119,173)	(30,233,157)
Net Financing Sources (Uses)	(14,398,188)	173,649,173	11,817,144	171,068,129
NET CHANGE IN FUND BALANCE	(36,911,446)	38,598,917	40,965,855	42,653,326
Fund Balance - Beginning	465,834,909	300,100,791	245,937,814	1,011,873,514
Fund Balance - Ending	$ 428,923,463	$ 338,699,708	$ 286,903,669	$ 1,054,526,840

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

SAN FRANCISCO UNIFIED 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		$ 42,653,326
Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:		
Capital outlay:		
In governmental funds, the costs of capital assets, including lease assets and subscription assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets, including lease assets and subscription assets are allocated over their estimated useful lives as depreciation expense and amortization expense, respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:		
Expenditures for capital outlay:	$ 177,629,338	
Depreciation expense:	(71,632,598)	
Amortization expense (lease assets):	(943,416)	
Amortization expense (subscription assets):	(4,229,950)	100,823,374
Mandatory sinking fund payments:		
In governmental funds, mandatory sinking fund payments of general obligation bonds are reported as expenditures. In the government-wide statements, mandatory sinking fund payments are reported as additions of assets. Expenditures for mandatory sinking fund payments were:		11,325,000
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:		78,606,227
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:		(171,068,129)
Deferred amounts on refunding:		
In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amounts on refunding during the period was:		(180,334)

(continued on the next page)

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:	(170,257)
Compensated absences:	
In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:	16,528,889
Postemployment benefits other than pensions (OPEB):	
In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:	14,814,925
Pensions:	
In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was:	(23,326,375)
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:	10,757,261
Internal Service Funds:	
Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:	(280,286)
Change in Net Position of Governmental Activities	$ 80,483,621

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
	Internal Service Fund
ASSETS	
Current assets	
Cash and investments	$ 50,324,616
Accounts receivable	516,293
Total Assets	50,840,909
LIABILITIES	
Current liabilities	
Accrued liabilities	484,884
Total current liabilities	484,884
Non-current liabilities	
Claims liabilities	24,337,000
Total non-current liabilities	24,337,000
Total Liabilities	24,821,884
NET POSITION	
Restricted	26,019,025
Total Net Position	$ 26,019,025

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

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities Internal Service Fund
OPERATING REVENUES	
Charges for services	$ 24,708,639
Other local revenues	314,974
Total operating revenues	25,023,613
OPERATING EXPENSES	
Salaries and benefits	1,750,207
Supplies and materials	169,257
Professional services	26,128,794
Total operating expenses	28,048,258
Operating income/(loss)	(3,024,645)
NON-OPERATING REVENUES/(EXPENSES)	
Interest income	2,744,359
Total non-operating revenues/(expenses)	2,744,359
CHANGE IN NET POSITION	(280,286)
Net Position - Beginning	26,299,311
Net Position - Ending	$ 26,019,025

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

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities Internal Service Fund
Cash flows from operating activities	
Cash received from user charges	$ 24,979,453
Cash payments for payroll, insurance, and operating costs	(30,083,591)
Net cash provided by (used for) operating activities	(5,104,138)
Cash flows from investing activities	
Interest received	2,744,359
Net cash provided by (used for) investing activities	2,744,359
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,359,779)
CASH AND CASH EQUIVALENTS	
Beginning of year	52,684,395
End of year	$ 50,324,616
Reconciliation of operating income (loss) to cash provided by (used for) operating activities	
Operating income/(loss)	$ (3,024,645)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in accounts receivables	(44,160)
Increase (decrease) in accrued liabilities	(2,421,333)
Increase (decrease) in claims liabilities	386,000
Net cash provided by (used for) operating activities	$ (5,104,138)

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

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Custodial Fund
	Warrant/Pass-through Fund
ASSETS	
Cash and investments	$ 504,069
Total Assets	504,069
LIABILITIES	
Accrued liabilities	504,069
Total Liabilities	504,069
NET POSITION	
Unrestricted	-
Total Net Position	$ -

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

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Fund
	Warrant/Pass-through Fund
ADDITIONS	
Contributions - deposits from districts	$ 68,509,580
Total Additions	68,509,580
DEDUCTIONS	
Payments on behalf of districts	68,509,580
Total Deductions	68,509,580
CHANGE IN NET POSITION	-
Net Position - Beginning	-
Net Position - Ending	$ -

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The San Francisco Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual.* The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District was established as the San Francisco School System in 1851 under the laws of the State of California. The District and County Office of Education (COE) operate under a locally elected seven-member Board form of government and provide educational services to grades K – 12 as mandated by state and federal agencies. The District and COE provide childcare, elementary and secondary education in the City and County of San Francisco, California. As of the prior fiscal year, the District operates 8 alternatively configured (TK-8), 64 elementary schools, 13 middle schools, 17 senior high schools (including two continuation schools and an independent study school), 8 court and county community schools, 34 state-funded preschool sites, and 12 early education centers. The District sponsors 12 independent charter schools.

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

B. Component Units

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

C. Basis of Presentation

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

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

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

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

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

Major Governmental Funds

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

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

Non-Major Governmental Funds

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Special Revenue Funds (continued)

County School Service Fund: The County School Service Fund is used to account for resources committed to special education or other school programs that would otherwise be operated by a county office of education, as well as to general and administrative oversight.

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

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by the District for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code Section* 8200 et seq.) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services shall be paid from this fund, with accounting to reflect specific funding sources (*Education Code Section* 8328).

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

Deferred Maintenance Fund: This fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes (*Education Code Sections* 17582–17587). In addition, whenever the state funds provided pursuant to *Education Code Sections* 17584 and 17585 (apportionments from the State Allocation Board) are insufficient to fully match the local funds deposited in this fund, the governing board of a school district may transfer the excess local funds deposited in this fund to any other expenditure classifications in other funds of the District (*Education Code Sections* 17582 and 17583).

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Capital Projects Funds (continued)

State School Building Lease-Purchase Fund: This fund is used primarily to account separately for state apportionments for the reconstruction, remodeling, or replacing of existing school buildings or the acquisition of new school sites and buildings, as provided in the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (*Education Code* Section 17000 et seq.).

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

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

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

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

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

Tax Override Fund: This fund is used for the repayment of voted indebtedness (other than Bond Interest and Redemption Fund repayments) to be financed from ad valorem tax levies. An example is a public school building loan repayment.

Proprietary Funds

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fiduciary Funds

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

Warrant/Pass-through Custodial Fund: The warrant/pass-through fund is used to account for assets held for external charter school employees for payroll withholding for subsequent remittance to taxing agencies or benefit providers.

D. Basis of Accounting – Measurement Focus

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

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

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

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

Governmental Funds

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Leases Receivable
Leases receivable are measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectable amounts. An associated deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable, plus any prepayments at the beginning of the lease. The deferred inflow is amortized using a straight-line basis over the term of the lease.

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

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

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of $25,000. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

F. Interfund Activity

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

G. Estimates

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Budgetary Data

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

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

I. Property Tax

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

J. New Accounting Pronouncements

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements (continued)

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

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Funds	Internal Service Fund	District-wide	Governmental Activities	Fiduciary Fund
Investment in county treasury	$ 1,071,671,962	$ 49,300,578	$ -	$ 1,120,972,540	$ 504,069
Fair value adjustment	(1,152,410)	(105,654)	-	(1,258,064)	-
Cash on hand and in banks	4,492,881	238,821	-	4,731,702	-
Cash with fiscal agent	-	890,871	-	890,871	-
Cash in revolving fund	82,551	-	-	82,551	-
Mandatory sinking fund	-	-	22,040,000	22,040,000	-
Total	$ 1,075,094,984	$ 50,324,616	$ 22,040,000	$ 1,147,459,600	$ 504,069

B. Policies and Practices

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

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

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations

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

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

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately $1,120,218,545. The average weighted maturity for this pool is 487 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2025, the pooled investments in the County Treasury were not rated.

NOTE 2 – CASH AND INVESTMENTS (continued)

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2025, the District's cash in bank balance of $4,877,874 was exposed to custodial credit risk.

G. Fair Value

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

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

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

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

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

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

	Uncategorized
Investment in county treasury	$ 1,120,218,545
Total	$ 1,120,218,545

NOTE 3 – RECEIVABLES

A. Accounts Receivable

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

	General Fund	Building Fund	Non-Major Governmental Funds	Internal Service Fund	Governmental Activities
Federal Government					
Categorical aid	$ 13,315,941	$ -	$ 14,662,010	$ -	$ 27,977,951
State Government					
Apportionment	40,338,923	-	932,754	-	41,271,677
Categorical aid	9,995,880	-	3,894,489	-	13,890,369
Lottery	3,521,416	-	3,238	-	3,524,654
Local Government					
Other local sources	44,853,420	2,904,505	9,910,955	516,293	58,185,173
Total	$ 112,025,580	$ 2,904,505	$ 29,403,446	$ 516,293	$ 144,849,824

B. Leases Receivable

The District has accrued lease receivables for multiple building and ground leases. The remaining receivable and deferred inflows of resources for these leases was $55,583,321 and $57,325,304, respectively, as of June 30, 2025. Interest revenue recognized on these leases was $974,534 for the year ended June 30, 2025. Principal receipts of $7,783,682 were recognized as revenue during the fiscal year. Final receipt is expected in fiscal year 2043.

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities				
Capital assets not being depreciated				
Land	$ 7,100,000	$ -	$ -	$ 7,100,000
Construction in progress	59,639,805	163,217,375	22,120,895	200,736,285
Total capital assets not being depreciated	66,739,805	163,217,375	22,120,895	207,836,285
Capital assets being depreciated				
Buildings & improvements	2,830,557,656	34,283,980	-	2,864,841,636
Furniture & equipment	53,612,094	377,235	-	53,989,329
Total capital assets being depreciated	2,884,169,750	34,661,215	-	2,918,830,965
Less: Accumulated depreciation				
Buildings & improvements	924,270,074	71,236,259	-	995,506,333
Furniture & equipment	52,795,525	396,339	-	53,191,864
Total accumulated depreciation	977,065,599	71,632,598	-	1,048,698,197
Total capital assets being depreciated, net	1,907,104,151	(36,971,383)	-	1,870,132,768
Lease assets being amortized				
Buildings & improvements	1,448,940	368,083	53,562	1,763,461
Furniture & equipment	1,367,464	497,694	48,201	1,816,957
Total lease assets being amortized	2,816,404	865,777	101,763	3,580,418
Less: Accumulated amortization for lease assets				
Buildings & improvements	857,314	435,246	53,562	1,238,998
Furniture & equipment	244,242	508,170	48,201	704,211
Total accumulated amortization for lease assets	1,101,556	943,416	101,763	1,943,209
Total lease assets being amortized, net	1,714,848	(77,639)	-	1,637,209
Subscription assets being amortized	13,905,940	1,005,866	3,694,168	11,217,638
Less: Accumulated amortization for subscription assets	6,782,921	4,229,950	3,694,168	7,318,703
Total subscription assets being amortized, net	7,123,019	(3,224,084)	-	3,898,935
Governmental Activities Capital Assets, net	$ 1,982,681,823	$ 122,944,269	$ 22,120,895	$ 2,083,505,197

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

Governmental Activities	
Instruction	$ 45,006,854
Instructional supervision and administration	5,276,041
Instructional library, media, and technology	269,042
School site administration	4,006,041
Home-to-school transportation	1,752,991
Food services	1,985,704
All other pupil services	6,123,163
Centralized data processing	5,301,147
All other general administration	2,798,826
Plant services	3,888,782
Ancillary services	397,373
Total	$ 76,805,964

NOTE 5 – INTERFUND TRANSACTIONS

Operating Transfers

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

	Interfund Transfers In		
Interfund Transfers Out	**Building Fund**	**Non-Major Governmental Funds**	**Total**
General Fund	$ 530,000	$ 16,583,984	$ 17,113,984
Non-Major Governmental Funds	13,119,173	-	13,119,173
Total	$ 13,649,173	$ 16,583,984	$ 30,233,157

The General Fund transferred to the Building Fund for expenditures incurred.	$ 530,000
The General Fund transferred to the Non-Major Child Development Fund for program transfer.	621,209
The General Fund transferred to the Non-Major Deferred Maintenance Fund for excess funds collected in Routine Restricted Maintenance Account.	15,962,775
The Non-Major County School Facilities Fund transferred to the Building Fund for expenditures related to the School Facility Program.	12,764,264
The Non-Major Capital Projects Fund for Blended Component Units transferred to the Building Fund for eRate program.	354,909
Total	$ 30,233,157

NOTE 6 – ACCRUED LIABILITIES

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

	General Fund	Building Fund	Non-Major Governmental Funds	Internal Service Fund	District-Wide	Governmental Activities	Fiduciary Fund
Payroll	$ 55,817,658	$ -	$ -	$ -	$ -	$ 55,817,658	$ -
Construction	-	34,512,502	1,840,085	-	-	36,352,587	-
Vendors payable	38,810,732	-	490,384	484,884	-	39,786,000	504,069
Unmatured interest	-	-	-	-	1,858,061	1,858,061	-
Due to grantor government	4,753,431	-	6,313,169	-	-	11,066,600	-
Total	$ 99,381,821	$ 34,512,502	$ 8,643,638	$ 484,884	$ 1,858,061	$ 144,880,906	$ 504,069

NOTE 7 – UNEARNED REVENUE

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

	General Fund	Non-Major Governmental Funds	Governmental Activities
Federal sources	$ 6,053,518	$ 315,540	$ 6,369,058
State categorical sources	6,869,831	8,833,212	15,703,043
Local sources	181,864	-	181,864
Total	$ 13,105,213	$ 9,148,752	$ 22,253,965

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2025 consisted of the following:

	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Balance Due In One Year
Governmental Activities					
General obligation bonds	$ 943,650,000	$ 160,000,000	$ 73,220,000	$ 1,030,430,000	$ 83,325,000
Unamortized premium	98,186,108	8,352,333	10,757,261	95,781,180	10,339,644
Total general obligation bonds	1,041,836,108	168,352,333	83,977,261	1,126,211,180	93,664,644
Leases	1,506,258	865,777	675,256	1,696,779	854,935
Subscriptions	7,566,261	1,850,019	4,710,971	4,705,309	2,825,237
Compensated absences*	34,712,640	-	16,528,889	18,183,751	7,207,930
Net OPEB liability	649,334,618	5,403,946	-	654,738,564	-
Net pension liability	633,816,484	-	34,668,520	599,147,964	-
Total	$ 2,368,772,369	$ 176,472,075	$ 140,560,897	$ 2,404,683,547	$ 104,552,746

*The change in the compensated absences liability is presented as a net change.

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments for leases are made in the General Fund and the Building Fund.
- Payments for subscriptions are made in the General Fund.

A. General Obligation Bonds

General obligation bonds at June 30, 2025 consisted of the following:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2024	Additions	Deductions	Bonds Outstanding June 30, 2025
2006 Election, Series 2010C	May 19, 2010	May 15, 2027	5.735%	$ 12,955,000	$ 12,955,000	$ -	$ -	$ 12,955,000
2006 Election, Series 2010D	May 19, 2010	June 15, 2030	5.735%	72,370,000	72,370,000	-	-	72,370,000
2006 Election, Series 2015F	October 8, 2015	June 15, 2035	3.000% - 5.000%	15,000,000	9,895,000	-	720,000	9,175,000
2011 Election, Series 2015C	October 8, 2015	June 15, 2035	3.000% - 5.000%	211,000,000	139,100,000	-	10,130,000	128,970,000
2015 Refunding	October 8, 2015	June 15, 2026	2.000% - 5.000%	63,655,000	6,590,000	-	3,265,000	3,325,000
2016 Election, Series 2016A	March 17, 2017	June 15, 2037	2.000% - 5.000%	180,000,000	117,200,000	-	6,605,000	110,595,000
2016 Election, Series 2020B	August 20, 2020	June 15, 2040	0.180% - 4.000%	280,000,000	193,005,000	-	8,940,000	184,065,000
2020 Refunding	August 20, 2020	June 15, 2032	4.000%	166,285,000	69,525,000	-	18,945,000	50,580,000
2016 Election, Series 2022C	May 13, 2022	June 15, 2042	5.000%	284,250,000	218,310,000	-	7,760,000	210,550,000
2022 Refunding	May 13, 2022	June 15, 2033	5.000%	122,050,000	104,700,000	-	9,500,000	95,200,000
2024 Election, Series A	April 16, 2025	June 15, 2044	4.600% - 5.000%	160,000,000	-	160,000,000	7,355,000	152,645,000
Total					$ 943,650,000	$ 160,000,000	$ 73,220,000	$ 1,030,430,000

The annual requirements to amortize the bonds outstanding at June 30, 2025 are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	$ 83,325,000	$ 45,013,734	$ 128,338,734
2027	106,265,000	40,385,870	146,650,870
2028	58,925,000	35,255,615	94,180,615
2029	61,565,000	31,886,888	93,451,888
2030	136,430,000	28,656,259	165,086,259
2031 - 2035	317,435,000	98,195,325	415,630,325
2036 - 2040	201,415,000	40,679,350	242,094,350
2041 - 2044	65,070,000	6,511,000	71,581,000
Total	$ 1,030,430,000	$ 326,584,041	$ 1,357,014,041

NOTE 8 – LONG-TERM LIABILITIES (continued)

A. General Obligation Bonds (continued)

Proposition A, Election of 2006, Series D (2010) General Obligation Bonds
The Series D Term Bond maturing on June 15, 2030 is subject to mandatory sinking fund redemption prior to the stated maturity in part at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The mandatory sinking fund payments of $22,040,000 are reported as cash and investments on the District's Statement of Net Position as of June 30, 2025.

Refunding Bonds
On May 12, 2022, the District issued $122,050,000 in general obligation bonds with an interest rate of 5.00 percent to advance refund $186,745,000 million of Proposition A, Election of 2011 Series B (2014) with an interest rate range of 5.00 percent to 4.24 percent. The net proceeds of $137,326,631 (including premiums and funds related to the prior bonds of $15,880,270 and costs of issuance of $603,949) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on certain of the Refunded Bonds. As a result, the refunded portion of the bonds are considered to be defeased and the liability for the defeased bonds is not reported on the statement of net position.

The advance refunding resulted in a difference between the reacquisition price of the new debt ($137,326,631 placed with the escrow agent) and the net carrying amount of the old debt ($142,578,290 of bond principal and unamortized bond premiums) in the amount of $5,251,659. The advance refunding decreases the total debt service payments, inclusive of principal and interest, over the next 11 years by $7,502,856 and results in an economic gain (difference between the present values of the old and new debt service payments) of $5,665,349.

B. Leases

The District entered into various agreements to lease certain equipment and buildings. The lease agreements qualify as other than short-term leases under GASB No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Year Ended June 30,	Lease Payment
2026	$ 885,755
2027	584,564
2028	275,438
Total minimum lease payments	1,745,757
Less amount representing interest	(48,978)
Present value of minimum lease payments	$ 1,696,779

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. Subscriptions

The District entered into various subscriptions that qualify as a subscription-based information technology arrangement (SBITA) under GASB No. 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

The future minimum subscription obligations and the net present value of these minimum subscription payments as of June 30, 2025, were as follows:

Year Ended June 30,	Subscription Payment
2026	$ 2,932,269
2027	1,802,909
2028	991,938
2029	60,143
Total minimum subscription payments	5,787,259
Less amount representing interest	(1,081,950)
Present value of minimum subscription payments	$ 4,705,309

D. Compensated Absences

The restated beginning total unpaid employee compensated absences was $34,712,640 and decreased by a net amount of $16,528,889 during the year ended June 30, 2025. The ending compensated absences at June 30, 2025 amounted to $18,183,751. This amount is included as part of long-term liabilities in the government-wide financial statements.

E. Other Postemployment Benefits

The District's beginning net OPEB liability was $649,334,618 and increased by $5,403,946 during the year ended June 30, 2025. The ending net OPEB liability at June 30, 2025 was $654,738,564. See Note 10 for additional information regarding the net OPEB liability.

F. Net Pension Liability

The District's beginning net pension liability was $633,816,484 and decreased by $34,668,520 during the year ended June 30, 2025. The ending net pension liability at June 30, 2025 was $599,147,964. See Note 11 for additional information regarding the net pension liability.

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2025:

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable				
Revolving cash	$ 71,203	$ -	$ 11,348	$ 82,551
Stores inventory	1,503,549	-	68,564	1,572,113
Prepaid expenditures	60,121	-	-	60,121
Total non-spendable	1,634,873	-	79,912	1,714,785
Restricted				
Educational programs	207,698,941	-	33,535,579	241,234,520
Food service	-	-	21,020,056	21,020,056
Associated student body	-	-	4,486,916	4,486,916
Capital projects	-	338,699,708	79,365,556	418,065,264
Debt service	-	-	93,655,773	93,655,773
Total restricted	207,698,941	338,699,708	232,063,880	778,462,529
Committed				
Stabilization	69,132,417	-	-	69,132,417
Other commitments	40,000,000	-	34,814,394	74,814,394
Total committed	109,132,417	-	34,814,394	143,946,811
Assigned				
GASB 31/72 Fair Value of Investment	8,283,582	-	-	8,283,582
Child development	-	-	6,457,935	6,457,935
Capital projects	-	-	1,925,027	1,925,027
Other assignments	-	-	11,562,521	11,562,521
Total assigned	8,283,582	-	19,945,483	28,229,065
Unassigned	102,173,650	-	-	102,173,650
Total	$ 428,923,463	$ 338,699,708	$ 286,903,669	$ 1,054,526,840

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than two percent of General Fund expenditures and other financing uses.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The San Francisco Unified School District's defined benefit OPEB plan, San Francisco Unified School District Retiree Benefit Plan (the Plan) is an agent multiple employer defined benefit plan. The District participates in the City and County of San Francisco Health Service System (HSS) program to provide certain health care benefits for retired employees and their spouses.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

B. OPEB Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued financial report. That report may be obtained by contacting HSS.

C. Benefits Provided

The eligibility requirements and benefits provided by the Plan are described below.

	Certificated	Classified	Management	Paraprofessionals
Benefit types provided	Medical only	Medical only	Medical only	Medical only
Duration of Benefits	Lifetime	Lifetime	Lifetime	Lifetime
Required Service	20 years*	50% 10-14 years' service 75% 15-19 years' service 100% 20+ years' service***	50% 10-14 years' service 75% 15-19 years' service 100% 20+ years' service***	20 years**
Minimum Age	55	50	50	55
Dependent Coverage	One dependent	One dependent	One dependent	One dependent
District Contribution %	Non-Medicare Retiree Coverage: Retirees pay 50% of active employee contributions up to cap Medicare Retiree Coverage: Retirees pay 50% of the difference between active employee contributions up to cap First Dependent: Retiree pays 50% of cost Additional Dependents: Retiree pays 100% of cost			
District Cap	Based on 10 County survey, Proposition E, and other considerations			

benefits upon commencement of pension benefits pursuant to the terms of the plan.

**Those hired prior to 7/1/06 may have a lower service requirement

***Those hired prior to January 10, 2009 have a 5 year service requirement

D. Contributions

For the measurement period, the District contributed $35,240,135 to the Plan, all of which was used for current premiums**.** There is no actuarially determined contribution, nor any contribution requirement established by statute or contract. The District's contribution is currently based on a projected pay as-you-go funding method, that is, benefits are payable when due.

E. Plan Membership

Membership of the Plan consisted of the following:

	Number of participants
Inactive employees receiving benefits	4,835
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	7,307
Total number of participants**	12,142

*Information not provided

**As of the June 30, 2023 valuation date

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

F. Net OPEB Liability

The components of the net OPEB liability of the District at June 30, 2025, were as follows:

Total OPEB liability	$ 744,828,179
Plan fiduciary net position	(90,089,615)
District's net OPEB liability	$ 654,738,564
Plan fiduciary net position as a percentage of total OPEB liability	12.10%

G. Investments

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

Concentrations
The Plan's assumed asset allocation and assumed rate of return for each is as follows:

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	34.00%	7.25%
All Fixed Income	41.00%	4.25%
Real Estate Investment Trusts	17.00%	7.25%
All Commodities	3.00%	7.25%
Treasury Inflation Protected Securities (TIPS)	5.00%	3.00%

Rate of Return
For the year ended, June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 6.25 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

H. Actuarial Assumptions and Other Inputs

The net OPEB liability as of June 30, 2025 was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement period ending June 30, 2024.

Economic assumptions:

Inflation	2.50%
Salary increases	2.75%
Discount rate	5.65%
Healthcare cost trend rate	4.00%

Non-economic assumptions:

Mortality:	
Certificated	2020 CalSTRS Mortality Table
Classified	2020 SFERS Mortality Table
Retirement rates:	
Certificated	Hired 2012 and earlier: 2020 CalSTRS 2.0%@60 Rates Hired 2013 and later: 2020 CalSTRS 2.0%@62 Rates
Classified	Hired 2012 and earlier: SFERS Retirement Rates – NonPEPRA Hired 2013 and later: SFERS Retirement Rates - PEPRA

The actuarial assumptions used in the June 30, 2023 valuation were based on a review of plan experience during the period July 1, 2021 to June 30, 2023.

The discount rate was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed thirty-four years.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

I. Changes in Net OPEB Liability

	June 30, 2025
Total OPEB Liability	
Service cost	$ 27,021,766
Interest on total OPEB liability	39,459,113
Difference between expected and actual experience	4,430,358
Changes of assumptions	(23,461,249)
Benefits payments	(35,240,135)
Net change in total OPEB liability	12,209,853
Total OPEB liability - beginning	732,618,326
Total OPEB liability - ending (a)	$ 744,828,179
Plan fiduciary net position	
Contributions - employer	$ 35,240,135
Net investment income	6,832,721
Benefit payments	(35,240,135)
Administrative expenses	(26,814)
Net change in plan fiduciary net position	6,805,907
Plan fiduciary net position - beginning	83,283,708
Plan fiduciary net position - ending (b)	$ 90,089,615
District's net OPEB liability - ending (a) - (b)	$ 654,738,564
Plan fiduciary net position as a percentage of the total OPEB liability	12.10%
Covered-employee payroll	$ 683,092,510
District's net OPEB liability (asset) as a percentage of covered-employee payroll	95.85%

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

J. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (4.65%)	Valuation Discount Rate (5.65%)	1% Increase (6.65%)
Net OPEB liability	$ 754,073,109	$ 654,738,564	$ 573,781,115

K. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the San Francisco Unified School District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease (3.00%)	Healthcare Cost Trend Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability	$ 552,035,491	$ 654,738,564	$ 654,738,564

L. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the San Francisco Unified School District recognized OPEB expense of $21,881,903. At June 30, 2025, the San Francisco Unified School District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 2,296,486	$ -
Differences between expected and actual experience	5,009,782	137,477,946
Changes in assumptions	106,094,149	258,924,412
District contributions subsequent to the measurement date	36,696,828	-
Total	$ 150,097,245	$ 396,402,358

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

L. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB (continued)

The $36,696,828 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	$ 27,660,048	$ 67,136,781
2027	28,364,784	67,136,779
2028	26,982,923	63,789,438
2029	21,802,270	59,258,710
2030	6,961,586	57,316,974
Thereafter	1,628,806	81,763,676
Total	$ 113,400,417	$ 396,402,358

NOTE 11 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the San Francisco Employees' Retirement System (SFERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
CalSTRS Pension	$ 481,838,230	$ 191,895,828	$ 155,363,124	$ 112,549,446
SFERS Pension	117,309,734	69,786,167	4,085,653	20,259,593
Total	$ 599,147,964	$ 261,681,995	$ 159,448,777	$ 132,809,039

A. California State Teachers' Retirement System (CalSTRS)

Plan Description
The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, CA 95851-0275.

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Benefits Provided
The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.

2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

Contributions
Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2025, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2025 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were $91,061,004 for the year ended June 30, 2025.

On-Behalf Payments
The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately $41,285,692 to CalSTRS.

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

District's proportionate share of the net pension liability	$	481,838,230
State's proportionate share of the net pension liability associated with the District		221,072,433
Total	$	702,910,663

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

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

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.717 percent, which was an increase of 0.021 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $112,549,446. In addition, the District recognized pension expense and revenue of $(21,122,073) 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
Differences between projected and actual earnings on plan investments	$ -	$ 1,944,198
Differences between expected and actual experience	54,502,107	21,070,513
Changes in assumptions	2,109,204	32,907,880
Changes in proportion and differences between District contributions and proportionate share of contributions	44,223,513	99,440,533
District contributions subsequent to the measurement date	91,061,004	-
Total	$ 191,895,828	$ 155,363,124

The $91,061,004 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	$ 30,228,978	$ 66,535,022
2027	20,804,103	(6,591,210)
2028	18,210,966	34,531,089
2029	18,210,966	31,423,658
2030	10,259,051	23,961,985
2031	3,120,760	5,502,580
Total	$ 100,834,824	$ 155,363,124

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Growth	3.50%

* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2021 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2024, are summarized in the following table:

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

*Real return is net of assumed 2.75% inflation.

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Discount Rate

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

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 857,032,545	$ 481,838,230	$ 168,535,409

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

NOTE 11 – PENSION PLANS (continued)

B. San Francisco Employees' Retirement System (SFERS)

Plan Description

The San Francisco City and County Employees' Retirement System (Retirement System) administers a cost-sharing multiple-employer defined benefit pension plan (Plan) established to provide pension benefits for substantially all employees of the City and County of San Francisco (City and County), certain classified and certificated employees of the Community College and Unified School Districts, and San Francisco Trial Court employees other than judges. The Retirement System provides service retirement, disability, and death benefits based on specified percentages of defined final average monthly salary and annual cost of living adjustments after retirement. The City and County Charter (Charter) and the Administrative Code are the authorities that establish and amend the benefit provisions and the employer and member obligations to the Plan.

The Retirement System is administered by the Executive Director, an employee of the City and County, in accordance with the provisions of the Charter and Administrative Code, and the policies and regulations of the Retirement Board. The Retirement Board is composed of seven members: three members elected by the active and retired members of the Retirement System; three members appointed by the Mayor in accordance with Section 12.100 of the San Francisco City Charter, and one member of the Board of Supervisors appointed by the President of the Board of Supervisors.

Benefits Provided

The retirement system provides service retirement, disability, and death benefits based on specified percentages of defined final average monthly salary and annual cost-of-living adjustments after retirement. Employees with 20 years of service who have attained age 50 or those with 10 years of service who have attained age 60 are eligible for retirement benefits. The City Charter and the Administrative Code are the authorities that establish and amend the benefit provisions of the plan and employer and member obligations to the plan.

The membership groups and the related service retirement benefits are included in the notes to the basic financial statements of the retirement system, which are available on the SFERS website.

All retired members receive a benefit adjustment each July 1, which is the basic cost of living adjustment (COLA). The majority of adjustments are determined by changes in the Consumer Price Index with increases capped at 2%. The Plan provides for a supplemental COLA in years when there are sufficient “excess” investment earnings in the Plan and the Plan is fully funded on a market value of assets basis. The maximum benefit adjustment is 3.5% including that Basic COLA. For members hired on or after January 7, 2012, supplemental COLAs will not be permanent adjustments to retirement benefits.

Contributions

Contributions are made to the plan by both the employers and the participating employees. The basic employer contributions are the amounts deemed necessary, on an actuarial basis using the entry age normal cost method, to provide the plan with assets sufficient to pay the basic benefits that are not provided for by employees' contributions. Employee and employer contributions are mandatory, as required by the City Charter. The District's contributions to SFERS, for the year ended June 30, 2025 were $18,421,660. Employee contribution rates for fiscal year 2024-2025 varied from 7.5% to 10.0% as a percentage of gross covered salary. The District is required to contribute at an actuarially determined rate. The required employer contribution rate for fiscal year 2024-2025 was 25.74%.

NOTE 11 – PENSION PLANS (continued)

B. San Francisco Employees' Retirement System (SFERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2025, the District reported a liability of $117,309,734 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of July 1, 2023 and rolling forward the total pension liability to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating agencies, actuarially determined. At June 30, 2024, the District's proportion 2.942 percent, which was an increase of 0.094 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $20,259,593. 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
Differences between projected and actual earnings on plan investments	$ 21,674,184	$ -
Differences between expected and actual experience	18,492,556	-
Changes in assumptions	9,252,030	2,821,363
Changes in proportion and differences between District contributions and proportionate share of contributions	1,945,737	1,264,290
District contributions subsequent to the measurement date	18,421,660	-
Total	$ 69,786,167	$ 4,085,653

The $18,421,660 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	$ (741,291)	$ 4,085,653
2027	42,144,587	-
2028	10,965,223	-
2029	(1,004,012)	-
Total	$ 51,364,507	$ 4,085,653

NOTE 11 – PENSION PLANS (continued)

B. San Francisco Employees' Retirement System (SFERS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of July 1, 2023, and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	7.20%
Salary Increases	3.25% plus merit component based on employee classification and years of service

For General healthy annuitants, the sex distinct 2010 Pub-G healthy annuitant mortality table, adjusted 0.977 for females and 1.031 for males. For Safety healthy annuitants, the sex distinct 2010 Pub-S healthy annuitant mortality table, adjusted 1.044 for females and 0.947 for males.

For General active members, the sex distinct 2010 Pub-G employee mortality tables, adjusted 0.866 for females and 0.834 for males. For Safety active members, the sex distinct 2010 Pub-S employee mortality tables, adjusted 0.979 for females and 1.011 for males.

Rates are projected generationally from the base year using a modified version of the MP-2019 projection scale.

Benefit changes made prior to July 1, 2014 are amortized over closed 20-year periods as a level percentage of payroll.

The unfunded actuarial liability (UAL) as of July 1, 2013 not attributable to benefit changes was amortized over a closed 19-year period starting July 1, 2014.

Assumption changes and experience gains and losses are amortized over a closed 20-year period as a level percentage of payroll.

Increases in the UAL due to Supplemental COLAs are amortized over a closed 5-year period.

The long-term expected rate of return on pension plan investments was 7.20%. It was set by the Retirement Board after consideration of both expected future returns and historical returns experienced by the by the Retirement System. Expected future returns were determined by using a building-block method in which best estimate ranges of expected future real rates of return were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 11 – PENSION PLANS (continued)

B. San Francisco Employees' Retirement System (SFERS) (continued)

Actuarial Assumptions (continued)

Target allocation and best estimates of geometric long-term expected real rates of return (net of pension plan investment expense and inflation) for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	37.00%	4.80%
Treasuries	8.00%	0.60%
Liquid Credit	5.00%	3.50%
Private Credit	10.00%	5.80%
Private Equity	23.00%	7.90%
Real Assets	10.00%	4.70%
Hedge Funds/Absolute Return	10.00%	3.40%
Leverage	-3.00%	0.60%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2024 was 7.20%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the rates specified in the Charter. Employer contributions were assumed to be made in accordance with the contribution policy in effect for the July 1, 2023 actuarial valuation. While the contributions and measure of actuarial lability in the funding valuation do not anticipate any future Supplemental COLAs, the projected contributions for the determination of the discount rate include the anticipated future amortization payments on future Supplemental COLAs for current members when they are expected to be granted. The projection of benefit payments to current members for determining the discount rate includes the payment of anticipated future Supplemental COLAs.

As of June 30, 2024, the Retirement System's fiduciary net position was projected to be available to make projected future benefit payments for current members. Projected benefit payments are discounted at the long-term expected return on assets of 7.20% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 3.93% to the extent that they are not available. The single equivalent rate used to determine the total pension liability as of June 30, 2024, rounded to two decimals is 7.20%.

The municipal bond rate of 3.93% used to determine the above discount rate represents the yield on the Bond Buyer 20-Bond GO Index.

NOTE 11 – PENSION PLANS (continued)

B. San Francisco Employees' Retirement System (SFERS) (continued)

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	$ 270,043,352	$ 117,309,734	$ (8,540,886)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued SFERS financial report.

NOTE 12 – RISK MANAGEMENT

The District's risk management activities are recorded in the General Fund and Self-Insurance Fund. Employee life, supplemental health, and disability insurance programs are administered through the purchase of commercial insurance. Employee dental and workers' compensation insurance is provided on a self-funded basis.

Excess insurance coverage with Statutory Limits is purchased from Arch Insurance Group for workers' compensation losses of more than $500,000 per claim (self-insured retention, or SIR). The District is also self-insured for excess property, general liability, crime, cyber and terrorism losses, and carries excess insurance coverage for each.

The District maintains excess property coverage through a layered approach for losses up to $300,000,000 per occurrence, with a $100,000 SIR. A layered coverage approach is also used for the General Liability insurance program with limits of $55 million per occurrence, and a $2,000,000 self-insured retention per claim. As part of that structure the District is a member of the Schools Excess Liability Fund (SELF) joint powers authority (JPA).

The District pays annual contributions to SELF for additional excess liability coverage over $5M. The District also purchases student accident insurance which provides $25,000 in coverage for families whose student was injured in an accident during school time. Coverage for excess earthquake losses is not maintained. For excess insurance programs there have been no significant reductions in insurance coverage to date.

Effective July 1, 2022, the District became a member of the Alliance for Schools Cooperative Insurance Programs (ASCIP), a JPA. There were no settlements that surpassed the District's SIR(s) during the fiscal year.

NOTE 12 – RISK MANAGEMENT (continued)

Claim Liabilities - Self Insurance Fund
The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities for workers' compensation are based on a current actuarial study using the "expected value" as the basis for the total liability. The workers' compensation liabilities are reported at their present value using an expected future investment yield assumption of two percent. The following represents the changes in approximate aggregate liabilities for the District from July 1, 2023 to June 30, 2025:

		Total
Liability Balance, July 01, 2023	$	22,732,000
Claims & changes in estimates		30,427,644
Claims payments		(29,208,644)
Liability Balance, July 01, 2024	$	23,951,000
Claims & changes in estimates		25,094,639
Claims payments		(24,708,639)
Liability Balance, June 30, 2025	$	24,337,000

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. Grants

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

B. Litigation

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

C. Construction Commitments

As of June 30, 2025, the District had commitments with respect to unfinished capital projects of $167,533,716.

NOTE 14 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in four joint ventures under joint powers authorities (JPAs), the Santa Clara County Schools' Insurance Group (SCCSIG), the School Project for Utility Rate Reduction (SPURR), the Schools Excess Liability Fund (SELF), and the Alliance for Schools Cooperative Insurance Programs (ASCIP). The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements. However, fund transactions between the JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

NOTE 15 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Refunded Debt

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred outflows and inflows of resources are recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2025, the deferred outflows related to refunding were $1,034,644 and the deferred inflows related to refunding were $3,779,324.

B. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2025, total deferred outflows related to pensions was $261,681,995 and total deferred inflows related to pensions was $159,448,777.

C. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2025, total deferred outflows related to other postemployment benefits was $150,097,245 and total deferred inflows related to other postemployment benefits was $396,402,358.

D. Leases

Pursuant to GASB Statement No. 87, *Leases,* the District recognized deferred inflows of resources related to leases in the District-wide financial statements. Further information regarding the deferred inflows of resources can be found at Note 3. At June 30, 2025, total deferred inflows related to leases was $57,325,304.

NOTE 16 – RESTATEMENT OF NET POSITION

The beginning net position of the Governmental Activities has been restated due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement guidance for liabilities related to compensated absences, requiring that the liability be recognized when leave is attributable to services already rendered and it is probable that the leave will be used or paid. This standard supersedes certain provisions of GASB Statement No. 16.

The cumulative effect of applying GASB 101 required a restatement of the beginning net position, as follows:

	Governmental Activities
Net Position - Beginning, as Previously Reported	$ 572,358,749
Restatement	(20,109,491)
Net Position - Beginning, as Restated	$ 552,249,258

REQUIRED SUPPLEMENTARY INFORMATION

SAN FRANCISCO UNIFIED 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	$ 673,908,095	$ 677,376,680	$ 677,458,488	$ 81,808
Federal sources	45,792,184	56,830,504	43,774,760	(13,055,744)
Other state sources	149,493,708	163,249,645	161,936,378	(1,313,267)
Other local sources	306,448,899	334,040,886	358,004,239	23,963,353
Total Revenues	1,175,642,886	1,231,497,715	1,241,173,865	9,676,150
EXPENDITURES				
Certificated salaries	512,685,779	503,394,097	486,924,573	16,469,524
Classified salaries	218,341,776	225,120,885	189,747,972	35,372,913
Employee benefits	368,038,343	335,052,723	296,816,358	38,236,365
Books and supplies	31,761,002	79,690,346	40,460,321	39,230,025
Services and other operating expenditures	190,479,958	277,557,140	236,505,862	41,051,278
Capital outlay	618,605	7,212,515	4,627,929	2,584,586
Other outgo				
Excluding transfers of indirect costs	4,259,417	4,232,305	10,567,891	(6,335,586)
Transfers of indirect costs	(2,748,280)	(2,802,432)	(2,896,590)	94,158
Total Expenditures	1,323,436,600	1,429,457,579	1,262,754,316	166,703,263
Excess (Deficiency) of Revenues				
Over Expenditures	(147,793,714)	(197,959,864)	(21,580,451)	176,379,413
Other Financing Sources (Uses)				
Other sources	-	-	1,782,989	1,782,989
Transfers out	(600,000)	(600,000)	(17,113,984)	(16,513,984)
Net Financing Sources (Uses)	(600,000)	(600,000)	(15,330,995)	(14,730,995)
NET CHANGE IN FUND BALANCE	(148,393,714)	(198,559,864)	(36,911,446)	161,648,418
Fund Balance - Beginning	467,946,086	465,834,909	465,834,909	-
Fund Balance - Ending	$ 319,552,372	$ 267,275,045	$ 428,923,463	$ 161,648,418

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance because audit reclassifications are not included in this schedule.

See accompanying notes to required supplementary information.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability								
Service cost	$ 27,021,766	$ 42,007,278	$ 57,587,028	$ 84,611,510	$ 59,685,804	$ 51,933,729	$ 54,233,883	$ 52,782,368
Interest on total OPEB liability	39,459,113	38,340,066	30,459,621	24,499,239	29,577,687	29,157,278	28,342,781	24,365,832
Difference between expected and actual experience	4,430,358	(116,145,818)	845,755	(47,191,030)	1,121,836	(60,193,912)	-	-
Changes of assumptions	(23,461,249)	(128,632,883)	(196,469,072)	6,603,899	173,799,040	62,007,951	(30,126,085)	-
Benefits payments	(35,240,135)	(34,048,533)	(32,161,983)	(36,772,723)	(32,594,010)	(31,870,502)	(29,470,435)	(28,336,957)
Net change in total OPEB liability	12,209,853	(198,479,890)	(139,738,651)	31,750,895	231,590,357	51,034,544	22,980,144	48,811,243
Total OPEB liability - beginning	732,618,326	931,098,216	1,070,836,867	1,039,085,972	807,495,615	756,461,071	733,480,927	684,669,684
Total OPEB liability - ending (a)	$ 744,828,179	$ 732,618,326	$ 931,098,216	$ 1,070,836,867	$ 1,039,085,972	$ 807,495,615	$ 756,461,071	$ 733,480,927
Plan fiduciary net position								
Contributions - employer	$ 35,240,135	$ 84,048,533	$ 37,161,983	$ 36,772,723	$ 32,594,010	$ 56,870,502	$ -	$ -
Net investment income	6,832,721	1,012,953	(4,750,512)	5,264,751	1,375,651	427,235	-	-
Benefit payments	(35,240,135)	(34,048,533)	(32,161,983)	(36,772,723)	(32,594,010)	(31,870,502)	-	-
Administrative expenses	(26,814)	(15,156)	(8,729)	(9,752)	(12,541)	(192)	-	-
Net change in plan fiduciary net position	6,805,907	50,997,797	240,759	5,254,999	1,363,110	25,427,043	-	-
Plan fiduciary net position - beginning	83,283,708	32,285,911	32,045,152	26,790,153	25,427,043	-	-	-
Plan fiduciary net position - ending (b)	$ 90,089,615	$ 83,283,708	$ 32,285,911	$ 32,045,152	$ 26,790,153	$ 25,427,043	$ -	$ -
District's net OPEB liability - ending (a) - (b)	$ 654,738,564	$ 649,334,618	$ 898,812,305	$ 1,038,791,715	$ 1,012,295,819	$ 782,068,572	$ 756,461,071	$ 733,480,927
Plan fiduciary net position as a percentage of the total OPEB liability	12.10%	11.37%	3.47%	2.99%	2.58%	3.15%	0.00%	0.00%
Covered-employee payroll	$ 683,092,510	$ 676,928,210	$ 538,952,567	$ 540,512,000	$ 551,088,000	$ 520,368,000	$ 433,224,000	$ 411,662,000
District's net OPEB liability (asset) as a percentage of covered-employee payroll	95.85%	95.92%	166.77%	192.19%	183.69%	150.29%	174.61%	178.18%

See accompanying notes to required supplementary information.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension liability	0.717%	0.696%	0.793%	0.797%	0.796%	0.769%	0.702%	0.668%	0.624%	0.768%
District's proportionate share of the net pension liability	$ 481,838,230	$ 530,024,317	$ 550,771,629	$ 362,752,000	$ 771,296,000	$ 694,175,000	$ 645,548,000	$ 617,389,000	$ 504,375,000	$ 517,072,000
State's proportionate share of the net pension liability associated with the District	221,072,433	253,954,143	275,828,045	182,523,000	397,603,000	378,719,000	369,607,000	365,242,000	287,132,000	273,474,000
Total	$ 702,910,663	$ 783,978,460	$ 826,599,674	$ 545,275,000	$ 1,168,899,000	$ 1,072,894,000	$ 1,015,155,000	$ 982,631,000	$ 791,507,000	$ 790,546,000
District's covered payroll	$ 475,987,375	$ 437,436,054	$ 400,940,000	$ 420,056,000	$ 436,961,000	$ 413,728,000	$ 372,505,000	$ 353,820,000	$ 334,115,000	$ 314,358,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	101.23%	121.17%	137.37%	86.36%	176.51%	167.79%	173.30%	174.49%	150.96%	164.49%
Plan fiduciary net position as a percentage of the total pension liability	83.55%	80.62%	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See accompanying notes to required supplementary information.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - SFERS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension liability	2.942%	2.848%	2.806%	3.001%	3.165%	3.177%	3.155%	3.093%	2.970%	3.119%
District's proportionate share of the net pension liability	$ 117,309,734	$ 103,792,167	$ 75,515,937	$ (77,578,000)	$ 171,241,000	$ 142,232,000	$ 135,128,000	$ 154,445,000	$ 172,628,000	$ 71,606,000
District's covered payroll	$ 126,231,057	$ 101,516,513	$ 108,753,000	$ 120,456,000	$ 114,126,000	$ 106,640,000	$ 82,059,000	$ 79,404,000	$ 77,547,000	$ 69,040,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	92.93%	102.24%	69.44%	-64.40%	150.05%	133.38%	164.67%	194.51%	222.61%	103.72%
Plan fiduciary net position as a percentage of the total pension liability	89.90%	90.20%	69.80%	81.00%	70.00%	70.00%	70.80%	71.87%	73.90%	79.43%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See accompanying notes to required supplementary information.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractually required contribution	$ 91,061,004	$ 90,143,685	$ 84,583,239	$ 69,140,729	$ 67,839,000	$ 74,720,000	$ 67,355,000	$ 53,764,000	$ 44,510,000	$ 35,778,000
Contributions in relation to the contractually required contribution*	(91,061,004)	(90,143,685)	(84,583,239)	(69,140,729)	(67,839,000)	(74,720,000)	(67,355,000)	(53,764,000)	(44,510,000)	(35,778,000)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 507,472,262	$ 475,987,375	$ 437,436,054	$ 400,940,000	$ 420,056,000	$ 436,961,000	$ 413,728,000	$ 372,505,000	$ 353,820,000	$ 334,115,000
Contributions as a percentage of covered payroll	17.94%	18.94%	19.34%	17.24%	16.15%	17.10%	16.28%	14.43%	12.58%	10.71%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - SFERS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractually required contribution	$ 18,421,660	$ 19,927,348	$ 19,174,069	$ 22,089,000	$ 25,105,000	$ 23,510,000	$ 20,496,000	$ 19,530,000	$ 17,068,000	$ 15,645,000
Contributions in relation to the contractually required contribution*	(18,421,660)	(19,927,348)	(19,174,069)	(22,089,000)	(25,105,000)	(23,510,000)	(20,496,000)	(19,530,000)	(17,068,000)	(15,645,000)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 225,874,146	$ 126,231,057	$ 101,516,513	$ 108,753,000	$ 120,456,000	$ 114,126,000	$ 106,640,000	$ 82,059,000	$ 79,404,000	$ 77,547,000
Contributions as a percentage of covered payroll	8.16%	15.79%	18.89%	20.31%	20.84%	20.60%	19.22%	23.80%	21.50%	20.17%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in Net OPEB Liability and Related Ratios

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the net OPEB liability, and the components of the net OPEB liability and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability as a percentage of covered-employee payroll.

Changes in Benefit Terms

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

Changes in Assumptions

The discount rate changed from 5.40% to 5.65% since the previous measurement.

Schedule of the District Contributions for OPEB

This 10-year schedule is not required to be presented as there was no actuarially determined contribution, nor any contribution requirement established by statute or contract.

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

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for CalSTRS or SFERS.

Changes in Assumptions

There were no changes in economic assumptions since the previous valuations for CalSTRS or SFERS.

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of District Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

	Expenditures and Other Uses		
	Budget	**Actual**	**Excess**
General Fund			
Other outgo			
Excluding transfers of indirect costs	$ 4,232,305	$ 10,567,891	$ 6,335,586

SUPPLEMENTARY INFORMATION

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Passed through California Department of Education:			
Title I, Part A			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	$ 11,539,210
Title I, Part A, Schoolwide Programs (SWP)	84.010	10003	6,899,049
Comprehensive Support and Improvement for LEAs	84.010	15438	642,334
Title I, Part A, School Improvement (CSI) funding for COEs	84.010	15439	46,062
Title I, Part D, Local Delinquent Programs	84.010	14357	267,548
Subtotal Title I, Part A			19,394,203
Title I, Migrant Education			
Title I, Migrant Education	84.011	14326	137,537
Title I, Migrant Ed Summer Program	84.011	10005	93,709
Subtotal Title I, Migrant Education			231,246
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	1,802,547
Title III			
Title III, English Learner Student Program	84.365	14346	1,297,382
Title III, Immigrant Education Program	84.365	15146	48,937
Subtotal Title III			1,346,319
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	1,396,603
Title IV, Part B, 21st Century Community Learning Centers			
Title IV, Part B, 21st Century Community Learning Centers Technical Assistance	84.287	14350	78,133
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	1,413,000
Subtotal Title IV, Part B			1,491,133
Department of Rehabilitation: Workability II, Transitions Partnership Program	84.126	10006	62,892
Indian Education	84.060	10011	20,935
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	12,071,384
IDEA Local Assistance, Part B, Sec 611, Early Intervening Services	84.027	10119	1,895,680
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	588,149
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	280,114
Alternate Dispute Resolution, Part B, Sec 611	84.027A	13007	33,264
Subtotal Special Education Cluster			14,868,591
IDEA Early Intervention Grants, Part C	84.181	23761	162,626
Strengthening Career and Technical Education for the 21st Century (Perkins V)	84.048	14894	491,440
Education for Homeless Children and Youth, Subtitle VII-B McKinney-Vento Act	84.196	14332	119,790
Education Innovation and Research	84.411C	*	758,876
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
American Rescue Plan - Homeless Children and Youth II (ARP HYC II) Program	84.425	15566	138,637
After School Education and Safety Rate Increase: ESSER III State Reserve Summer Learning	84.425	15652	1,360,434
Subtotal Education Stabilization Fund Discretionary Grants			1,499,071
Total U. S. Department of Education			43,646,272
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through California Department of Education:			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	3,945,359
National School Lunch Program	10.555	13391	13,449,919
USDA Commodities	10.555	*	1,604,682
Summer Food Service Program for Children	10.559	13004	377,429
Supply Chain Assistance (SCA) Funds	10.555	15655	850,303
Subtotal Child Nutrition Cluster			20,227,692
Passed through California Department of Social Services:			
Child and Adult Care Food Program (CACFP)			
CACFP Claims - Centers and Family Day Care	10.558	13393	6,284,409
Total U. S. Department of Agriculture			26,512,101

(continued on the next page)

See accompanying notes to supplementary information.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through California Department of Education:			
Early Education: Federal General Child Care and Dev (CCTR)	93.596	13609	13,403,132
Passed through California Department of Social Services:			
Child Care and Development Programs	93.575	10163	976,880
Subtotal Child Care and Development Block Grant			14,380,012
Cooperative Agreements to Promote Adolescent Health through School-Based Surveillance and Risk Behavior Reduction	93.079	*	406,915
Total U. S. Department of Health & Human Services			14,786,927
U. S. DEPARTMENT OF DEFENSE:			
Passed through California Department of Education:			
Junior Reserve Officers Training Corp	12.357	*	1,373,058
Total U. S. Department of Defense			1,373,058
Total Federal Expenditures			$ 86,318,358

***** - Pass-Through Entity Identifying Number not available or not applicable

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA) – SCHOOL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2025

	Second Period Report	Revised Second Period Report*	Annual Report	Revised Annual Report*
SCHOOL DISTRICT				
TK/K through Third				
Regular ADA	14,910.80	14,907.20	14,915.59	14,912.00
Extended Year Special Education	29.26	29.26	29.26	29.26
Special Education - Nonpublic Schools	6.12	6.12	6.53	6.53
Extended Year Special Education - Nonpublic Schools	0.97	0.97	0.97	0.97
Total TK/K through Third	14,947.15	14,943.55	14,952.35	14,948.76
Fourth through Sixth				
Regular ADA	10,125.29	10,125.29	10,127.34	10,127.34
Extended Year Special Education	15.98	15.98	15.98	15.98
Special Education - Nonpublic Schools	9.59	9.59	11.06	11.06
Extended Year Special Education - Nonpublic Schools	1.13	1.13	1.13	1.13
Total Fourth through Sixth	10,151.99	10,151.99	10,155.51	10,155.51
Seventh through Eighth				
Regular ADA	6,286.51	6,278.11	6,285.20	6,277.08
Extended Year Special Education	8.93	8.93	8.93	8.93
Special Education - Nonpublic Schools	15.14	15.14	16.27	16.27
Extended Year Special Education - Nonpublic Schools	1.92	1.92	1.92	1.92
Total Seventh through Eighth	6,312.50	6,304.10	6,312.32	6,304.20
Ninth through Twelfth				
Regular ADA	13,633.27	13,633.27	13,541.68	13,541.68
Extended Year Special Education	37.86	37.86	37.86	37.86
Special Education - Nonpublic Schools	70.93	70.93	77.12	77.12
Extended Year Special Education - Nonpublic Schools	9.33	9.33	9.33	9.33
Total Ninth through Twelfth	13,751.39	13,751.39	13,665.99	13,665.99
TOTAL SCHOOL DISTRICT	45,163.03	45,151.03	45,086.17	45,074.46

*Second Period Report and Annual Report revisions have not yet been made, see Finding #2025-008.

See accompanying notes to supplementary information.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA) – COUNTY OFFICE OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2025

	Second Period Report	Annual Report
DISTRICT FUNDED COUNTY PROGRAMS		
Seventh through Eighth		
County Community Schools	9.70	10.51
Ninth through Twelfth		
County Community Schools	29.79	31.44
Total District Funded County Programs	39.49	41.95

	Second Period Report	Annual Report
ALTERNATIVE EDUCATION GRANT PROGRAMS		
JUVENILE COURT SCHOOLS		
ELEMENTARY		
Juvenile Halls, Homes, and Camps	1.81	1.60
SECONDARY		
Juvenile Halls, Homes, and Camps	25.61	25.68
Total Juvenile Court Schools	27.42	27.28
COUNTY FUNDED NON-JUVENILE COURT SCHOOLS		
ELEMENTARY		
Probation Referred, On Probation or Parole, or Expelled	0.40	0.38
SECONDARY		
Probation Referred, On Probation or Parole, or Expelled	55.41	55.86
Total County Funded Non-Juvenile Court Schools	55.81	56.24

See accompanying notes to supplementary information.

SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025

Grade Level	Minutes Requirement	Actual Instructional Minutes	Number of Days	Status
Kindergarten	36,000	45,960	180	Complied
Grade 1	50,400	50,680	180	Complied
Grade 2	50,400	50,680	180	Complied
Grade 3	50,400	50,920	180	Complied
Grade 4	54,000	54,000	180	Complied
Grade 5	54,000	54,000	180	Complied
Grade 6	54,000	57,234	180	Complied
Grade 7	54,000	57,234	180	Complied
Grade 8	54,000	57,234	180	Complied
Grade 9	64,800	64,801	180	Complied
Grade 10	64,800	64,801	180	Complied
Grade 11	64,800	64,801	180	Complied
Grade 12	64,800	64,801	180	Complied

See accompanying notes to supplementary information.

SAN FRANCISCO UNIFIED 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	$ 1,201,715,832	$ 1,242,956,854	$ 1,268,005,656	$ 1,242,493,786
Expenditures And Other Financing Uses	1,300,919,222	1,279,868,300	1,228,273,933	1,122,202,152
Net change in Fund Balance	$ (99,203,390)	$ (36,911,446)	$ 39,731,723	$ 120,291,634
Ending Fund Balance	$ 329,720,073	$ 428,923,463	$ 467,946,086	$ 413,286,010
Available Reserves*	$ 89,156,480	$ 102,173,650	$ 22,454,303	$ 24,151,192
Available Reserves As A Percentage Of Outgo	6.85%	7.98%	1.83%	2.15%
Long-term Liabilities	$ 2,300,130,801	$ 2,404,683,547	$ 2,348,662,878	$ 2,675,688,676
Average Daily Attendance At P-2	45,084	45,163	45,298	44,864

The General Fund ending fund balance has increased by $15,637,453 over the past two years. However, the fiscal year 2025-26 budget projects a decrease of $99,203,390. For a District this size, the State recommends available reserves of at least 2% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years but anticipates incurring an operating deficit during the 2025-26 fiscal year. Total long-term obligations have decreased by $271,005,129 over the past two years.

District average daily attendance has increased by 299 ADA over the past two years. A decrease of 79 ADA is anticipated during the 2025-26 fiscal year.

*Available reserves consist of all unassigned fund balance within the General Fund.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

There were no differences between the annual financial and budget report and the audited financial statements for the year ended June 30, 2025.

See accompanying notes to supplementary information.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2025

Charter #	Charter School	Status	Included in Audit Report
0040	Creative Arts Charter	Active	No
0140	Life Learning Academy Charter	Active	No
0141	Gateway High	Active	No
0158	Thomas Edison Charter Academy	Active	No
0549	KIPP Bayview Academy	Active	No
0551	KIPP San Francisco Bay Academy	Active	No
0567	Five Keys Charter (SF Sheriff's)	Active	No
0599	City Arts and Tech High	Active	No
1028	Five Keys Independence HS (SF Sheriff's)	Active	No
1267	Gateway Middle	Active	No
1270	Mission Preparatory	Active	No
1502	KIPP San Francisco College Preparatory	Active	No

See accompanying notes to supplementary information.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2025

	Student Activity Fund	County School Service Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	State School Building Lease-Purchase Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Tax Override Fund	Non-Major Governmental Funds
ASSETS														
Cash and investments	$ 4,486,916	$ 18,420,644	$ 519,504	$ 34,728,837	$ 7,560,707	$ 34,680,614	$ 48,424,587	$ 1,000,269	$ 2,293,264	$ 17,111,260	$ 13,697,018	$ 92,267,132	$ 33,297	$ 275,224,049
Accounts receivable	-	2,232,241	-	11,017,165	13,748,840	364,334	507,921	10,477	23,425	-	143,699	1,355,344	-	29,403,446
Stores inventory	-	-	-	-	68,564	-	-	-	-	-	-	-	-	68,564
Total Assets	$ 4,486,916	$ 20,652,885	$ 519,504	$ 45,746,002	$ 21,378,111	$ 35,044,948	$ 48,932,508	$ 1,010,746	$ 2,316,689	$ 17,111,260	$ 13,840,717	$ 93,622,476	$ 33,297	$ 304,696,059
LIABILITIES														
Accrued liabilities	$ -	$ 162,501	$ -	$ 6,362,909	$ 278,143	$ 230,554	$ 917,769	$ 18,820	$ 33,158	$ 501,977	$ 137,807	$ -	$ -	$ 8,643,638
Unearned revenue	-	341,154	-	8,495,792	-	-	-	-	-	311,806	-	-	-	9,148,752
Total Liabilities	-	503,655	-	14,858,701	278,143	230,554	917,769	18,820	33,158	813,783	137,807	-	-	17,792,390
FUND BALANCES														
Non-spendable	-	-	-	-	79,912	-	-	-	-	-	-	-	-	79,912
Restricted	4,486,916	8,586,709	519,504	24,429,366	21,020,056	-	48,014,739	991,926	2,283,531	16,297,477	11,777,883	93,622,476	33,297	232,063,880
Committed	-	-	-	-	-	34,814,394	-	-	-	-	-	-	-	34,814,394
Assigned	-	11,562,521	-	6,457,935	-	-	-	-	-	-	1,925,027	-	-	19,945,483
Total Fund Balances	4,486,916	20,149,230	519,504	30,887,301	21,099,968	34,814,394	48,014,739	991,926	2,283,531	16,297,477	13,702,910	93,622,476	33,297	286,903,669
Total Liabilities and Fund Balances	$ 4,486,916	$ 20,652,885	$ 519,504	$ 45,746,002	$ 21,378,111	$ 35,044,948	$ 48,932,508	$ 1,010,746	$ 2,316,689	$ 17,111,260	$ 13,840,717	$ 93,622,476	$ 33,297	$ 304,696,059

See accompanying notes to supplementary information.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Student Activity Fund	County School Service Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	State School Building Lease-Purchase Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Tax Override Fund	Non-Major Governmental Funds
REVENUES														
LCFF sources	$ -	$ 14,150,765	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,150,765
Federal sources	-	1,682,805	-	14,380,012	25,661,798	-	-	-	-	-	-	-	-	41,724,615
Other state sources	-	2,368,281	518,231	32,301,740	8,343,345	-	-	-	-	35,488	-	168,216	-	43,735,301
Other local sources	3,852,065	3,725,313	6,919	9,078,001	5,323,002	1,471,208	8,519,251	40,834	14,230,858	5,992,084	10,022,664	123,369,164	-	185,631,363
Total Revenues	3,852,065	21,927,164	525,150	55,759,753	39,328,145	1,471,208	8,519,251	40,834	14,230,858	6,027,572	10,022,664	123,537,380	-	285,242,044
EXPENDITURES														
Current														
Instruction	-	4,784,215	-	31,318,617	-	-	-	-	-	-	-	-	-	36,102,832
Instruction-related services														
Instructional supervision and administration	-	1,807,495	250,123	6,242,243	-	-	-	-	-	-	-	-	-	8,299,861
School site administration	-	2,235,360	-	6,698,605	-	-	-	-	-	-	-	-	-	8,933,965
Pupil services														
Food services	-	-	-	2,282,143	38,534,522	-	-	-	-	-	-	-	-	40,816,665
All other pupil services	-	1,485,765	190,328	961,364	-	-	-	-	-	-	-	-	-	2,637,457
General administration														
Centralized data processing	-	14	-	-	-	-	-	-	-	-	-	-	-	14
All other general administration	-	4,210,578	19,803	2,099,623	777,164	-	-	-	-	-	-	-	-	7,107,168
Plant services	-	285,243	601	1,421,476	-	-	-	-	-	-	282,113	-	-	1,989,433
Facilities acquisition and construction	-	-	-	-	102,317	7,948,842	3,361,773	27,252	20,547	2,751,330	5,889,384	-	-	20,101,445
Ancillary services	3,653,399	-	-	-	-	-	-	-	-	-	-	-	-	3,653,399
Debt service														
Principal	-	-	-	-	-	-	-	-	-	-	-	84,545,000	-	84,545,000
Interest and other	-	-	-	-	-	-	-	-	-	-	-	41,906,094	-	41,906,094
Total Expenditures	3,653,399	14,808,670	460,855	51,024,071	39,414,003	7,948,842	3,361,773	27,252	20,547	2,751,330	6,171,497	126,451,094	-	256,093,333
Excess (Deficiency) of Revenues Over Expenditures	198,666	7,118,494	64,295	4,735,682	(85,858)	(6,477,634)	5,157,478	13,582	14,210,311	3,276,242	3,851,167	(2,913,714)	-	29,148,711
Other Financing Sources (Uses)														
Transfers in	-	-	-	621,209	-	15,962,775	-	-	-	-	-	-	-	16,583,984
Other sources	-	-	-	-	-	-	-	-	-	-	-	8,352,333	-	8,352,333
Transfers out	-	-	-	-	-	-	-	-	(12,764,264)	-	(354,909)	-	-	(13,119,173)
Net Financing Sources (Uses)	-	-	-	621,209	-	15,962,775	-	-	(12,764,264)	-	(354,909)	8,352,333	-	11,817,144
NET CHANGE IN FUND BALANCE	198,666	7,118,494	64,295	5,356,891	(85,858)	9,485,141	5,157,478	13,582	1,446,047	3,276,242	3,496,258	5,438,619	-	40,965,855
Fund Balance - Beginning	4,288,250	13,030,736	455,209	25,530,410	21,185,826	25,329,253	42,857,261	978,344	837,484	13,021,235	10,206,652	88,183,857	33,297	245,937,814
Fund Balance - Ending	$ 4,486,916	$ 20,149,230	$ 519,504	$ 30,887,301	$ 21,099,968	$ 34,814,394	$ 48,014,739	$ 991,926	$ 2,283,531	$ 16,297,477	$ 13,702,910	$ 93,622,476	$ 33,297	$ 286,903,669

See accompanying notes to supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The following schedule provides reconciliation between revenues reported on the Statement of Revenue, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2025 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2025.

	AL Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		$ 85,468,055
Supply Chain Assistance (SCA) Funds	10.555	850,303
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		$86,318,358

The District has not elected to use the de minimis indirect cost rate of up to 15 percent.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the article 8 (commencing with section 46200) of chapter 2 of part 26 of the *Education Code*.

Schedule of Financial Trends and Analysis

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

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 Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

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

Combining Statements – Non-Major Funds
These statements provide information on the District's non-major funds.

OTHER INFORMATION

The San Francisco Unified School District was established in 1851 and is comprised of an area of approximately 49 square miles located in San Francisco County. There were no changes in the boundaries of the District during the current year. The District is operating 8 alternatively configured (TK-8), 64 elementary schools, 13 middle schools, 17 senior high schools (including two continuation schools and an independent study school), 8 court and county community schools, 34 state-funded preschool sites, and 12 early education centers. The District sponsors 12 independent charter schools.

GOVERNING BOARD

Member	Office	Term Expires
Phil Kim	President	2026
Jaime Huling	Vice-President	2028
Matt Alexander	Commissioner	2028
Alida Fisher	Commissioner	2026
Parag Gupta	Commissioner	2028
Supryia Ray	Commissioner	2028
Lisa Weissman-Ward	Commissioner	2026

DISTRICT ADMINISTRATORS

Dr. Maria Su
Superintendent

Chris Mount-Benites
Deputy Superintendent of Business Services and Operations

OTHER INDEPENDENT AUDITORS' REPORTS

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

Independent Auditors' Report

Governing Board
San Francisco Unified School District
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Francisco Unified School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the San Francisco Unified School District's basic financial statements, and have issued our report thereon dated January 21, 2026.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Finding #2025-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings #2025-002 through #2025-004 to be significant deficiencies.

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Report on Compliance and Other Matters

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

San Francisco Unified School District's Response to Findings

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

Purpose of this Report

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

Christy White, Inc

San Diego, California
January 21, 2026

CHRISTY WHITE
Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

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

Independent Auditors' Report

Governing Board
San Francisco Unified School District
San Francisco, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Francisco Unified School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of San Francisco Unified School District's major federal programs for the year ended June 30, 2025. San Francisco Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit for Compliance

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

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

Report on Internal Control Over Compliance (continued)

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

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

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

Christy White, Inc

San Diego, California
January 21, 2026

REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Independent Auditors' Report

Governing Board
San Francisco Unified School District
San Francisco, California

Report on State Compliance

Opinion on State Compliance

We have audited San Francisco Unified School District's compliance with the requirements specified in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to San Francisco Unified School District's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2025.

In our opinion, San Francisco Unified School District complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 2025.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of State Compliance

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* and the K-12 Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding San Francisco Unified School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of San Francisco Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of San Francisco Unified School District's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine San Francisco Unified School 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	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Yes
Middle or Early College High Schools or Programs	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes

Auditor's Responsibilities for the Audit of State Compliance (continued)

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings #2025-005 through #2025-010. Our opinion on state compliance is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on San Francisco Unified School District's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. San Francisco Unified School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc

San Diego, California
January 21, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SAN FRANCISCO UNIFIED 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?	Yes
Significant deficiency(ies) identified?	Yes
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:	

AL Number(s)	Name of Federal Program or Cluster
84.010	Title I, Part A
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 2,589,551
Auditee qualified as low-risk auditee?	No
STATE AWARDS	
Internal control over state programs:	
Material weaknesses identified?	No
Significant deficiency(ies) identified?	None Reported
Any audit findings disclosed that are required to be reported in accordance with *2024-25 Guide for Annual Audits of California K-12 Local Education Agencies* ?	Yes
Type of auditors' report issued on compliance for state programs:	Unmodified

FIVE DIGIT CODE	AB 3627 FINDING TYPE
20000	Inventory of Equipment
30000	Internal Control

FINDING #2025-001: YEAR-END CLOSING (30000) (MATERIAL WEAKNESS)

Criteria: According to generally accepted accounting principles (GAAP) and the district's internal financial policies, all accruals must be accurately recorded and supported by appropriate documentation. This ensures the reliability and accuracy of financial statements.

Condition: We could not sufficiently test the payroll accrual for accurate cut-off. Reasons provided by the district staff included difficulties in finding details on the journal entries that would enable staff to pull supporting documents for individual accrual transactions and oversight.

Cause: The inaccuracies in the payroll accruals and the lack of supporting documentation may be attributed to system limitations and inadequate internal controls over the year-end closing process, including insufficient review and approval procedures.

Effect: The payroll accrual, which comprised most of the accrued liabilities, the cut-off between fiscal years was not clean, and no backup was provided to the auditors. This is a significant deficiency in internal controls over financial reporting. The payroll expense overall appears reasonable, but the cut-off between the fiscal years is unclear.

Repeat Finding: This is a repeat finding, see Finding #2024-001.

Recommendation: It is recommended that the district strengthen accrued liability accounting by implementing the following measures:

1. **Strengthen Internal Controls:** Implement robust internal controls over the accrual process. This includes establishing clear procedures for calculating and recording accruals and ensuring that all accruals are reviewed and approved by a designated authority.
2. **Documentation Requirements:** Mandate that all accruals be supported by detailed documentation, such as payroll registers, timesheets, vendor invoices, and other relevant records. This documentation should be retained and readily available for audit purposes.
3. **Training and Awareness:** Provide training to the finance and payroll staff on the importance of accurate accrual accounting and the necessity of maintaining proper documentation. This will help ensure compliance with accounting standards and internal policies.
4. **Regular Reviews:** Conduct periodic reviews of the payroll accrual process to identify and address any discrepancies promptly. This can include internal audits or management reviews to ensure ongoing accuracy and compliance.

Corrective Action Plan: The SAP payroll system continues to present challenges when recording year end data. In 2025-26, SFUSD transitioned to a K-12 designed ERP system (Frontline) that integrates payroll and GL. With this new system, payroll accruals at year end will be automated, leading to significantly improved accuracy. Detailed documentation will be readily available. As part of the transition to Frontline, staff will receive training on the new system. Procedures will be established and proper documentation and approvals will be required before processing any transactions.

FINDING #2025-002: PAYROLL-RELATED CONTROLS (30000)

Criteria: Effective internal controls over payroll processing are essential to ensure accuracy, prevent fraud, and comply with regulatory requirements. This includes proper authorization, segregation of duties, and comprehensive documentation.

Condition: The audit of sixty payroll transactions revealed two underpayments to employees. The District has since made corrections to these employees' pay to reflect the updated salary schedules.

Cause: The deficiencies are primarily due to insufficient oversight, lack of formalized procedures, and inadequate training of personnel responsible for payroll processing.

Effect: These control weaknesses increase the risk of errors, unauthorized payroll changes, and potential fraud. This could lead to financial losses and damage to the district's reputation.

Repeat Finding: This is a repeat finding, see prior year finding #2024-002.

Recommendation: It is recommended that the district strengthen payroll controls by reviewing and improving controls to ensure payroll is correctly processed without error and employee pay rates are accurately adjusted to updated salary schedules.

Corrective Action Plan: The District will strengthen payroll-related internal controls to improve accuracy, consistency, and oversight of payroll processing. Specifically, the District will formalize payroll procedures, enhance review and approval controls, and provide targeted training to staff responsible for payroll administration. These actions are intended to reduce the risk of payroll errors, ensure timely and accurate implementation of salary schedule changes, and address the underlying issues identified in this repeat finding.

Key corrective actions include:

- Developing and documenting standardized payroll procedures, including processes for implementing salary schedule updates and verifying pay rate changes.
- Implementing additional supervisory review of payroll transactions, with a focus on detecting underpayments and ensuring appropriate authorization and segregation of duties.
- Requiring periodic payroll reconciliations and exception reviews to identify and correct discrepancies in a timely manner.
- Providing training and refresher guidance to payroll staff to ensure consistent application of procedures and awareness of control requirements.

FINDING #2025-003: PAYROLL INTERNAL CONTROLS – BANK INFORMATION CHANGES (30000)

Criteria: Effective internal controls require that any changes to employee direct deposit information be authorized by the employee and properly handled to prevent unauthorized access and potential fraud.

Condition: During the audit, it was determined that a prior control deficiency related to bank information changes had not been fully resolved. The Auditor tested 60 bank information changes processed during the fiscal year and noted that 42 changes were either not approved, not approved in a timely manner, or lacked adequate supporting documentation for review. Although the District implemented a revised internal control process effective after November 2024, following a fraud incident, inquiries indicated that employees continue to have the ability to independently process bank information changes without prior payroll department review or approval.

FINDING #2025-003: PAYROLL INTERNAL CONTROLS – BANK INFORMATION CHANGES (30000) (continued)

Cause: The lack of a formalized process for verifying and authorizing changes to direct deposit information has led to these unauthorized modifications. Additionally, there is insufficient monitoring and oversight of payroll system access.

Effect: Unauthorized changes to direct deposit information can result in misdirected payments, temporary employee financial loss, and potential legal liabilities for the district. It also undermines employee trust and the integrity of the payroll system.

Repeat Finding: This is a repeat finding of Finding #2024-004.

Recommendation: We understand that corrective actions have been taken in the 2024-25 fiscal year but should continue to be improved upon. The actions should include:

1. Establish a formal process for verifying and authorizing changes to direct deposit information, including requiring written authorization from employees and payroll supervisor approvals.
2. Enhance system security by restricting access to payroll systems and regularly reviewing access logs.
3. Conduct regular audits of direct deposit changes to ensure compliance with established procedures.
4. Provide training for payroll staff on the importance of maintaining secure and accurate direct deposit information.

Corrective Action Plan: The District will further strengthen internal controls over employee direct deposit changes to ensure that all modifications are properly authorized, documented, and independently reviewed prior to processing. While the District implemented revised controls during FY 2024–25 following a fraud incident, this finding indicates that additional refinements are necessary to fully restrict unauthorized changes and ensure consistent compliance.

To address this repeat finding, the District will take the following actions:

- Fully implement and enforce a formalized process requiring employee-initiated written authorization and documented payroll supervisor approval for all direct deposit changes prior to processing.
- Configure payroll system access to prevent employees from independently processing bank information changes without payroll department review and approval.
- Conduct periodic reviews of payroll system access and access logs to ensure appropriate segregation of duties and timely removal of unnecessary permissions.
- Perform regular, documented audits of direct deposit changes to confirm compliance with established procedures and to identify and remediate exceptions.
- Provide mandatory training and refresher guidance to payroll and HR staff regarding secure handling of bank information and fraud-prevention controls.

FINDING #2025-004: INTERNAL AUDIT FUNCTION (30000)

Criteria: Education Code Section 42650 states that fiscally independent schools' districts, such a San Francisco Unified School District, require "a person designated as the district disbursing officer for the school district." Often, this role is filled by an internal auditor or department. Specifically for payroll and accounts payable warrant approvals, the internal auditor develops an audit plan to sample and test warrant backup support for compliance with district policy, procedures, and legal criteria. The auditor then approves each warrant batch based on the test sample results. In addition, a periodic review is to be done "of the districts' financial transactions and internal control pursuant to Government Code Section 1241.5." This code permits the county superintendent to audit the expenditures and internal controls of independent school districts. SFUSD is both a county office and independent school district. It is encouraged in the law and in best practice that a plan is put into place to periodically conduct internal control audits.

FINDING #2025-004: INTERNAL AUDIT FUNCTION (30000) (continued)

Criteria (continued): To aid the District in creating a good internal control review process and internal audit function there are many resources. For example, FCMAT has developed a Fiscally Accountable/Independent Risk Analysis to assist independent school districts in assessing internal controls. According to FMCAT, fiscally independent school districts "should continually monitor their accounting controls to ensure ongoing compliance with the requirements of Education Code Sections 42647 and 42650." Other resources on the role and development of internal audit, risk management, governance and internal control processes can be found at, for example: the Institute of Internal Auditors' website, the Government Finance Officers Association, and the Public Company Accounting Oversight Board (applicable for public companies but with useful information for governmental entities).

Condition: The District currently does not have an internal audit function. Due to the District's size, complexity, and independent status, an internal audit function or internal auditor would be beneficial to the District's operations. Included in the internal audit department can include fraud hotlines and other anonymous reporting options.

Cause: Lack of adequate policies and procedures to establish an internal audit function.

Effect: Without an internal audit function within the District, regular monitoring of internal controls may not take place.

Repeat Finding: This is a repeat finding, see prior Finding #2024-003.

Recommendation: We recommend that the District review the needs of the District regarding an internal audit function. This is a process that should begin with Board review, Board Policy and establishment of the position or Department. External organizations can also provide internal audit type functions that would be beneficial to the District's operations.

Corrective Action Plan: The District will establish a formal internal audit function to strengthen oversight of internal controls and compliance with applicable laws and District policies. During FY 2025-26, District management will develop the structure of the internal audit function, including the creation of an Internal Auditor position and, if needed, the use of external internal audit services.

The District has been attempting to recruit an internal auditor for seven months without success at this time. The District will continue to search and recruit for an Internal Auditor, and will review and update the job classification and salary range that is competitive and commensurate with the District's size, complexity, and fiduciary responsibilities. External services may be considered in the event that the search is not successful.

The District will develop and adopt administrative procedures defining the scope, authority, and independence of the internal audit function. Upon establishment and staffing, the Internal Auditor will develop an annual, risk-based audit plan that includes periodic reviews of payroll and accounts payable warrant approvals and reporting to executive management and the Board.

Anticipated Completion Timeline: June 2026

Responsible Parties: Deputy Superintendent, Business Services Division, Human Resources Division

FIVE DIGIT CODE	AB 3627 FINDING TYPE
50000	Federal Compliance

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

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Programs
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

FINDING #2025-005: SCHOOL ACCOUNTABILITY REPORT CARD (72000)

Criteria: School Accountability Report Cards (SARCs), prepared on annual basis for each school site within the District and posted in February, should contain information regarding school facilities conditions, as indicated in the most recently prepared facility inspection tool (FIT) form developed by the Office of Public School Construction and approved by the State Allocation Board, or local evaluation instruments that meet the same criteria, as per Education Code Sections 33126(b)(8) and 17002(d).

Condition: During our review of the District's SARCs for 2024-25, a discrepancy was observed between the FIT Form and the SARC for 1 out of 24 sites tested. Specifically, the FIT Form for Independence High School rated restroom/fountains as "Fair," whereas the SARC rated it as "Good".

Effect: The District is not in compliance with Education Code.

Cause: Likely due to clerical error in preparation of the SARCs.

Questioned Cost: There are no questioned costs associated with this finding.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the District implement procedures to ensure that all information presented on the SARCs is accurate and complete.

Corrective Action Plan: An extra step will be implemented to check the Inspector's FIT reports with their summary sheets before sharing the report with RPA

FINDING #2025-006: EXPANDED LEARNING OPPORTUNITIES PROGRAM – REGISTRATION FORMS (40000)

Criteria: Pursuant to California Education Code Section 46120(g)(6), LEAs must collect and maintain signed registration forms.

Condition: A representative sample of 60 students enrolled in the ELO program were selected for testing. Submitted registration forms were reviewed for classroom-based pupils in TK-6 to verify whether the registration form is retained and signed by a parent/guardian. It was noted that 4 out of the 60 registration forms tested were not signed by the parent/guardian.

Effect: The District was not in compliance with the related sections of Education Code.

FINDING #2025-006: EXPANDED LEARNING OPPORTUNITIES PROGRAM – REGISTRATION FORMS (40000) (continued)

Cause: Administrative oversight.

Questioned Costs: None.

Repeat Finding: This is not a repeat finding.

Recommendation: Signed registration forms should be obtained for any pupil enrolled in the program.

Corrective Action Plan: The SFUSD ExCEL/ ELO-P Office met with the Community Based Organization Richmond Neighborhood Center (RNC) who is the ExCEL Lead Agency contracted at Roosevelt on June 20th, 2025 to reiterate expectations of a signature or official digital signature on every student enrollment form. The meeting included the following expected deliverables:

- Documented evidence of a new digital signature feature for online enrollment forms starting June 2025

On October 6, 2025, the ExCEL office reviewed a completed enrollment form at each RNC site and confirmed that each enrollment form had a parent signature.

For all agencies:

- Agencies will submit their FY 25-26 and FY 26-27 enrollment forms to ExCEL in February 2026 February for review to ensure a parent signature is present. Moving forward, ELO-P enrollment forms will be reviewed on an annual basis.

FINDING #2025-007: EXPANDED LEARNING OPPORTUNITIES PROGRAM – PUPIL TO STAFF RATIO (40000)

Criteria: Pursuant to California Education Code section 46120 and related Expanded Learning Opportunities Program guidance, districts offering ELOP services for Transitional Kindergarten and Kindergarten students are required to maintain a pupil-to-staff ratio of no more than 10 pupils for each staff member during program activities.

Condition: It was noted that the District did not consistently meet the required pupil-to-staff ratios for Transitional Kindergarten (TK) and Kindergarten Expanded Learning Opportunities Program (ELOP) activities at one of the school sites tested. Specifically, it was identified that a TK/K ELOP combination class did not comply with the required 10:1 pupil-to-staff ratio. In accordance with California Department of Education guidance, mixed pupil groups that include any TK or Kindergarten students are required to adhere to the more restrictive 10:1 ratio.

Based on a review of supporting documentation, it was noted that the TK/K combination class included a total of 19 students facilitated by one staff member, resulting in a 19:1 pupil-to-staff ratio.

Effect: Noncompliance with TK/K ELOP pupil-to-staff ratio requirements places the District at risk of noncompliance with state program requirements and may result in questioned costs, potential repayment of ELOP funds, or reduced future funding. Additionally, exceeding the required ratios may impact student supervision and program quality.

Cause: The District indicated that the noncompliance occurred because pupil-to-staff ratios applicable to other grade levels were utilized for ELOP sessions that included Transitional Kindergarten and Kindergarten students. Specifically, the District applied higher allowable ratios used for upper elementary grades to a TK/K combination class, rather than the more restrictive 10:1 ratio required when TK students are served.

As a corrective action, the District assigned an additional staff member to the TK/K combination class to meet the 10:1 pupil-to-staff ratio; however, this corrective action was not implemented until June 2025.

FINDING #2025-007: EXPANDED LEARNING OPPORTUNITIES PROGRAM – PUPIL TO STAFF RATIO (40000) (continued)

Questioned Costs: None.

Repeat Finding: This is not a repeat finding.

Recommendation: The District should implement and document procedures to ensure ongoing compliance with TK/K ELOP pupil-to-staff ratio requirements, including advance staffing plans, real-time monitoring of attendance and staffing levels, and timely corrective actions when ratios exceed the 10:1 requirement. Management should periodically review ELOP operations to ensure consistent compliance with program requirements.

Corrective Action Plan: The ExCEL/ ELO-P office met with the Lead Agency contracted at Charles Drew, the YMCA, to reiterate expectations of staffing for 10:1 ratio for TK/ K and taking attendance on the rosters that matched the classroom space, not just the grade level. The ExCEL/ ELO-P office held a site visit to Charles Drew ELO-P Program on October 1st, 2025 to observe the following ratios met: 10:1 TK/K; 20:1 1st-5th.

New system of oversight for all agencies:

- ExCEL Office will request all after school staff to be listed in our attendance system, regardless of funding source (include grade level that the staff leads)
- ExCEL Office will pull the data multiple times a year to analyze alongside monthly student attendance reporting to ensure the student-to-staff ratio is met.

FINDING #2025-008: IMMUNIZATIONS (40000)

Criteria: As required by Title 17, California Code of Regulations Section 6025, pupils are required to have two doses of a varicella vaccine and two doses of a measles vaccine prior to admission into kindergarten or have a current medical exemption from varicella and measles on file. In addition, each pupil has two varicella vaccine doses and one Tdap dose as required by Title 17, California Code of Regulations Section 6025 prior to admission into 7th or 8th Grade, or has a current medical exemption from varicella or Tdap on file.

Condition: In testing a representative sample of immunization records for pupils enrolled in TK, K, or 7th Grade for the 2024-25 school year, it was noted that sixteen (16) Grade 7^{th} students and seven (7) Kindergarten students tested were not in compliance with the vaccination requirements out of the 120 students tested.

FINDING #2025-008: IMMUNIZATIONS (40000) (continued)

Effect: The District was not in compliance with the Education Code requirements related to pupil immunizations.

Cause: Administrative oversight.

Questioned Costs: $124,105, based on disallowed Second Period ADA in the amount of 3.60 for grades TK-3 and 8.40 for grades 7-8. The calculation of this amount is shown below. The District has not revised its P2 Attendance Report to reflect the disallowed ADA.

	Second Period Report ADA Understatement (Overstatement)	Annual Report ADA Understatement (Overstatement)	2024-25 Derived Value of ADA by Grade Span	Questioned Cost
TK/Kindergarten through Third	(3.60)	(3.59)	$ 10,025	$ (36,090)
Seventh through Eight	(8.40)	(8.12)	$ 10,478	(88,015)
				$ (124,105)

There is no questioned cost related for the Annual Attendance Report since the District is not funded on Annual Attendance. The District's Annual Attendance Report has not been revised to reflect the revised Annual report listed on the Schedule of Average Daily Attendance.

Repeat Finding: This is a repeat finding, see prior year finding #2024-007.

Recommendation: We recommend that the District assigns a single person responsible for ensuring compliance and providing supporting documentation to the auditors. We also suggest that management periodically monitor immunization compliance on a sample basis for timely identification of deviation from District policy.

Corrective Action Plan: The Student Family Services Team (SFSD), in collaboration with the Enrollment Center, is committed to improving the immunization process across the District by assigning a dedicated individual to ensure compliance and provide supporting documentation to auditors, implementing periodic sample-based monitoring to identify deviations from District policy in a timely manner, and working closely with site leaders and the LEAD team to exclude students as necessary to maintain compliance with the rule.

FINDING #2025: 009: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)

Criteria: Students classified as free or reduced-price meal eligible (FRPM) and who are not directly certified on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report must have supporting documentation that indicates the student was eligible for the determination. In addition, Students classified as English Learners and who are not directly certified on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report must have supporting documentation that indicates the student was eligible for the determination. Auditors are required to verify compliance with Education Code Section 42238.02(b)(3)(b) in Section W of the 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

FINDING #2025-009: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000) (continued)

Condition: 18 out of 60 students tested from the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report who was classified as FRPM did not have a meal application or Alternative Income Application on file to support their status as free or reduced or the Alternative Income Application noted their status as “denied” or “paid” status. The error rate of 18/60 was extrapolated to the entire population of students only classified as free or reduced. The total extrapolated error rate indicated that a total of 296 students that were incorrectly classified.

8 out of 60 students tested from the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report who were classified as English Learners and had a “No” under the “Direct Certification” column did not have supporting documentation to support their status as an English Learner. The error rate of 8/60 was extrapolated to the entire population of students only classified as free or reduced. The total extrapolated error rate indicated that a total of 73 students that were incorrectly classified.

13 out of 60 students tested from the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report who were classified as FRPM and English Learners and had a “No” under the “Direct Certification” column did not have supporting documentation to support their status. The error rate of 13/60 was extrapolated to the entire population of students only classified as free or reduced. The total extrapolated error rate indicated that a total of 78 students that were incorrectly classified.

A total of 447 students were incorrectly classified based on the above extrapolated error rates.

Effect: The District is not in compliance with applicable State requirements.

Cause: Clerical oversight.

Questioned Costs: $1,306,355, as calculated on the next page.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the District maintain supporting documentation to support student classification as free or reduced on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report. We recommend that the District ensure that the students designated as English Learners in the CalPADS 1.18 Report be closely monitored and that proper documentation is obtained to support this designation. Additionally, the CALPADS reporting should be revised for any students lacking supporting documentation to support their classification as free or reduced before the close of the Fall I Amendment Window.

Corrective Action Plan:

- The Student Nutrition Services Department will continue to maintain supporting documentation for students in the NSLP. Student Nutrition Services and the Department of Technology will jointly review and reconcile CalPADs report 1.18 prior to certification to ensure that the student data list does not include students for which the National Lunch Program Fall 1 Amendment Window has closed.
- The Research, Planning, and Assessments (RPA) department will continue to conduct a weekly ELAS Analysis, to highlight all the various discrepancies in the systems (Synergy, CALPADS, TOMS) — to ensure ongoing accuracy of students’ English Language Acquisition Status (ELAS) for ELPAC testing, and the Department of Technology will continue to review the weekly analysis and update as needed.
- The Department of Technology and Educational Services Division will jointly review and reconcile CalPADs report 1.18 to ensure accuracy of students identified as English Learners for reporting purposes.

FINDING #2025-009: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000) (continued)

Questioned Costs (continued):

Item Number	Calculating the Cost of LCFF Unduplicated Pupil Count Audit Finding	Data Input and Calculated Fields
1	Total Adjusted Enrollment from the UPP exhibit as of P-2	147,459
2	Total Adjusted Unduplicated Pupil Count from the UPP exhibit as of P-2	88,813
3	Audit Adjustment - Number of Enrollment	
4	Audit Adjustment - Number of Unduplicated Pupil Count	(447)
5	Revised Adjusted Enrollment	147,459
6	Revised Adjusted Unduplicated Pupil Count	88,366
7	UPP calculated as of P-2	0.6023
8	Revised UPP for audit finding	0.5993
9	**Charter Schools Only:** Determinative School District Concentration Cap	
10	Revised UPP adjusted for Concentration Cap	**0.5993**
11	Supplemental and Concentration Grant TK/K–3 ADA	14,671.11
12	Supplemental and Concentration Grant 4–6 ADA	10,177.44
13	Supplemental and Concentration Grant 7–8 ADA	6,408.39
14	Supplemental and Concentration Grant 9–12 ADA	14,381.41
15	Adjusted Base Grant per TK/K–3 ADA	$11,068
16	Adjusted Base Grant per 4–6 ADA	$10,177
17	Adjusted Base Grant per 7–8 ADA	$10,478
18	Adjusted Base Grant per 9–12 ADA	$12,460
19	Supplemental Grant Funding calculated as of P-2	$61,711,072
20	Revised Supplemental Grant Funding for audit finding	$61,403,694
21	Supplemental Grant Funding audit adjustment	**($307,378)**
22	Concentration Grant Funding calculated as of P-2	$17,415,474
23	Revised Concentration Grant Funding for audit finding	$16,416,497
24	Concentration Grant Funding audit adjustment	**($998,977)**
25	Total Supplemental and Concentration audit adjustment	**($1,306,355)**

FINDING #2025-010: TRANSITIONAL KINDERGARTEN AVERAGE CLASS ENROLLMENT AND ADULT-TO-PUPIL RATIO (40000)

Criteria: Pursuant to California Education Code sections 48000 and 41378, and applicable California Department of Education guidance, Transitional Kindergarten classes that include early enrolled students are required to maintain an average class enrollment of no more than 20 pupils and an adult-to-pupil ratio of no more than 10 pupils per adult.

Condition: During testing for compliance with Transitional Kindergarten (TK) requirements related to average class enrollment and adult-to-pupil ratios, the Auditor identified noncompliance at one of the eight elementary school sites tested. The TK class at this site included an early enrolled student, which triggered more restrictive state compliance requirements. In such cases, state regulations require TK classes to maintain an average class enrollment of no more than 20 pupils and an adult-to-pupil ratio of no more than 10 pupils per adult.

Based on a review of enrollment records and staffing documentation, the Auditor noted that the TK class reported an average enrollment of 22 pupils and an adult-to-pupil ratio of approximately 11:1 (rounded to the nearest whole number), which exceeded the allowable limits. As a result, the site was not in compliance with applicable state requirements.

Effect: Failure to comply with Transitional Kindergarten average class enrollment and adult-to-pupil ratio requirements resulted in state compliance noncompliance. This finding is subject to a financial penalty in accordance with applicable state regulations.

Cause: The noncompliance occurred because procedures were not in place to ensure that TK enrollment levels and staffing ratios were adjusted and monitored when an early enrolled student was added to the class. As a result, the more restrictive class size and adult-to-pupil ratio requirements were not applied timely.

Questioned Costs: $0 as calculated below:

Line Number	Calculating the Cost of TK Early Enrollment Audit Finding	Classroom 1
1	Average Pupils Enrolled per Class	22
2	Average Number of Adults per Class	2
3	Adult to Pupil Ratio	11
4	Sum of Average Pupils	22
5	Required Ratio Divisor	10
6	Adults Needed to meet 10:1	2
7	Sum of Average Number of Adults	2
8	**Number of Adults Needed**	**0**
9	Average absence rate	6.18%
10	Twenty less the statewide absence rate	19
11	TK Add-On	$ 3,077
12	**Penalty**	**$ -**
13	**Sum of Classroom Penalties**	N/A

Repeat Finding: This is not a repeat finding.

FINDING #2025-010: TRANSITIONAL KINDERGARTEN AVERAGE CLASS ENROLLMENT AND ADULT-TO-PUPIL RATIO (40000) (continued)

Recommendation: The District should implement procedures to monitor Transitional Kindergarten enrollment and staffing levels throughout the year, particularly when early enrollment occurs, to ensure compliance with applicable class size and adult-to-pupil ratio requirements. The District should also provide training to site administrators and staff regarding TK compliance thresholds and document ongoing monitoring efforts.

Corrective Action Plan: The Enrollment Center has provided professional development for enrollment staff on the age range for TK, so that early enrollments will not occur without a checkpoint for adult-to-pupil ratios. Further, the Enrollment Center has developed a monthly internal audit process to identify any early enrollments to take corrective action.

FINDING #2024-001: YEAR-END CLOSING (30000) (MATERIAL WEAKNESS)

Criteria: According to generally accepted accounting principles (GAAP) and the district's internal financial policies, all accruals must be accurately recorded and supported by appropriate documentation. This ensures the reliability and accuracy of financial statements.

Condition: We could not sufficiently test the payroll accrual for accurate cut-off and found several material accruals not made during the year-end closing process. Reasons provided by the district staff included difficulties in finding details on the journal entries that would enable staff to pull supporting documents for individual accrual transactions and oversight.

Cause: The inaccuracies in the payroll and accounts receivable accruals and the lack of supporting documentation may be attributed to system limitations and inadequate internal controls over the year-end closing process, including insufficient review and approval procedures.

Effect: The payroll accrual, which comprised most of the accrued liabilities, the cut-off between fiscal years was not clean, and no backup was provided to the auditors. This is a significant deficiency in internal controls over financial reporting. The payroll expense overall appears reasonable, but the cut-off between the fiscal years is unclear.

Repeat Finding: This is a repeat finding, see Finding #2023-001.

Recommendation: It is recommended that the district strengthen accrued liability accounting by implementing the following measures:

5. **Strengthen Internal Controls:** Implement robust internal controls over the accrual process. This includes establishing clear procedures for calculating and recording accruals and ensuring that all accruals are reviewed and approved by a designated authority.
6. **Documentation Requirements:** Mandate that all accruals be supported by detailed documentation, such as payroll registers, timesheets, vendor invoices, and other relevant records. This documentation should be retained and readily available for audit purposes.
7. **Training and Awareness:** Provide training to the finance and payroll staff on the importance of accurate accrual accounting and the necessity of maintaining proper documentation. This will help ensure compliance with accounting standards and internal policies.
8. **Regular Reviews:** Conduct periodic reviews of the payroll accrual process to identify and address any discrepancies promptly. This can include internal audits or management reviews to ensure ongoing accuracy and compliance.

Corrective Action Plan: SFUSD's current payroll system (SAP) and pay schedule have presented challenges in accurately identifying accrual pay at the close of the fiscal year. To address this, corrective measures have been implemented for the fiscal year ending 2024-24, which include utilizing off-cycle pay runs to capture all end-of-year pay and stipends as we close the fiscal year in SAP.

SFUSD is also in current negotiations with all labor partners to move from a bi-weekly payroll cycle to semi-monthly, which will address the crossover from one fiscal year to another. SFUSD is transitioning to a K-12 designed ERP (Frontline) system. This will enhance the payroll process by automatically identifying and capturing all pay and allocations for accrual, ensuring greater accuracy and efficiency moving forward.

Current Status: Not implemented, see current year finding and recommendation #2025-001.

FINDING #2024-002: PAYROLL-RELATED CONTROLS (30000)

Criteria: Effective internal controls over payroll processing are essential to ensure accuracy, prevent fraud, and comply with regulatory requirements. This includes proper authorization, segregation of duties, and comprehensive documentation.

Condition: The audit of sixty payroll transactions revealed one overpayment to an employee plus four lack of timesheet approvals for employee payments. In one of the four cases where there was a lack of approval, a site clerk was instructed by a supervisor to approve the time.

Cause: The deficiencies are primarily due to insufficient oversight, lack of formalized procedures, and inadequate training of personnel responsible for payroll processing.

Effect: These control weaknesses increase the risk of errors, unauthorized payroll changes, and potential fraud. This could lead to financial losses and damage to the district's reputation.

Repeat Finding: This is a repeat finding, see prior year finding #2023-002.

Recommendation: It is recommended that the district strengthen payroll controls by implementing the following measures:

1. Review and improve controls to ensure payroll is correctly processed without error.
2. Provide site training to ensure all timesheets are approved and enforced at the district level before processing payroll.

Corrective Action Plan: To provide ongoing assurance, the internal auditor will conduct random audits of payroll transactions. This proactive approach is intended to identify and address any discrepancies or control issues as soon as they arise.

The Executive Director of Payroll will conduct routine reviews to ensure that all necessary approvals, including timesheet sign-offs, are in place before payroll is processed. This additional layer of oversight is designed to prevent unauthorized transactions.

Current Status: Not implemented, see current year finding and recommendation #2025-002.

FINDING #2024-003: INTERNAL AUDIT FUNCTION (30000)

Criteria: Education Code Section 42650 states that fiscally independent schools' districts, such a San Francisco Unified School District, require "a person designated as the district disbursing officer for the school district." Often, this role is filled by an internal auditor or department. Specifically for payroll and accounts payable warrant approvals, the internal auditor develops an audit plan to sample and test warrant backup support for compliance with district policy, procedures, and legal criteria. The auditor then approves each warrant batch based on the test sample results. In addition, a periodic review is to be done "of the districts' financial transactions and internal control pursuant to Government Code Section 1241.5." This code permits the county superintendent to audit the expenditures and internal controls of independent school districts. SFUSD is both a county office and independent school district. It is encouraged in the law and in best practice that a plan is put into place to periodically conduct internal control audits.

FINDING #2024-003: INTERNAL AUDIT FUNCTION (30000) (continued)

Criteria (continued): To aid the District in creating a good internal control review process and internal audit function there are many resources. For example, FCMAT has developed a Fiscally Accountable/Independent Risk Analysis to assist independent school districts in assessing internal controls. According to FMCAT, fiscally independent school districts "should continually monitor their accounting controls to ensure ongoing compliance with the requirements of Education Code Sections 42647 and 42650." Other resources on the role and development of internal audit, risk management, governance and internal control processes can be found at, for example: the Institute of Internal Auditors' website, the Government Finance Officers Association, and the Public Company Accounting Oversight Board (applicable for public companies but with useful information for governmental entities).

Condition: The District currently does not have an internal audit function. Due to the District's size, complexity, and independent status, an internal audit function or internal auditor would be beneficial to the District's operations. Included in the internal audit department can include fraud hotlines and other anonymous reporting options.

Cause: Lack of adequate policies and procedures to establish an internal audit function.

Effect: Without an internal audit function within the District, regular monitoring of internal controls may not take place.

Repeat Finding: This is a repeat finding, see prior Finding #2023-004.

Recommendation: We recommend that the District review the needs of the District regarding an internal audit function. This is a process that should begin with Board review, Board Policy and establishment of the position or Department. External organizations can also provide internal audit type functions that would be beneficial to the District's operations.

Corrective Action Plan: We are in the process of hiring an internal auditor whose primary responsibility will be to oversee payroll operations, monitor transactions, and ensure adherence to our internal controls. The internal auditor will be placed in the County Office side of SFUSD. The projected hire date is estimated to be May 30, 2025.

Our new ERP system has been selected and configured to align with best business practices. This system will enhance our process integrity by automating control measures and minimizing errors before payroll processing.

To provide ongoing assurance, the internal auditor will conduct random audits of payroll transactions. This proactive approach is intended to identify and address any discrepancies or control issues as soon as they arise.

The Executive Director of Payroll will conduct routine reviews to ensure that all necessary approvals, including timesheet sign-offs, are in place before payroll is processed. This additional layer of oversight is designed to prevent unauthorized transactions.

Current Status: Not implemented, see current year finding and recommendation #2025-004.

FINDING #2024-004: FRAUDULENT INTERCEPTION OF AUTOMATIC PAYROLL BANK DEPOSITS (30000)

Criteria: Effective internal controls require that any changes to employee direct deposit information be authorized by the employee and properly handled to prevent unauthorized access and potential fraud.

Condition: During the audit, we learned that "someone within the district" intercepted four (4) payroll automatic bank deposits by finding a weakness in internal control. The weakness was that no approval was required to change the routing of payroll automatic deposits, and four payroll checks were routed to the perpetrator's bank account.

Cause: The lack of a formalized process for verifying and authorizing changes to direct deposit information has led to these unauthorized modifications. Additionally, there is insufficient monitoring and oversight of payroll system access.

Effect: Unauthorized changes to direct deposit information can result in misdirected payments, temporary employee financial loss, and potential legal liabilities for the district. It also undermines employee trust and the integrity of the payroll system.

Repeat Finding: This is not a repeat finding.

Recommendation: We understand that corrective actions have been taken in the 2024-25 fiscal year. The actions should include:

5. Establish a formal process for verifying and authorizing changes to direct deposit information, including requiring written authorization from employees and payroll supervisor approvals.
6. Enhance system security by restricting access to payroll systems and regularly reviewing access logs.
7. Conduct regular audits of direct deposit changes to ensure compliance with established procedures.
8. Provide training for payroll staff on the importance of maintaining secure and accurate direct deposit information.

Corrective Action Plan: SFUSD has discontinued the self-service bank account change feature in Empower. Employees must now update their bank information manually by completing a direct deposit authorization request form and submitting it to the Payroll department for processing.

Current Status: Not implemented, see Finding #2025-003.

FINDING #2024-005: UNTIMELY DEPOSIT OF CASH RECEIPTS (30000)

Criteria: Effective internal controls require that cash receipts be deposited promptly to ensure accurate financial reporting, safeguard assets, and maintain liquidity. Typically, deposits should be made daily or within a relatively short time.

Condition: The audit identified that ten (10) out of sixty (60) cash receipts tested were not being deposited promptly. Delays between 1-5 months were observed between the receipt of funds and their deposit into the bank. All the exceptions were found at the school site level. Checks tested at the district office level had no exceptions.

FINDING #2024-005: UNTIMELY DEPOSIT OF CASH RECEIPTS (30000) (continued)

Cause: The delays in timely depositing cash receipts at the school site level might be due to inadequate procedures, lack of staff training, and insufficient oversight of the cash handling process.

Effect: Untimely deposits increase the risk of theft, loss, and misappropriation of funds. It also leads to inaccurate financial records and potential cash flow issues.

Repeat Finding: This is not a repeat finding.

Recommendation: To address these issues, the following measures should be implemented:

1. Establish clear procedures for the timely deposit of cash receipts, including specific deadlines for deposits.
2. Enhance oversight by assigning responsibility for monitoring cash handling and deposit activities at the school site level.
3. Provide training for staff on proper cash handling procedures and the importance of timely deposits.
4. Conduct periodic internal audits of cash receipts and deposits to ensure compliance with established procedures.

Implementing these recommendations will help ensure the timely deposit of cash receipts, reduce the risk of financial loss, and improve the accuracy of financial reporting.

Corrective Action Plan: Accounting will send a memo to school sites to address the timely deposits, cash handling procedures, and deposit timelines. This information will also be posted on our GoFast login screen, OASIS bulletin, and SFUSD Accounting website. The SFUSD cashier will conduct monthly internal audits to determine which school sites are not depositing cash receipts in a timely manner. The SFUSD cashier or Accounting analyst will follow up with the school sites, identified in the audit, to review proper cash handling procedures with designated school site staff. All checks received by the school sites will need to be mailed directly to the Accounting Department for promptly deposits

Current Status: Implemented.

FINDING #2024-006: PROPOSITION 28 ART AND MUSIC IN SCHOOLS (40000)

Criteria: Proposition 38 Arts and Music in School (AMS) are to supplement and not supplant existing funds available for arts education programs, as required by Education Cost Section 8820(g)(2).

Condition: Amounts spent on arts education programs in the prior year were $92,577 more than the current year plus AMS funds which constitutes supplanting.

Questioned Costs: The computation of the $92,577 in supplanted costs is shown below.

Description	Line	Amount
Total Expenditures for arts education programs in the prior audit year	A-1	$ 18,504,416.41
Expenditures identified in A-1 from Resource 6770	A-2	$ -
Expenditures identified in A-1 from non-Proposition 28 funding sources not available for arts education programs in the audit year	A-3	$ 47,875.68
Revenue from resources newly available for arts education programs in the audit year, excluding Resource 6770	A-4	$ -
Existing non-AMS funds for arts education programs in the audit year (A-1 - A-2 - A-3 + A-4)	**A-5**	**$ 18,456,540.73**
Expenditures for arts education programs in the audit year	B-1	$ 23,490,417.54
Expenditures from Resource 6770 in the audit year	B-2	$ 5,126,453.38
Non-AMS expenditures on arts education programs in the audit Year (B-1 - B-2)	**B-3**	**$ 18,363,964.16**
AMS funds were used to supplement existing funds for arts education programs (If B-3 is greater than or equal to A-5, then yes)	C-1	**No**
Unallowable AMS expenditures (A-5 - B-3)	C-2	**$ 92,576.57**

Cause: Administrative oversight.

Effect: The supplanted cost is not allowable.

Repeat Finding: This is not a repeat finding.

Recommendation: Improve the budgetary accounting to use of AMS funding is maximized, and no supplantation occurs. We also noted that documentation in employee contracts on their assignments in AMS could be improved.

FINDING #2024-006: PROPOSITION 28 ART AND MUSIC IN SCHOOLS (40000) (continued)

Corrective Action Plan: Implement a structured mid-year and end-of-year review of all arts education FTEs to ensure proper allocation of funding sources. Adjust FTE assignments as necessary to maintain compliance with Proposition 28's supplemental funding requirements.

Monitor salary changes and funding allocations throughout the year to prevent an over-reliance on Proposition 28 funds. Improve forecasting mechanisms to ensure balance across all arts funding sources.

Work closely with CDE to advocate for timely hiring of Proposition 28-funded positions to prevent future disproportionate spending and unspent funds. Develop contingency plans to allocate funds effectively should hiring delays persist.

Establish regular internal audits to track Proposition 28 expenditures against other arts funding sources. Provide transparent reports to ensure compliance with Education Code requirements and align spending with district arts education goals.

The District will assign a staff person to ensure that the following actions are completed. By implementing these corrective actions, SFUSD will ensure Proposition 28 funds are used as intended, supplementing existing arts education programs while maintaining compliance with state regulations.

Current Status: Implemented.

FINDING #2024-007: IMMUNIZATIONS (40000)

Criteria: As required by Title 17, California Code of Regulations Section 6025, pupils are required to have two doses of a varicella vaccine and two doses of a measles vaccine prior to admission into kindergarten or have a current medical exemption from varicella and measles on file. In addition, each pupil has two varicella vaccine doses and one Tdap dose as required by Title 17, California Code of Regulations Section 6025 prior to admission into 7th or 8th Grade, or has a current medical exemption from varicella or Tdap on file.

Condition: In testing a representative sample of immunization records for pupils enrolled in TK, K, or 7th Grade for the 2023-24 school year, auditors noted that thirty-five (35) of one hundred twenty (120) students tested were not in compliance with the vaccination requirements.

Effect: The District was not in compliance with the Education Code requirements related to pupil immunizations.

Cause: Administrative oversight.

FINDING #2024-007: IMMUNIZATIONS (40000) (continued)

Questioned Costs: $307,342, based on disallowed Second Period ADA in the amount of 8.90 for grades TK-3 and 16.40 for grades 7-8. The calculation of this amount is shown below. The District has not revised its P2 Attendance Report to reflect the disallowed ADA.

	Second Period Report ADA (Over)/Under Statement	Annual Report ADA (Over)/Under Statement	Derived Value of ADA	Questioned Cost
Grade Span				
TK/Kindergarten through Third	(8.90)	(10.36)	$ 12,582.86	$ (111,987)
Seventh through Eighth	(16.40)	(16.41)	$ 11,911.84	$ (195,354)
				$ (307,342)

There is no questioned cost related for the Annual Attendance Report since the District is not funded on Annual Attendance. The District's Annual Attendance Report has not been revised to reflect the revised Annual report listed on the Schedule of Average Daily Attendance.

Repeat Finding: This is a repeat finding, see prior year finding #2023-011.

Recommendation: We recommend that the District assigns a single person responsible for ensuring compliance and providing supporting documentation to the auditors. We also suggest that management periodically monitor immunization compliance on a sample basis for timely identification of deviation from District policy.

Corrective Action Plan: The Student Family Services Team, SFUSD, in collaboration with the Enrollment Center, is committed to making improvements to the immunization process across the District. SFUSD will assign a dedicated individual responsible for ensuring compliance and providing supporting documentation to the auditors. SFUSD will implement periodic monitoring of immunization compliance on a sample basis to ensure timely identification of deviations from District policy. SFUSD will work with site leaders and our LEAD team to exclude students to be in compliance with the rule.

Current Status: Not implemented, see current year finding and recommendation #2025-008.

APPENDIX D

PROPOSED FORM OF FINAL OPINION OF BOND COUNSEL

[Closing Date]

Board of Education
San Francisco Unified School District
San Francisco, California

San Francisco Unified School District
(City and County of San Francisco, State of California)
General Obligation Bonds, Election of 2024, Series B

and

San Francisco Unified School District
(City and County of San Francisco, State of California)
2026 General Obligation Refunding Bonds
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the San Francisco Unified School District (the "District"), which is located in the City and County of San Francisco, California (the "City"), in connection with the issuance by the District of $__________ aggregate principal amount of bonds designated as "San Francisco Unified School District General Obligation Bonds, Election of 2024, Series B" (the "Series 2026 Bonds") and $__________ aggregate principal amount of bonds designated as "San Francisco Unified School District 2026 General Obligation Refunding Bonds" (the "Refunding Bonds" and, together with the Series 2026 Bonds, the "Bonds"). The Series 2026 Bonds are authorized by a resolution adopted by the Board of Supervisors of the City on July 14, 2026 (the "City Resolution"), at the request of the District and pursuant to a resolution adopted by the Board of Education of the District on May 26, 2026 (the "Series 2026 Resolution"), and issued pursuant to a Paying Agent Agreement dated as of September 1, 2026 (the "Series 2026 Paying Agent Agreement"), between the District and the City as Paying Agent (the "Paying Agent"). The Refunding Bonds are authorized by a resolution adopted by the Board of Education of the District on May 26, 2026 (the "Refunding Resolution" and, together with the Series 2026 Resolution, the "District Resolutions"), and issued pursuant to a Paying Agent Agreement dated as of September 1, 2026 (the "Refunding Paying Agent Agreement" and, together with the Series 2026 Paying Agent Agreement, the "Paying Agent Agreements"), between the District and the Paying Agent. Capitalized terms used but not defined herein have the meanings ascribed thereto in the Paying Agent Agreements.

In such connection, we have reviewed the District Resolutions, the City Resolution, the Paying Agent Agreements, the Tax Certificate of the District, dated the date hereof (the "Tax Certificate"), relating to the Bonds, other than those Series 2026 Bonds maturing on ________, 20__ (after such exclusion, the "Tax-Exempt Bonds"), certificates of the District, the Paying Agent, the City and others, and such other documents and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed that each document and each signature thereon provided to us is genuine and that each such document has been duly and legally executed by, and constitutes a valid and binding agreement of, each party thereto other than the District and the City. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the District Resolutions, the City Resolution, the Paying Agent Agreements and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the District Resolutions, the City Resolution, the Paying Agent Agreements and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the District or the City in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the property described in or as subject to the lien of the District Resolutions, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding obligations of the District.

2. The Paying Agent Agreements have been duly executed and delivered by, and constitute valid and binding agreements of, the District.

3. The Board of Supervisors of the City has power and is obligated to levy *ad valorem* taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the Bonds and the interest thereon.

4. Interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Tax-Exempt Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
(CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA)

GENERAL OBLIGATION BONDS, ELECTION OF 2024, SERIES B

2026 GENERAL OBLIGATION REFUNDING BONDS

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the San Francisco Unified School District (the "District") in connection with the issuance of $__________ aggregate principal amount of San Francisco Unified School District General Obligation Bonds, Election of 2024, Series B (the "Series 2026 Bonds") and $__________ aggregate principal amount of San Francisco Unified School District 2026 General Obligation Refunding Bonds (the "Refunding Bonds" and, together with the Series 2026 Bonds, the "Bonds"). The Series 2026 Bonds are being issued as authorized by a resolution adopted by the Board of Supervisors of the City and County of San Francisco on July 14, 2026 and a resolution adopted by the Board of Education of the District on May 26, 2026 (collectively, the "Series 2026 Resolution"), and in accordance with the terms of a Paying Agent Agreement, dated as of September 1, 2026 (the "Series 2026 Paying Agent Agreement"), by and between the District and the City and County of San Francisco, as paying agent (the "Paying Agent"). The Refunding Bonds are being issued as authorized by a resolution adopted by the Board of Education of the District on May 26, 2026 (the "Refunding Resolution" and, together with the Series 2026 Resolution, the "Resolution"), and in accordance with the terms of a Paying Agent Agreement, dated as of September 1, 2026 (the "Refunding Paying Agent Agreement" and, together with the Series 2026 Paying Agent Agreement, the "Paying Agent Agreements"), by and between the District and the Paying Agent. 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 Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Paying Agent Agreements, 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 who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean Digital Assurance Certification, LLC, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Financial Obligation" shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at *http://emma.msrb.org*.

"Official Statement" shall mean the final official statement dated __________, 2026 relating to the Bonds.

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"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.

SECTION 3. Provision of Annual Reports.

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 June 30), commencing with the Annual Report for the fiscal year of the District ending June 30, 2026 (which is due no later than March 30, 2027), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by 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. Neither the Paying Agent nor the Dissemination Agent shall have any duties or responsibilities with respect to the contents of the Annual Report. 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.

Not later than fifteen (15) business days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent and the Paying Agent (if the Paying Agent is not the Dissemination Agent). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District and the Paying Agent to determine if the District is in compliance with the first sentence of this subsection (b).

If the Paying Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Paying Agent shall send a notice in a timely manner, in electronic format, to the MSRB, such notice to be in substantially the form attached as Exhibit A.

If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall file a report with the District and (if the Dissemination Agent is not the Paying Agent) the Paying Agent certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

* Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB 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 provided to the MSRB in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

* Adopted budget of the District for the then-current fiscal year, or a summary thereof, and any interim budget reports approved as of the date of filing of the Annual Report.

* District average daily attendance.

* District outstanding debt.

* Information regarding total assessed valuation of taxable properties within the District, if and to the extent provided to the District by the City and County of San Francisco.

* Information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the City and County of San Francisco.

* Information regarding total assessed valuation and parcels by land use within the District, if and to the extent provided to the District by the City and County of San Francisco.

* Information regarding the assessed valuation per parcel of single family homes within the District, if and to the extent provided to the District by the City and County of San Francisco.

* Information regarding the largest local secured taxpayers within the District, if and to the extent provided to the District by the City and County of San Francisco.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

6. Tender offers;

7. Defeasances;

8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of the District; or

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

Note: For the purposes of the event identified in Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(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, not later than ten (10) business days after the occurrence of the event:

1. Unless described in Section 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. Modifications to rights of Bond holders;

3. Optional, unscheduled or contingent Bond calls;

4. Release, substitution or sale of property securing repayment of the Bonds;

5. Non-payment related defaults;

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 paying agent or the change of name of a paying agent; or

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 security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Paying Agent Agreements.

(f) The District intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of "Financial Obligation" in Section 1, with reference to the rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

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(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. 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. The initial Dissemination Agent shall be Digital Assurance Certification, LLC.

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, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District 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; and

(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.

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(e), 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 Disclosure 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; provided that any such action may be instituted only in Superior Court of the State of California in and for the City and County of San Francisco or in U.S. District Court in or nearest to the City and County. 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. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: ________, 2026

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

By ____

Chris Mount-Benites
Deputy Superintendent of Business Services and Operations

EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of District: SAN FRANCISCO UNIFIED SCHOOL DISTRICT

Name of Bond Issues: San Francisco Unified School District
General Obligation Bonds, Election of 2024, Series B

San Francisco Unified School District
2026 General Obligation Refunding Bonds

Date of Issuance: __________, 2026

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed by _____________.]

Dated: _______________

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

By __________[to be signed only if filed]_________

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APPENDIX F

CITY AND COUNTY OF SAN FRANCISCO INVESTMENT POLICY AND INVESTMENT REPORT

The following information has been furnished by the Office of the Treasurer, City and County of San Francisco. It describes (i) the policies applicable to investment of District funds, including bond proceeds and tax levies, and funds of other agencies held by the Treasurer and (ii) the composition, carrying amount, market value and other information relating to the investment pool. Further information may be obtained directly from the Treasurer, 1 Dr. Carlton B. Goodlett Place, City Hall - Room 140, San Francisco, CA 94102.

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CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE TREASURER & TAX COLLECTOR

INVESTMENT POLICY

Effective May 2024

1.0 Policy

It is the policy of the Office of the Treasurer & Tax Collector of the City and County of San Francisco (Treasurer's Office) to invest public funds in a manner which will preserve capital, meet the daily cash flow demands of the City, and provide a market rate of return while conforming to all state and local statutes governing the investment of public funds.

2.0 Scope

This investment policy applies to all funds over which the Treasurer's Office has been granted fiduciary responsibility and direct control for their management.

3.0 Prudence

The standard of prudence to be used by the Treasurer's Office shall be the Prudent Investor Standard as set forth by California Government Code, Section 53600.3 and 27000.3. The Section reads as follows: The Prudent Investor Standard states that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Treasurer's Office, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Treasurer's Office.

This standard of prudence shall be applied in the context of managing those investments that fall under the Treasurer's direct control. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 Objective

The primary objectives, in priority order, of the Treasurer's Office's investment activities shall be:

4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the Treasurer's Office shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, the Treasurer's Office will diversify its investments.

4.2 Liquidity: The Treasurer's Office investment portfolio will remain sufficiently liquid to enable the Treasurer's Office to meet cash flow needs which might be reasonably anticipated.

4.3 Return on Investments: The portfolio shall be designed with the objective of generating a market rate of return without undue compromise of the first two objectives.

5.0 Delegation of Authority

The Treasurer of the City and County of San Francisco (Treasurer) is authorized by Charter Section 6.106 to invest funds available under California Government Code Title 5, Division 2, Part 1, Chapter 4, Article 1. The Treasurer shall submit any modification to this Investment Policy to the Treasury Oversight Committee members within five (5) working days of the adoption of the change.

6.0 Authorized Broker/Dealer Firms

The City seeks to employ a fair and unbiased broker-dealer selection process, which culminates in an array of small / medium and large-sized firms that provide the best investment opportunities and service to the City.

The Treasurer's Office will evaluate and classify broker-dealers based on the qualifications of the firm and firm's assigned broker.

When evaluating Broker-Dealers, the Treasurer's Office will strongly consider the Minority / Historically Disadvantaged status of both the firm's ownership and the assigned broker.

All broker-dealers are encouraged to apply for consideration. All applicants will be evaluated and classified based on the qualifications of the firm and the firm's assigned individual. \

All approved broker-dealers will be re-assessed on an on-going basis.

The inclusion of a Broker-Dealer on TTX's approved list does not guarantee that the firm will be successful in doing business with TTX.

All securities shall be purchased and sold in a competitive environment and investment decisions will be made based on best execution.

The Treasurer's Office will not do business with a firm which has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the Treasurer, any member of the Board of Supervisors, or any candidate for those offices.

7.0 Authorized & Suitable Investments

Investments will be made pursuant to the California Government Code (including Section 53601 et seq.) and this investment policy to ensure sufficient liquidity to meet all anticipated disbursements.

Unless otherwise noted, the maximum maturity from the settlement date can be no longer than five years with a trade date no longer than 45 days from settlement date. .

All exposure limits defined below will be measured against total portfolio par value (unless otherwise specified) and at time of purchase.

Types of investment vehicles not authorized by this investment policy are prohibited.

In an effort to limit credit exposure, the Treasurer's Office will maintain Eligible Issuer, Eligible Counterparty and Eligible Money Market lists for security types where appropriate. These lists are intended to guide investment decisions. Investments, at time of purchase, are limited solely to issuers, counterparties and money market funds listed; however, investment staff may choose to implement further restrictions at any time. The total exposure to credit in the portfolio shall be limited to 30% of the total portfolio par value and is calculated by the combined percentage exposure for State and Local Government Agency Obligations, Negotiable Certificates of Deposits/Yankee Certificates of Deposit, Commercial Paper, and Medium Term Notes. This limitation will be calculated at time of purchase.

The Treasurer's Office shall establish a Credit Committee comprised of the Treasurer, Chief Assistant Treasurer, Chief Investment Officer and additional investment personnel at the Treasurer's discretion. The Committee shall review and approve all eligible issuers and counterparties prior to inclusion on the aforementioned Eligible Issuer, Eligible Counterparty and Eligible Money Market lists. The Committee shall also be charged with determining the collateral securing the City's repurchase agreements.

In the event of a downgrade of the issuer's credit rating below the stated requirements herein, the Credit Committee shall convene and determine the appropriate action.

In addition, the Treasurer's Office shall conduct an independent credit review, or shall cause an independent credit review to be conducted, of the collateralized CD issuers to determine the creditworthiness of the financial institution. The credit review shall include an evaluation of the issuer's financial strength, experience, and capitalization, including, but not limited to leverage and capital ratios relative to benchmark and regulatory standards (See Section 7.4). The following policy shall govern unless a variance is specifically authorized by the Treasurer and reviewed by the Treasury Oversight Committee pursuant to Section 5.0.

7.1 U.S. Treasuries

United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

Allocation Maximum	Issuer Limit Maximum	Issue Limit Maximum	Maturity/Term Maximum
100% of the portfolio value	100%	100%	5 years

7.2 Federal Agencies

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

Allocation Maximum	Issuer Limit Maximum	Issue Limit Maximum	Maturity/Term Maximum

100% of the portfolio value	100%	100%	5 years

7.3 State and Local Government Agency Obligations

The Treasurer's Office may purchase bonds, notes, warrants, or other evidences of indebtedness of any local or State agency within the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or State, or by a department, board, agency, or authority of the local agency or State.

Allocation Maximum	Issuer Limit Maximum	Issue Limit Maximum	Maturity/Term Maximum
20% of the portfolio value	5%	No Limit	5 years

Issuer Minimum Credit Rating: Issuers must possess either a short-term rating of the highest ranking or long-term credit rating (dependent upon maturity length) of the second highest ranking or better (irrespective of +/-) from at least one NRSRO (Nationally Recognized Statistical Rating Organization). This limitation applies to all local and State agencies within the 50 United States with the exception of the State of California.

7.4 Public Time Deposits (Term Certificates of Deposit)

The Treasurer's Office may invest in either:

1. Non-negotiable time deposits (Certificates of Deposit or CDs) that have FDIC or similar deposit insurance; or

2. Fully collateralized CDs in approved financial institutions.

The Treasurer's Office will invest in CDs and Time Deposits only with those firms having at least one branch office within the boundaries of the City and County of San Francisco. As required by Government Code Section 53649, the Treasurer's Office shall have a signed agreement with any depository accepting City funds.

For Public Time Deposits not employing deposit insurance (such as FDIC), the Treasurer's Office is authorized to accept two forms of collateral:

A. Deposit Collateral. Collateralized CDs are required to be fully collateralized with 110% of the type of collateral authorized in California Government Code, Section 53651 (a) through (i). The Treasurer's Office, at its discretion, may waive the collateralization requirements for any portion that is covered by deposit insurance.

B. Letters of Credit Issued by the Federal Home Loan Bank of San Francisco. As authorized by Section 53651 (p) of the California Government Code, Letter of Credit may be accepted as collateral and shall conform to the requirements of Section 53651.6 of the California Government Coded include the following terms:

(1) The Administrator, as defined by Section 53630 (g) of the California Government Code, shall be the beneficiary of the letter of credit; and

(2) The letter of credit shall be clean and irrevocable, and shall provide that the Administrator may draw upon it up to the total amount in the event of the failure of the depository savings association or federal association or if the depository savings association or federal association refuses to permit the withdrawal of funds by a treasurer.

Allocation Maximum	Issuer Limit Maximum	Issue Limit Maximum	Maturity/Term Maximum
$80mm	$20mm	N/A	6 months

Issuer Minimum Credit Rating (applies to collateralized CDs only): Maintenance of the minimum standards for “well-capitalized” status as established by the Federal Reserve Board. The current standards are as follows:

- Tier 1 risk-based capital ratio of 8% or greater
- Combined Tier 1 and Tier 2 capital ratio of 10% or greater
- Leverage ratio of 5% or greater

Failure to maintain minimum standards may result in early termination, subject to the discretion of the Treasurer’s Office.

7.5 Negotiable Certificates of Deposit / Yankee Certificates Of Deposit

Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Yankee certificates of deposit are negotiable instruments that are issued by a branch of a foreign bank.

Allocation Maximum	Issuer Limit Maximum	Issue Limit Maximum	Maturity/Term Maximum
30% of the portfolio value	10%	N/A	5 years

Maturity Allocation Buckets:

a. More than 4 years to Maturity: No more than 5% of Pool Par Value;
b. 3 to 4 years to Maturity: No more than 5% of Pool Par Value; and
c. 2 to 3 years to Maturity: No more than 5% of Pool Par Value.

Percentage of Pool Par Value is determined at the time a security is purchased. If subsequent to purchases, a Maturity bucket exceeds the 5% allocation, investment staff may continue to hold existing positions.

Issuer Minimum Credit Rating: Issuers must possess either a short-term rating of the highest ranking or long-term credit rating (dependent upon maturity length) of A or better (irrespective of +/-) from at least one NRSRO. Issuers bearing a long-term credit of A shall be limited to a 3 year maturity maximum and exposure will be limited to no more than 10% of the portfolio par value, in aggregate with the A rated exposure in Medium Term Notes, for maturities over 1 year.

The purchase of Canadian Yankee CDs shall be limited to maturities of less than 400 days.

7.6 Bankers Acceptances

Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances.

Allocation Maximum	Issuer Limit Maximum	Issue Limit Maximum	Maturity/Term Maximum
40% of the portfolio value	30%	No Limit	180 days

Issuer Minimum Credit Rating: None

7.7 Commercial Paper

Obligations issued by a corporation or bank to finance short-term credit needs, such as accounts receivable and inventory, which may be unsecured or secured by pledged assets.

Allocation Maximum	Issuer Limit Maximum	Issue Limit Maximum	Maturity/Term Maximum
25% of the portfolio value	10%	None	270 days

Issuer Minimum Credit Rating: Issuers must possess a short-term credit rating of the highest ranking (irrespective of +/-) from at least one NRSRO.

7.8 Medium Term Notes

Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state, and operating within the U.S.

Allocation Maximum	Issuer Limit Maximum	Issue Limit Maximum	Maturity/Term Maximum
30% of the portfolio value	10%	5%	5 Years

Maturity Allocation Buckets:

d. More than 4 years to Maturity: No more than 5% of Pool Par Value;
e. 3 to 4 years to Maturity: No more than 5% of Pool Par Value; and
f. 2 to 3 years to Maturity: No more than 5% of Pool Par Value.

Percentage of Pool Par Value is determined at the time a security is purchased. If subsequent to purchases, a Maturity bucket exceeds the 5% allocation, investment staff may continue to hold existing positions.

Issuer Minimum Credit Rating: Issuers must possess either a short-term rating of the highest ranking or long-term credit rating (dependent upon maturity length) of A or better (irrespective of +/-) from at least one NRSRO. Issuers bearing a long-term credit of A shall be limited to a 3 year maturity maximum and exposure will be limited to no more than 10% of the portfolio par value, in aggregate with the A rated exposure in Medium Term Notes, for maturities over 1 year.

7.9 Repurchase Agreements

To the extent that the Treasurer's Office utilizes this investment vehicle, said collateral shall be delivered to a third-party custodian, so that recognition of ownership of the City and County of San Francisco is perfected.

Type of Collateral	Allocation Maximum	Issuer Limit Maximum	Maturity/Term Maximum
Government securities	No Limit	N/A	1 year
Securities permitted by CA Government Code, Sections 53601 and 53635	10%	N/A	1 year

7.10 Reverse Repurchase and Securities Lending Agreements

This procedure shall be limited to occasions when the cost effectiveness dictates execution, specifically to satisfy cash flow needs or when the collateral will secure a special rate. A reverse repurchase agreement shall not exceed 45 days; the amount of the agreement shall not exceed $75MM; and the offsetting purchase shall have a maturity not to exceed the term of the repo.

7.11 Money Market Funds

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.).

Fund Type	Allocation Maximum	Issuer Limit Maximum	Percentage of Fund's Net	Maturity/Term Maximum

			Assets Maximum	
Institutional Government	20% of Total Pool assets	N/A	5%	N/A

Issuer Minimum Credit Rating: Fund must be rated in the highest rating category from not less than two NRSROs .

7.12 Local Agency Investment Fund (LAIF)

Investments in LAIF, a California state investment fund available to California municipalities, are authorized.

7.13 Supranationals

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by:

- International Bank for Reconstruction and Development;
- International Finance Corporation; or
- Inter-American Development Bank;

Allocation Maximum	Issuer Limit Maximum	Issue Limit Maximum	Maturity/Term Maximum
30%	None	None	5 years

Issuer Minimum Credit Rating: Issuers must possess either a short-term credit rating of the highest ranking or long-term credit rating (dependent upon maturity length) of the second highest ranking or better (irrespective of +/-) from at least one NRSRO.

8.0 Interest and Expense Allocations

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets, managing and accounting for the banking; receiving and remitting deposits; oversight controls; and indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated and charged to the Pooled Investment Fund on a quarterly basis, with the exception of San Francisco International Airport costs which are charged directly through a work order.

The San Francisco Controller allocates the net interest earnings of the Pooled Investment Fund. The earnings are allocated monthly based on average balances.

9.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the Treasurer's Office shall be conducted on a delivery-versus-payment (DVP) basis pursuant to approved custodial safekeeping agreements. Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

10.0 Deposit and Withdrawal of Funds

California Government Code Section 53684 et seq. provides criteria for outside local agencies, where the Treasurer does not serve as the agency's treasurer, to invest in the County's Pooled Investment Fund, subject to the consent of the Treasurer. Currently, no government agency outside the geographical boundaries of the City and County of San Francisco shall have money invested in City pooled funds.

The Treasurer will honor all requests to withdraw funds for normal cash flow purposes that are approved by the San Francisco Controller. Any requests to withdraw funds for purposes other than cash flow, such as for external investing, shall be subject to the consent of the Treasurer. In accordance with California Government Code Sections 27136 et seq. and 27133(h) et seq., such requests for withdrawals must first be made in writing to the Treasurer. These requests are subject to the Treasurer's consideration for the stability and predictability of the Pooled Investment Fund, or the adverse effect on the interests of the other depositors in the Pooled Investment Fund. Any withdrawal for such purposes shall be at the value shown on the Controller's books as of the date of withdrawal.

11.0 Limits on Receipt of Honoraria, Gifts and Gratuities

In accordance with California Government Code Section 27133(d) et seq., this Investment Policy hereby establishes limits for the Treasurer, individuals responsible for management of the portfolios, and members of the Treasury Oversight Committee on the receipt of honoraria, gifts and gratuities from advisors, brokers, dealers, bankers or others persons with whom the Treasurer conducts business. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of those limits must report the gifts, dates and firms to the Treasurer and complete the appropriate State disclosure.

These limits may be in addition to the limits set by a committee member's own agency, by state law, or by the California Fair Political Practices Commission. Members of the Treasury Oversight Committee also must abide by the following sections of the Treasurer's Office Statement of Incompatible Activities: Section III(A)(l)(a), (b) and (c) entitled "Activities that Conflict with Official Duties," and Section III(C) entitled "Advance Written Determination".

12.0 Reporting

In accordance with the provisions of California Government Code Section 53646, which states that the Treasurer may render a quarterly report or a monthly report on the status of the investment portfolio to the Board of Supervisors, Controller and Mayor; the Treasurer regularly submits a monthly report. The report includes the investment types, issuer, maturity date, par value, and dollar amount invested; market value as of the date of the report and the source of the valuation; a statement of compliance with the investment policy or an explanation for non-compliance; and a statement of the ability or inability to meet expenditure requirements for six months, as well as an explanation of why moneys will not be available if that is the case.

13.0 Social Responsibility

In addition to and subordinate to the objectives set forth in Section 4.0 herein, investment of funds should be guided by the following socially responsible investment goals when investing in corporate securities and depository institutions. Investments shall be made in compliance with the forgoing socially responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to investments permitted by state law.

13.1 Social and Environmental Concerns

Investments are encouraged in entities that support community well-being through safe and environmentally sound practices and fair labor practices. Investments are encouraged in entities that support equality of rights regardless of sex, race, age, disability or sexual orientation. Investments are discouraged in entities that manufacture tobacco products, firearms, or nuclear weapons. In addition, investments are encouraged in entities that offer banking products to serve all members of the local community, and investments are discouraged in entities that finance high-cost check-cashing, deferred deposit (payday-lending) businesses and organizations involved in financing, either directly or indirectly, the Dakota Access Pipeline or, as determined by the Treasurer, similar pipeline projects. Prior to making investments, the Treasurer's Office will verify an entity's support of the socially responsible goals listed above through direct contact or through the use of a third party such as the Investors Responsibility Research Center, or a similar ratings service. The entity will be evaluated at the time of purchase of the securities.

13.2 Community Investments

Investments are encouraged in entities that promote community economic development. Investments are encouraged in entities that have a demonstrated involvement in the development or rehabilitation of low income affordable housing, and have a demonstrated commitment to reducing predatory mortgage lending and increasing the responsible servicing of mortgage loans. Securities investments are encouraged in financial institutions that have a Community Reinvestment Act (CRA) rating of either Satisfactory or Outstanding, as well as financial institutions that are designated as a Community Development Financial Institution (CDFI) by the United States Treasury Department, or otherwise demonstrate commitment to community economic development.

13.3 City Ordinances

All depository institutions are to be advised of applicable City contracting ordinances, and shall certify their compliance therewith, if required.

14.0 Treasury Oversight Committee

A Treasury Oversight Committee was established by the San Francisco Board of Supervisors in Ordinance No. 316-00. The duties of the Committee shall be the following:

(a) Review and monitor the investment policy described in California Government Code Section 27133 and prepared annually by the Treasurer.

(b) Cause an annual audit to be conducted to determine the Treasurer's compliance with California Government Code Article 6 including Sections 27130 through 27137 and City Administrative Code Section 10.80-1. The audit may examine the structure of the investment portfolio and risk. This audit may be a part of the County Controller's usual audit of the Treasurer's Office by internal audit staff or the outside audit firm reviewing the Controller's Annual Report.

(c) Nothing herein shall be construed to allow the Committee to direct individual decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the Treasurer. (See California Government Code, Section 27137.)

APPENDIX

Glossary

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASK/OFFER: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The CAFR is the City's official annual financial report. It consists of three major sections: introductory, financial, and statistical. The introductory section furnishes general information on the City's structure, services, and environment. The financial section contains all basic financial statements and required supplementary information, as well as information on all individual funds and discretely presented component units not reported separately in the basic financial statements. The financial section may also include supplementary information not required by GAAP. The statistical section provides trend data and nonfinancial data useful in interpreting the basic financial statements and is especially important for evaluating economic condition.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DEPOSITORY INSTITUTIONS: These institutions hold City and County moneys in the forms of certificates of deposit (negotiable or term), public time deposits and public demand accounts.

DERIVATIVES: (l) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FDIC DEPOSIT INSURANCE COVERAGE: The FDIC is an independent agency of the United States government that protects against the loss of insured deposits if an FDIC-insured bank or savings association fails. Deposit insurance is backed by the full faith and credit of the United States government. Since the FDIC was established, no depositor has ever lost a single penny of FDIC-insured funds. FDIC insurance covers funds in deposit accounts, including checking and savings accounts, money market deposit accounts and certificates of deposit (CDs). FDIC insurance does not, however, cover other financial products and services that insured banks may offer, such as stocks, bonds, mutual fund shares, life insurance policies, annuities or municipal securities. There is no need for depositors to apply for FDIC insurance or even to request it. Coverage is automatic. To ensure funds are fully protected, depositors should understand their deposit insurance coverage limits. The FDIC provides separate insurance coverage for deposits held in different ownership categories such as single accounts, joint accounts, Individual Retirement Accounts (IRAs) and trust accounts.
Basic FDIC Deposit Insurance Coverage Limits*
Single Accounts (owned by one person) $250,000 per owner
Joint Accounts (two or more persons) $250,000 per co-owner
IRAs and certain other retirement accounts $250,000 per owner
Trust Accounts $250,000 per owner per beneficiary subject to specific limitations and requirements**
*The financial reform bill, officially named the Dodd-Frank Wall Street Reform and Consumer Protection Act, signed into law on July 21, 2010, made the $250,000 FDIC coverage limit permanent.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL FUNDS RATE: The rate of interest that depository institutions lend monies overnight to other depository institutions. Also referred to as the overnight lending rate. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC): Freddie Mac's mission is to provide liquidity, stability and affordability to the housing market. Congress defined this mission in (their) 1970 charter. Freddie Mac buys mortgage loans from banks, thrifts and other financial intermediaries, and re-sells these loans to investors, or keeps them for their own portfolio, profiting from the difference between their funding costs and the yield generated by the mortgages.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

GOVERNMENT SECURITIES: Obligations of the U.S. Government and its agencies and instrumentalities.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

NRSRO: Nationally Recognized Statistical Rating Organization; Credit rating agencies that are registered with the SEC. Such agencies provide an opinion on the creditworthiness of an entity and the financial obligations issued by an entity.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PAR VALUE: The principal amount of a bond returned by the maturity date.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PUBLIC TIME DEPOSITS (Term Certificates Of Deposit): Time deposits are issued by depository institutions against funds deposited for a specified length of time. Time deposits include instruments such as deposit notes. They are distinct from certificates of deposit (CDs) in that interest payments on time deposits are calculated in a manner similar to that of corporate bonds whereas interest payments on CDs are calculated similar to that of money market instruments.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

QUALIFIED INSTITUTIONAL BUYER: A purchaser of securities that is deemed financially sophisticated and is legally recognized by securities market regulators to need less protection from issuers than most public investors.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

RULE 144A. A safe harbor exemption from the registration requirements of Section 5 of the Securities Act for certain offers and sales of qualifying securities by certain persons other than the issuer of the securities. The exemption applies to resales of securities to qualified institutional buyers, who are commonly referred to as “QIBs.”

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE l5(C)3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Investment Report for the month of June 2026

July 15, 2026

The Honorable Daniel L. Lurie
Mayor of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4638

Colleagues,

In accordance with the provisions of California State Government Code, Section 53646, we forward this report detailing the City's pooled fund portfolio as of June 30, 2026. These investments provide sufficient liquidity to meet expenditure requirements for the next six months and are in compliance with our statement of investment policy and California Code.

This correspondence and its attachments show the investment activity for the month of June 2026 for the portfolios under the Treasurer's management. All pricing and valuation data is obtained from Interactive Data Corporation.

CCSF Pooled Fund Earnings Statistics

Description	Current Month Fiscal YTD	Current Month June 2026	Prior Month Fiscal YTD	Prior Month May 2026
Average Daily Balance *(in $ millions)*	17,723.2	18,572.1	17,647.2	18,924.9
Net Earnings *(in $ millions)*	665.2	57.3	607.9	59.4
Earned Income Return	3.75%	3.76%	3.75%	3.70%

CCSF Pooled Fund Statistics: June 30, 2026

Investment Type	% of Portfolio	Book Value (in $ millions)	Market Value (in $ millions)	Wtd. Avg. CPN	Wtd. Avg. YTM	WAM
U.S. Treasuries	27.7%	5,156	5,126	3.59%	3.71%	851
Federal Agencies	44.9%	8,344	8,311	3.51%	3.78%	713
Negotiable CDs	10.3%	1,910	1,910	4.04%	4.04%	152
Commercial Paper	5.6%	1,046	1,046	0.00%	3.92%	94
Medium Term Notes	0.9%	163	163	3.98%	4.20%	268
Money Market Funds	8.9%	1,654	1,654	3.57%	3.57%	1
Supranationals	0.8%	142	142	3.32%	4.10%	590
Secured Bank Deposit	0.9%	168	168	3.60%	3.60%	1
Totals	100.0%	18,583	18,519	3.40%	3.78%	584

In the remainder of this report, we provide additional information and analytics at the security-level and portfolio-level, as recommended by the California Debt and Investment Advisory Commission.

Respectfully,

José Cisneros
Treasurer

cc: Treasury Oversight Committee: Aimee Brown, Kevin Kone, Brenda Kwee McNulty, Nancy Hom
Greg Wagner - Controller, Office of the Controller
Mark de la Rosa - Director of Audits, Office of the Controller
Mayor's Office of Public Policy and Finance
San Francisco County Transportation Authority
San Francisco Public Library
San Francisco Health Service System

Portfolio Summary
Pooled Fund

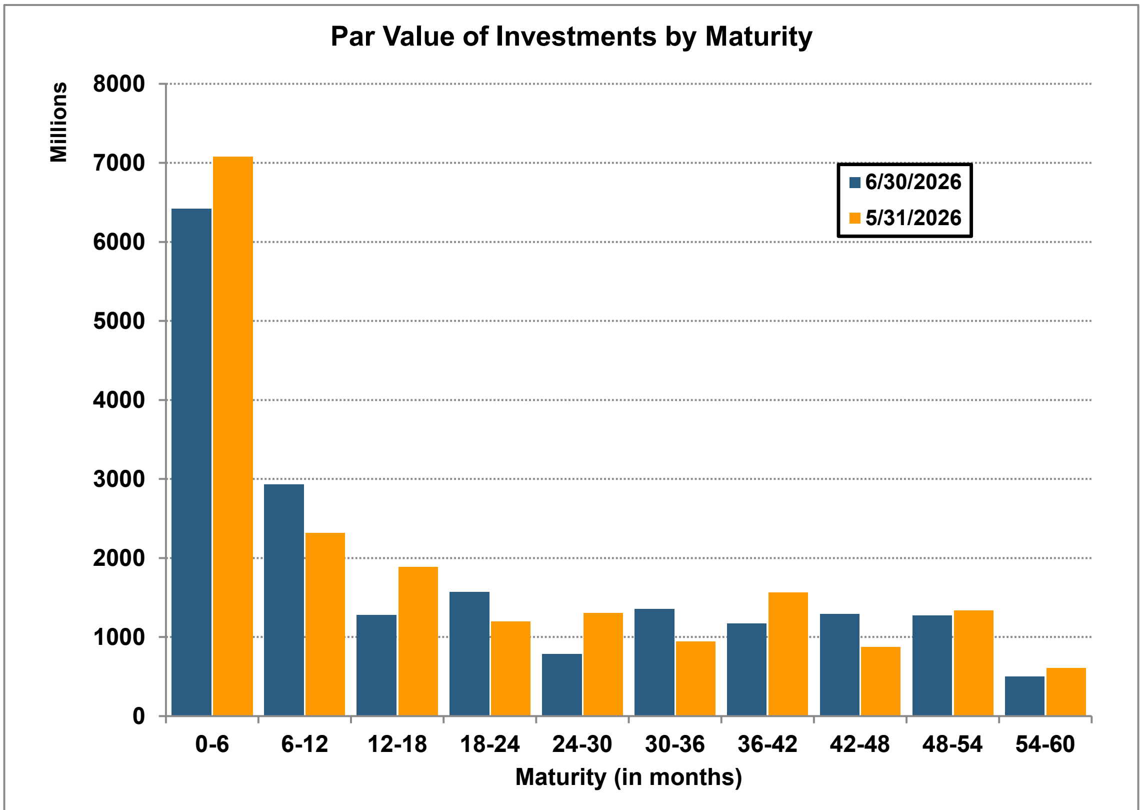
Security Type	Par Value (in $ millions)	Book Value (in $ millions)	Market Value (in $ millions)	Market Price / Book Price	Current % Allocation	Max. Policy Allocation	Compliant?
U.S. Treasuries	$ 5,159.0	$ 5,155.9	$ 5,125.7	99.41	27.75%	100%	Yes
Federal Agencies	8,349.4	8,344.4	8,311.3	99.60	44.90%	100%	Yes
State & Local Government Agency Obligations	-	-	-	-	0.00%	20%	Yes
Public Time Deposits	-	-	-	-	0.00%	100%	Yes
Negotiable CDs	1,910.0	1,910.0	1,909.5	99.98	10.28%	30%	Yes
Bankers Acceptances	-	-	-	-	0.00%	40%	Yes
Commercial Paper	1,057.0	1,046.1	1,045.9	99.98	5.63%	25%	Yes
Medium Term Notes	162.8	162.7	162.7	99.98	0.88%	30%	Yes
Repurchase Agreements	-	-	-	-	0.00%	10%	Yes
Reverse Repurchase/ Securities Lending Agreements	-	-	-	-	0.00%	$75mm	Yes
Money Market Funds	1,654.4	1,654.4	1,654.4	100.00	8.90%	20%	Yes
LAIF	-	-	-	-	0.00%	$50mm	Yes
Supranationals	142.3	141.6	141.8	100.13	0.76%	30%	Yes
Secured Bank Deposit	167.7	167.7	167.7	100.00	0.90%	N/A	Yes
TOTAL	**$ 18,602.6**	**$ 18,582.7**	**$ 18,519.0**	**99.66**	**100.00%**	**-**	**Yes**

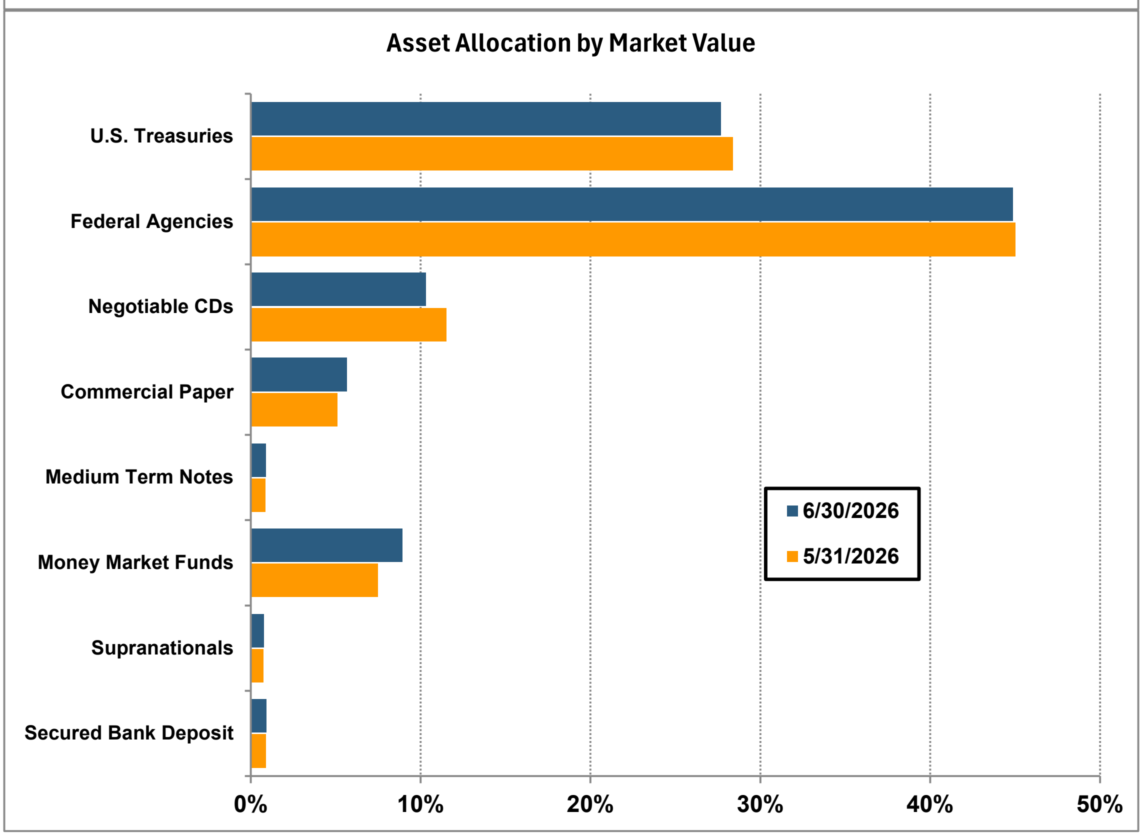
The City and County of San Francisco uses the following methodology to determine compliance: Compliance is pre-trade and calculated on a book value basis of the overall portfolio value. Cash balances are included in the City's compliance calculations.

Please note the information in this report does not include cash balances. Due to fluctuations in the market value of the securities held in the Pooled Fund and changes in the City's cash position, the allocation limits may be exceeded on a post-trade compliance basis. In these instances, no compliance violation has occurred, as the policy limits were not exceeded prior to trade execution.
The full Investment Policy can be found at https://sftreasurer.org/banking-investments/investments

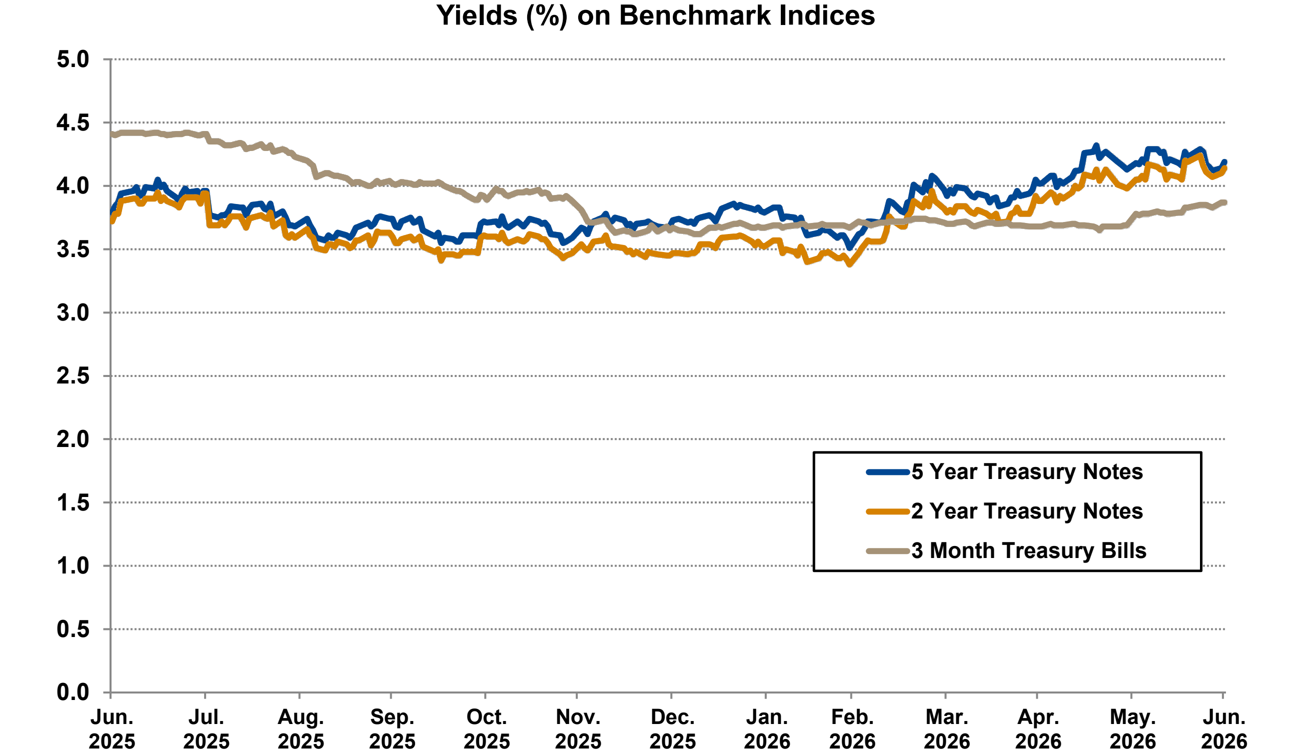
Totals may not add due to rounding.

Portfolio Analysis
Pooled Fund

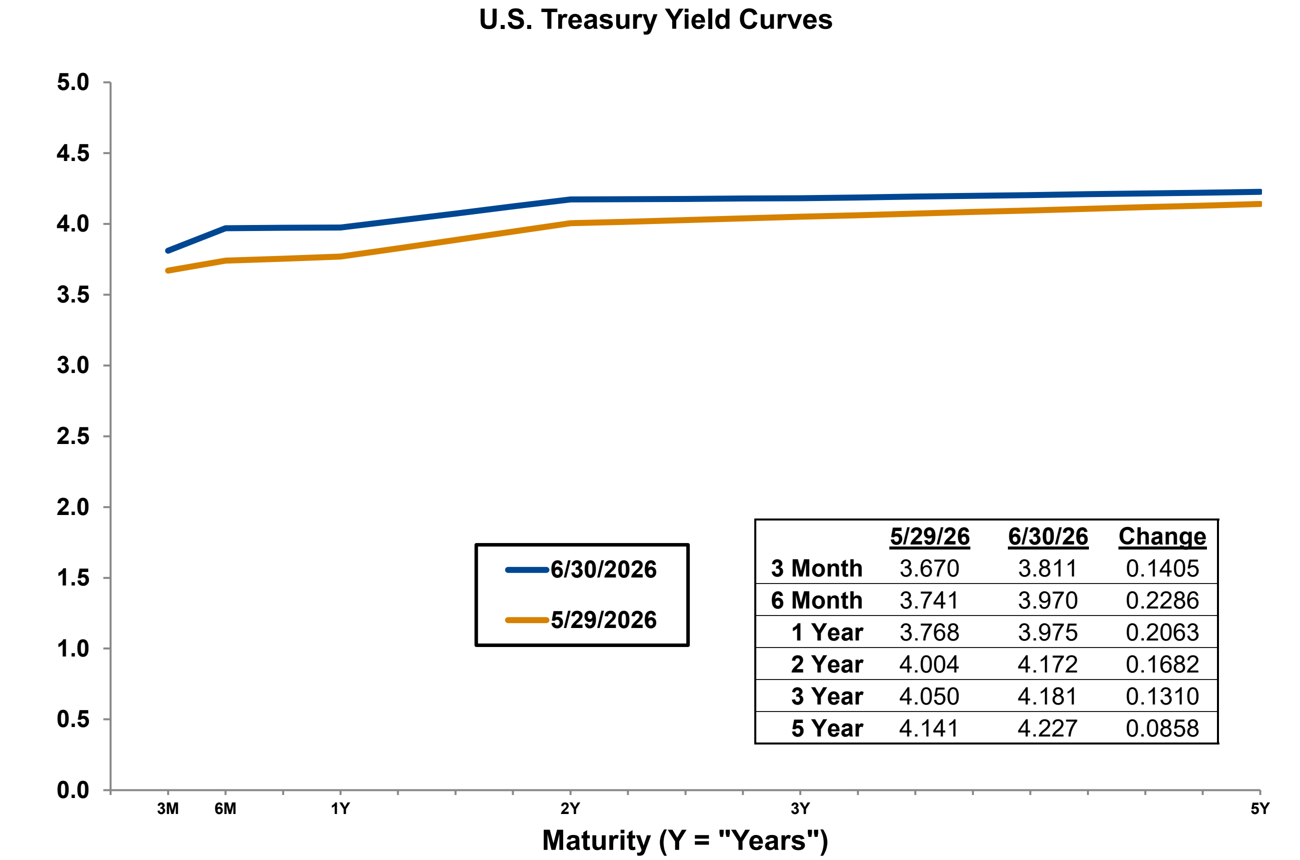




Yield Curves



Source: Bloomberg



	5/29/26	6/30/26	Change
3 Month	3.670	3.811	0.1405
6 Month	3.741	3.970	0.2286
1 Year	3.768	3.975	0.2063
2 Year	4.004	4.172	0.1682
3 Year	4.050	4.181	0.1310
5 Year	4.141	4.227	0.0858

Source: Bloomberg

Investment Inventory
Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Coupon	Par Value	Original Cost	Amortized Book	Market Value
U.S. Treasuries	912797TX5	U.S. Treasury Bill	2/19/2026	8/20/2026	0.00	100,000,000	98,230,556	99,513,889	99,483,300
U.S. Treasuries	912797TY3	U.S. Treasury Bill	2/26/2026	8/27/2026	0.00	25,000,000	24,554,226	24,860,390	24,855,153
U.S. Treasuries	91282CCW9	U.S. Treasury Note	9/28/2021	8/31/2026	0.75	50,000,000	49,449,219	49,981,314	49,763,670
U.S. Treasuries	91282CCZ2	U.S. Treasury Note	10/8/2021	9/30/2026	0.88	50,000,000	49,689,453	49,984,456	49,644,530
U.S. Treasuries	91282CCZ2	U.S. Treasury Note	10/8/2021	9/30/2026	0.88	50,000,000	49,671,875	49,983,576	49,644,530
U.S. Treasuries	91282CCZ2	U.S. Treasury Note	10/19/2021	9/30/2026	0.88	50,000,000	49,318,359	49,965,673	49,644,530
U.S. Treasuries	91282CDK4	U.S. Treasury Note	12/3/2021	11/30/2026	1.25	50,000,000	50,072,266	50,006,025	49,451,170
U.S. Treasuries	91282CDK4	U.S. Treasury Note	12/7/2021	11/30/2026	1.25	50,000,000	50,117,188	50,009,792	49,451,170
U.S. Treasuries	91282CDK4	U.S. Treasury Note	3/29/2022	11/30/2026	1.25	50,000,000	47,078,125	49,739,821	49,451,170
U.S. Treasuries	91282CDQ1	U.S. Treasury Note	3/29/2022	12/31/2026	1.25	50,000,000	47,107,422	49,695,430	49,339,845
U.S. Treasuries	91282CEF4	U.S. Treasury Note	4/6/2022	3/31/2027	2.50	25,000,000	24,757,813	24,963,672	24,725,585
U.S. Treasuries	91282CKV2	U.S. Treasury Note	6/26/2024	6/15/2027	4.63	50,000,000	50,199,219	50,064,140	50,260,750
U.S. Treasuries	91282CKV2	U.S. Treasury Note	7/9/2024	6/15/2027	4.63	50,000,000	50,292,969	50,095,468	50,260,750
U.S. Treasuries	91282CKV2	U.S. Treasury Note	10/8/2024	6/15/2027	4.63	50,000,000	50,906,250	50,322,736	50,260,750
U.S. Treasuries	91282CKV2	U.S. Treasury Note	5/15/2025	6/15/2027	4.63	50,000,000	50,603,516	50,276,777	50,260,750
U.S. Treasuries	91282CKV2	U.S. Treasury Note	7/8/2025	6/15/2027	4.63	50,000,000	50,667,969	50,329,733	50,260,750
U.S. Treasuries	91282CKV2	U.S. Treasury Note	7/9/2025	6/15/2027	4.63	50,000,000	50,654,297	50,323,441	50,260,750
U.S. Treasuries	91282CKV2	U.S. Treasury Note	7/25/2025	6/15/2027	4.63	50,000,000	50,632,813	50,320,075	50,260,750
U.S. Treasuries	91282CEW7	U.S. Treasury Note	3/21/2024	6/30/2027	3.25	50,000,000	48,203,125	49,453,125	49,589,845
U.S. Treasuries	91282CEW7	U.S. Treasury Note	4/3/2024	6/30/2027	3.25	50,000,000	48,113,281	49,419,471	49,589,845
U.S. Treasuries	91282CEW7	U.S. Treasury Note	9/26/2024	6/30/2027	3.25	50,000,000	49,683,594	49,885,629	49,589,845
U.S. Treasuries	91282CEW7	U.S. Treasury Note	7/25/2025	6/30/2027	3.25	50,000,000	49,398,438	49,689,406	49,589,845
U.S. Treasuries	91282CEW7	U.S. Treasury Note	11/12/2025	6/30/2027	3.25	50,000,000	49,728,516	49,833,915	49,589,845
U.S. Treasuries	91282CNV9	U.S. Treasury Note	11/20/2025	8/31/2027	3.63	50,000,000	50,035,156	50,023,076	49,716,795
U.S. Treasuries	91282CNV9	U.S. Treasury Note	11/21/2025	8/31/2027	3.63	75,000,000	75,058,594	75,038,520	74,575,193
U.S. Treasuries	91282CLL3	U.S. Treasury Note	10/1/2024	9/15/2027	3.38	50,000,000	49,785,156	49,912,191	49,556,640
U.S. Treasuries	91282CLQ2	U.S. Treasury Note	11/20/2025	10/15/2027	3.88	50,000,000	50,273,438	50,185,575	49,830,080
U.S. Treasuries	91282CLQ2	U.S. Treasury Note	11/18/2025	10/15/2027	3.88	75,000,000	75,363,281	75,245,841	74,745,120
U.S. Treasuries	91282CPE5	U.S. Treasury Note	11/18/2025	10/31/2027	3.50	75,000,000	74,835,938	74,887,783	74,393,550
U.S. Treasuries	91282CLX7	U.S. Treasury Note	2/12/2025	11/15/2027	4.13	61,000,000	60,692,617	60,846,614	60,976,173
U.S. Treasuries	91282CLX7	U.S. Treasury Note	11/12/2025	11/15/2027	4.13	70,000,000	70,738,281	70,505,617	69,972,658
U.S. Treasuries	91282CMB4	U.S. Treasury Note	12/16/2024	12/15/2027	4.00	50,000,000	49,718,750	49,863,231	49,926,100
U.S. Treasuries	91282CMB4	U.S. Treasury Note	12/16/2024	12/15/2027	4.00	50,000,000	49,712,891	49,860,382	49,926,100
U.S. Treasuries	91282CMB4	U.S. Treasury Note	12/8/2025	12/15/2027	4.00	50,000,000	50,425,781	50,307,348	49,926,100
U.S. Treasuries	91282CMN8	U.S. Treasury Note	11/14/2025	2/15/2028	4.25	50,000,000	50,714,844	50,515,938	50,068,360
U.S. Treasuries	91282CMN8	U.S. Treasury Note	11/20/2025	2/15/2028	4.25	90,000,000	91,321,875	90,961,069	90,123,048
U.S. Treasuries	91282CMS7	U.S. Treasury Note	3/20/2026	3/15/2028	3.88	40,000,000	40,018,750	40,016,090	39,820,312
U.S. Treasuries	91282CMS7	U.S. Treasury Note	3/20/2026	3/15/2028	3.88	50,000,000	50,021,484	50,018,436	49,775,390
U.S. Treasuries	9128284N7	U.S. Treasury Note	4/9/2024	5/15/2028	2.88	65,000,000	61,082,227	63,209,915	63,522,264
U.S. Treasuries	91282CND9	U.S. Treasury Note	5/15/2025	5/15/2028	3.75	70,000,000	69,485,938	69,679,180	69,496,875
U.S. Treasuries	91282CNH0	U.S. Treasury Note	11/21/2025	6/15/2028	3.88	50,000,000	50,404,297	50,308,508	49,742,190
U.S. Treasuries	91282CNH0	U.S. Treasury Note	1/14/2026	6/15/2028	3.88	50,000,000	50,375,000	50,303,652	49,742,190
U.S. Treasuries	91282CNH0	U.S. Treasury Note	6/5/2026	6/15/2028	3.88	50,000,000	49,832,031	49,837,925	49,742,190
U.S. Treasuries	91282CHK0	U.S. Treasury Note	1/5/2024	6/30/2028	4.00	50,000,000	49,974,609	49,988,684	49,861,330
U.S. Treasuries	91282CHK0	U.S. Treasury Note	1/18/2024	6/30/2028	4.00	50,000,000	49,927,734	49,967,536	49,861,330
U.S. Treasuries	91282CHK0	U.S. Treasury Note	1/18/2024	6/30/2028	4.00	50,000,000	49,904,297	49,957,007	49,861,330
U.S. Treasuries	91282CHK0	U.S. Treasury Note	2/6/2024	6/30/2028	4.00	50,000,000	49,677,734	49,853,516	49,861,330
U.S. Treasuries	91282CHK0	U.S. Treasury Note	2/27/2024	6/30/2028	4.00	50,000,000	49,298,828	49,677,063	49,861,330
U.S. Treasuries	91282CHK0	U.S. Treasury Note	5/13/2024	6/30/2028	4.00	50,000,000	48,939,453	49,486,946	49,861,330
U.S. Treasuries	91282CHK0	U.S. Treasury Note	6/8/2026	6/30/2028	4.00	50,000,000	49,843,750	49,848,523	49,861,330

Investment Inventory
Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Coupon	Par Value	Original Cost	Amortized Book	Market Value
U.S. Treasuries	91282CHX2	U.S. Treasury Note	12/12/2023	8/31/2028	4.38	50,000,000	50,115,234	50,052,938	50,228,515
U.S. Treasuries	91282CHX2	U.S. Treasury Note	5/14/2025	8/31/2028	4.38	50,000,000	50,550,781	50,362,007	50,228,515
U.S. Treasuries	91282CNY3	U.S. Treasury Note	12/19/2025	9/15/2028	3.38	55,000,000	54,817,383	54,852,775	54,106,250
U.S. Treasuries	91282CJF9	U.S. Treasury Note	5/22/2026	10/31/2028	4.88	50,000,000	50,832,031	50,794,762	50,787,110
U.S. Treasuries	91282CPK1	U.S. Treasury Note	1/27/2026	11/15/2028	3.50	62,000,000	61,752,969	61,790,398	61,094,217
U.S. Treasuries	91282CJW2	U.S. Treasury Note	1/27/2026	1/31/2029	4.00	55,000,000	55,524,219	55,450,352	54,789,455
U.S. Treasuries	91282CJW2	U.S. Treasury Note	5/13/2025	1/31/2029	4.00	60,000,000	59,927,344	59,949,477	59,770,314
U.S. Treasuries	91282CJW2	U.S. Treasury Note	10/8/2024	1/31/2029	4.00	65,000,000	65,266,602	65,159,859	64,751,174
U.S. Treasuries	9128286B1	U.S. Treasury Note	4/11/2024	2/15/2029	2.63	50,000,000	45,710,938	47,675,042	48,117,190
U.S. Treasuries	91282CKD2	U.S. Treasury Note	4/8/2024	2/28/2029	4.25	50,000,000	49,773,438	49,876,639	50,121,095
U.S. Treasuries	91282CKD2	U.S. Treasury Note	5/13/2025	2/28/2029	4.25	75,000,000	75,568,359	75,398,712	75,181,643
U.S. Treasuries	91282CKP5	U.S. Treasury Note	10/24/2024	4/30/2029	4.63	50,000,000	51,171,875	50,734,820	50,625,000
U.S. Treasuries	91282CKP5	U.S. Treasury Note	12/20/2024	4/30/2029	4.63	51,000,000	51,448,242	51,291,132	51,637,500
U.S. Treasuries	91282CKT7	U.S. Treasury Note	10/23/2024	5/31/2029	4.50	50,000,000	51,039,063	50,658,300	50,474,610
U.S. Treasuries	91282CLC3	U.S. Treasury Note	10/1/2024	7/31/2029	4.00	50,000,000	51,046,875	50,668,243	49,832,050
U.S. Treasuries	91282CLC3	U.S. Treasury Note	10/24/2024	7/31/2029	4.00	50,000,000	49,888,672	49,927,998	49,832,050
U.S. Treasuries	91282CLC3	U.S. Treasury Note	10/7/2024	7/31/2029	4.00	65,000,000	65,563,672	65,361,032	64,781,665
U.S. Treasuries	91282CFJ5	U.S. Treasury Note	10/1/2024	8/31/2029	3.13	50,000,000	49,041,016	49,381,869	48,482,420
U.S. Treasuries	91282CFJ5	U.S. Treasury Note	10/3/2024	8/31/2029	3.13	65,000,000	63,664,453	64,138,189	63,027,146
U.S. Treasuries	91282CFT3	U.S. Treasury Note	5/30/2025	10/31/2029	4.00	60,000,000	59,988,281	59,991,162	59,700,000
U.S. Treasuries	91282CLR0	U.S. Treasury Note	11/25/2024	10/31/2029	4.13	50,000,000	49,611,328	49,737,145	49,951,170
U.S. Treasuries	91282CLR0	U.S. Treasury Note	5/22/2026	10/31/2029	4.13	50,000,000	49,869,141	49,873,302	49,951,170
U.S. Treasuries	91282CGQ8	U.S. Treasury Note	4/10/2025	2/28/2030	4.00	50,000,000	49,927,734	49,945,831	49,732,420
U.S. Treasuries	91282CGQ8	U.S. Treasury Note	12/10/2025	2/28/2030	4.00	75,000,000	75,785,156	75,681,726	74,598,630
U.S. Treasuries	91282CMZ1	U.S. Treasury Note	5/22/2025	4/30/2030	3.88	50,000,000	49,468,750	49,588,016	49,490,235
U.S. Treasuries	91282CMZ1	U.S. Treasury Note	6/5/2026	4/30/2030	3.88	50,000,000	49,511,719	49,520,628	49,490,235
U.S. Treasuries	91282CMZ1	U.S. Treasury Note	12/8/2025	4/30/2030	3.88	60,000,000	60,478,125	60,417,018	59,388,282
U.S. Treasuries	91282CHF1	U.S. Treasury Note	12/8/2025	5/31/2030	3.75	65,000,000	65,192,969	65,168,774	64,017,382
U.S. Treasuries	91282CNN7	U.S. Treasury Note	12/9/2025	7/31/2030	3.88	50,000,000	50,267,578	50,235,374	49,521,500
U.S. Treasuries	91282CNN7	U.S. Treasury Note	12/9/2025	7/31/2030	3.88	50,000,000	50,257,813	50,226,784	49,521,500
U.S. Treasuries	91282CNN7	U.S. Treasury Note	12/10/2025	7/31/2030	3.88	50,000,000	50,251,953	50,221,760	49,521,500
U.S. Treasuries	91282CNN7	U.S. Treasury Note	12/16/2025	7/31/2030	3.88	50,000,000	50,367,188	50,324,334	49,521,500
U.S. Treasuries	91282CNN7	U.S. Treasury Note	12/16/2025	7/31/2030	3.88	50,000,000	50,343,750	50,303,632	49,521,500
U.S. Treasuries	91282CPA3	U.S. Treasury Note	10/22/2025	9/30/2030	3.63	50,000,000	50,160,156	50,137,784	48,931,640
U.S. Treasuries	91282CPA3	U.S. Treasury Note	10/24/2025	9/30/2030	3.63	50,000,000	50,097,656	50,084,108	48,931,640
U.S. Treasuries	91282CPA3	U.S. Treasury Note	10/24/2025	9/30/2030	3.63	50,000,000	50,054,688	50,047,100	48,931,640
U.S. Treasuries	91282CPD7	U.S. Treasury Note	12/8/2025	10/31/2030	3.63	60,000,000	59,779,688	59,804,947	58,692,186
U.S. Treasuries	91282CPR6	U.S. Treasury Note	1/16/2026	12/31/2030	3.63	50,000,000	49,703,125	49,730,352	48,861,330
U.S. Treasuries	91282CPR6	U.S. Treasury Note	1/20/2026	12/31/2030	3.63	50,000,000	49,562,500	49,601,744	48,861,330
U.S. Treasuries	91282CPR6	U.S. Treasury Note	1/7/2026	12/31/2030	3.63	60,000,000	59,737,500	59,762,754	58,633,596
U.S. Treasuries	91282CJX0	U.S. Treasury Note	6/8/2026	1/31/2031	4.00	50,000,000	49,408,203	49,416,219	49,607,420
U.S. Treasuries	91282CKF7	U.S. Treasury Note	6/18/2026	3/31/2031	4.13	50,000,000	49,781,250	49,782,878	49,853,515
U.S. Treasuries	91282CKF7	U.S. Treasury Note	6/18/2026	3/31/2031	4.13	50,000,000	49,781,250	49,782,878	49,853,515
U.S. Treasuries	91282CQG9	U.S. Treasury Note	4/8/2026	3/31/2031	3.88	100,000,000	99,433,594	99,459,764	98,671,880
U.S. Treasuries	91282CQK0	U.S. Treasury Note	5/5/2026	4/30/2031	3.88	55,000,000	54,484,375	54,500,515	54,258,787
Subtotals					**3.59**	**5,159,000,000**	**5,142,601,853**	**5,155,895,197**	**5,125,719,186**

Investment Inventory
Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Coupon	Par Value	Original Cost	Amortized Book	Market Value
Federal Agencies	3133EPVP7	Federal Farm Credit Bank	9/8/2023	7/8/2026	4.75	10,000,000	9,991,700	9,999,944	10,001,900
Federal Agencies	3133EPVP7	Federal Farm Credit Bank	9/8/2023	7/8/2026	4.75	19,000,000	18,984,800	18,999,897	19,003,610
Federal Agencies	3133EPVP7	Federal Farm Credit Bank	9/8/2023	7/8/2026	4.75	21,000,000	20,982,780	20,999,883	21,003,990
Federal Agencies	3130ANNM8	Federal Home Loan Bank	8/19/2021	7/13/2026	1.05	25,000,000	25,000,000	25,000,000	24,975,000
Federal Agencies	3130ANNM8	Federal Home Loan Bank	8/19/2021	7/13/2026	1.05	25,000,000	25,000,000	25,000,000	24,975,000
Federal Agencies	3130ANNM8	Federal Home Loan Bank	8/19/2021	7/13/2026	1.05	25,000,000	25,000,000	25,000,000	24,975,000
Federal Agencies	3130ANNM8	Federal Home Loan Bank	8/19/2021	7/13/2026	1.05	25,000,000	25,000,000	25,000,000	24,975,000
Federal Agencies	313385ZG4	Federal Home Loan Bank Disco	1/6/2026	7/13/2026	0.00	15,000,000	14,729,358	14,982,725	14,979,450
Federal Agencies	313385ZL3	Federal Home Loan Bank Disco	5/26/2026	7/17/2026	0.00	35,000,000	34,817,494	34,943,844	34,936,650
Federal Agencies	313385ZS8	Federal Home Loan Bank Disco	1/6/2026	7/23/2026	0.00	15,000,000	14,715,375	14,968,375	14,963,700
Federal Agencies	313385ZT6	Federal Home Loan Bank Disco	1/6/2026	7/24/2026	0.00	50,000,000	49,043,694	49,889,472	49,874,000
Federal Agencies	3130ANMP2	Federal Home Loan Bank	8/20/2021	7/27/2026	1.07	25,000,000	25,000,000	25,000,000	24,948,750
Federal Agencies	3130ANMP2	Federal Home Loan Bank	8/20/2021	7/27/2026	1.07	25,000,000	25,000,000	25,000,000	24,948,750
Federal Agencies	3130ANMP2	Federal Home Loan Bank	8/20/2021	7/27/2026	1.07	25,000,000	25,000,000	25,000,000	24,948,750
Federal Agencies	3130ANMP2	Federal Home Loan Bank	8/20/2021	7/27/2026	1.07	25,000,000	25,000,000	25,000,000	24,948,750
Federal Agencies	3133EPZY4	Federal Farm Credit Bank	10/30/2023	7/30/2026	5.00	3,000,000	2,991,930	2,999,767	3,002,340
Federal Agencies	3133EPZY4	Federal Farm Credit Bank	10/30/2023	7/30/2026	5.00	9,615,000	9,589,136	9,614,253	9,622,500
Federal Agencies	3133EPZY4	Federal Farm Credit Bank	10/30/2023	7/30/2026	5.00	16,000,000	15,956,960	15,998,757	16,012,480
Federal Agencies	3133EPZY4	Federal Farm Credit Bank	10/30/2023	7/30/2026	5.00	25,000,000	24,936,750	24,998,173	25,019,500
Federal Agencies	313385A97	Federal Home Loan Bank Disco	1/13/2026	8/7/2026	0.00	10,000,000	9,800,867	9,964,233	9,960,400
Federal Agencies	3130ANTG5	Federal Home Loan Bank	9/13/2021	8/10/2026	1.05	25,000,000	25,000,000	25,000,000	24,920,500
Federal Agencies	3130ANTG5	Federal Home Loan Bank	9/13/2021	8/10/2026	1.05	25,000,000	25,000,000	25,000,000	24,920,500
Federal Agencies	3130ANTG5	Federal Home Loan Bank	9/13/2021	8/10/2026	1.05	25,000,000	25,000,000	25,000,000	24,920,500
Federal Agencies	3130ANTG5	Federal Home Loan Bank	9/13/2021	8/10/2026	1.05	25,000,000	25,000,000	25,000,000	24,920,500
Federal Agencies	313385B47	Federal Home Loan Bank Disco	1/13/2026	8/10/2026	0.00	25,000,000	24,495,642	24,903,472	24,891,000
Federal Agencies	313385B62	Federal Home Loan Bank Disco	1/13/2026	8/12/2026	0.00	51,000,000	49,961,265	50,793,237	50,766,420
Federal Agencies	313385B88	Federal Home Loan Bank Disco	2/17/2026	8/14/2026	0.00	22,900,000	22,500,872	22,801,339	22,792,828
Federal Agencies	3133EPSW6	Federal Farm Credit Bank	8/14/2023	8/14/2026	4.50	50,000,000	49,885,000	49,995,383	50,038,000
Federal Agencies	313385D29	Federal Home Loan Bank Disco	2/25/2026	8/24/2026	0.00	15,000,000	14,734,875	14,920,463	14,911,200
Federal Agencies	313385D29	Federal Home Loan Bank Disco	2/25/2026	8/24/2026	0.00	25,000,000	24,558,125	24,867,438	24,852,000
Federal Agencies	313385D29	Federal Home Loan Bank Disco	2/25/2026	8/24/2026	0.00	25,000,000	24,558,125	24,867,438	24,852,000
Federal Agencies	313385D45	Federal Home Loan Bank Disco	3/2/2026	8/26/2026	0.00	51,000,000	50,112,345	50,719,160	50,687,370
Federal Agencies	3130AP6T7	Federal Home Loan Bank	10/1/2021	9/3/2026	1.08	25,000,000	25,000,000	25,000,000	24,876,750
Federal Agencies	3130AP6T7	Federal Home Loan Bank	10/1/2021	9/3/2026	1.08	25,000,000	25,000,000	25,000,000	24,876,750
Federal Agencies	3130AP6T7	Federal Home Loan Bank	10/1/2021	9/3/2026	1.08	25,000,000	25,000,000	25,000,000	24,876,750
Federal Agencies	3130AP6T7	Federal Home Loan Bank	10/1/2021	9/3/2026	1.08	25,000,000	25,000,000	25,000,000	24,876,750
Federal Agencies	3130B2PJ8	Federal Home Loan Bank	9/13/2024	9/4/2026	3.63	19,000,000	18,974,730	18,997,722	18,990,310
Federal Agencies	3130B2PJ8	Federal Home Loan Bank	9/13/2024	9/4/2026	3.63	25,000,000	24,966,750	24,997,002	24,987,250
Federal Agencies	3130B2PJ8	Federal Home Loan Bank	9/13/2024	9/4/2026	3.63	25,900,000	25,865,553	25,896,895	25,886,791
Federal Agencies	3130B2PJ8	Federal Home Loan Bank	9/13/2024	9/4/2026	3.63	50,000,000	49,933,500	49,994,005	49,974,500
Federal Agencies	3133EM4X7	Federal Farm Credit Bank	12/12/2023	9/10/2026	0.80	28,975,000	26,174,277	28,776,743	28,800,860
Federal Agencies	3130AXCP1	Federal Home Loan Bank	10/18/2023	9/11/2026	4.88	11,895,000	11,821,965	11,890,034	11,916,649
Federal Agencies	313385G67	Federal Home Loan Bank Disco	3/16/2026	9/21/2026	0.00	15,585,000	15,292,898	15,458,268	15,443,332
Federal Agencies	313385G67	Federal Home Loan Bank Disco	3/17/2026	9/21/2026	0.00	25,000,000	24,535,875	24,797,563	24,772,750
Federal Agencies	313385G67	Federal Home Loan Bank Disco	3/17/2026	9/21/2026	0.00	40,000,000	39,257,400	39,676,100	39,636,400
Federal Agencies	313385G67	Federal Home Loan Bank Disco	3/17/2026	9/21/2026	0.00	50,000,000	49,071,750	49,595,125	49,545,500
Federal Agencies	313385G91	Federal Home Loan Bank Disco	2/24/2026	9/24/2026	0.00	25,000,000	24,483,986	24,793,108	24,777,500
Federal Agencies	313385G91	Federal Home Loan Bank Disco	2/24/2026	9/24/2026	0.00	25,000,000	24,483,986	24,793,108	24,777,500
Federal Agencies	313385G91	Federal Home Loan Bank Disco	2/24/2026	9/24/2026	0.00	25,000,000	24,483,986	24,793,108	24,777,500
Federal Agencies	3130B3A29	Federal Home Loan Bank	10/11/2024	10/9/2026	4.00	15,000,000	14,996,850	14,999,567	15,002,100
Federal Agencies	3130B3A29	Federal Home Loan Bank	10/11/2024	10/9/2026	4.00	25,000,000	24,994,750	24,999,279	25,003,500
Federal Agencies	3130B3A29	Federal Home Loan Bank	10/11/2024	10/9/2026	4.00	25,000,000	24,994,750	24,999,279	25,003,500
Federal Agencies	3130B3A29	Federal Home Loan Bank	10/11/2024	10/9/2026	4.00	50,000,000	49,989,500	49,998,558	50,007,000

Investment Inventory
Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Coupon	Par Value	Original Cost	Amortized Book	Market Value
Federal Agencies	3130APPR0	Federal Home Loan Bank	11/18/2021	10/19/2026	1.43	25,000,000	25,000,000	25,000,000	24,809,000
Federal Agencies	3130APPR0	Federal Home Loan Bank	11/18/2021	10/19/2026	1.43	25,000,000	25,000,000	25,000,000	24,809,000
Federal Agencies	3130APPR0	Federal Home Loan Bank	11/18/2021	10/19/2026	1.43	25,000,000	25,000,000	25,000,000	24,809,000
Federal Agencies	3130APPR0	Federal Home Loan Bank	11/18/2021	10/19/2026	1.43	25,000,000	25,000,000	25,000,000	24,809,000
Federal Agencies	3133EPZA6	Federal Farm Credit Bank	10/20/2023	10/20/2026	4.88	14,000,000	13,904,940	13,990,373	14,034,580
Federal Agencies	3133EPZA6	Federal Farm Credit Bank	10/20/2023	10/20/2026	4.88	30,000,000	29,834,100	29,983,198	30,074,100
Federal Agencies	3133ETJS7	Federal Farm Credit Bank	5/29/2025	11/10/2026	4.00	12,600,000	12,581,352	12,595,356	12,595,338
Federal Agencies	3130AQ7L1	Federal Home Loan Bank	12/16/2021	11/16/2026	1.61	25,000,000	25,000,000	25,000,000	24,771,500
Federal Agencies	3130AQ7L1	Federal Home Loan Bank	12/16/2021	11/16/2026	1.61	25,000,000	25,000,000	25,000,000	24,771,500
Federal Agencies	3130AQ7L1	Federal Home Loan Bank	12/16/2021	11/16/2026	1.61	25,000,000	25,000,000	25,000,000	24,771,500
Federal Agencies	3130AQ7L1	Federal Home Loan Bank	12/16/2021	11/16/2026	1.61	25,000,000	25,000,000	25,000,000	24,771,500
Federal Agencies	3130AXU63	Federal Home Loan Bank	11/17/2023	11/17/2026	4.63	50,000,000	49,911,500	49,988,776	50,128,000
Federal Agencies	3130AQJ95	Federal Home Loan Bank	1/14/2022	12/14/2026	1.65	25,000,000	25,000,000	25,000,000	24,726,750
Federal Agencies	3130AQJ95	Federal Home Loan Bank	1/14/2022	12/14/2026	1.65	25,000,000	25,000,000	25,000,000	24,726,750
Federal Agencies	3130AQJ95	Federal Home Loan Bank	1/14/2022	12/14/2026	1.65	25,000,000	25,000,000	25,000,000	24,726,750
Federal Agencies	3130AQJ95	Federal Home Loan Bank	1/14/2022	12/14/2026	1.65	25,000,000	25,000,000	25,000,000	24,726,750
Federal Agencies	3133ET5B9	Federal Farm Credit Bank	12/22/2025	12/22/2026	3.50	15,000,000	14,993,850	14,997,068	14,959,650
Federal Agencies	3133ET5B9	Federal Farm Credit Bank	12/22/2025	12/22/2026	3.50	37,000,000	36,984,830	36,992,768	36,900,470
Federal Agencies	3133ET5B9	Federal Farm Credit Bank	12/22/2025	12/22/2026	3.50	45,000,000	44,981,550	44,991,205	44,878,950
Federal Agencies	3133ERWR8	Federal Farm Credit Bank	10/8/2024	1/7/2027	3.50	12,500,000	12,373,750	12,470,783	12,460,375
Federal Agencies	3130AYPN0	Federal Home Loan Bank	1/29/2024	1/15/2027	4.13	12,000,000	11,973,000	11,995,059	12,004,320
Federal Agencies	3130AYPN0	Federal Home Loan Bank	12/9/2025	1/15/2027	4.13	20,000,000	20,101,800	20,050,140	20,007,200
Federal Agencies	3130AYPN0	Federal Home Loan Bank	1/29/2024	1/15/2027	4.13	25,000,000	24,943,750	24,989,707	25,009,000
Federal Agencies	3130AYPN0	Federal Home Loan Bank	1/29/2024	1/15/2027	4.13	29,350,000	29,283,963	29,337,916	29,360,566
Federal Agencies	3130AYPN0	Federal Home Loan Bank	1/29/2024	1/15/2027	4.13	50,000,000	49,887,500	49,979,413	50,018,000
Federal Agencies	3133EPX91	Federal Farm Credit Bank	1/25/2024	1/25/2027	4.13	5,000,000	4,992,850	4,998,643	5,002,050
Federal Agencies	3133EPX91	Federal Farm Credit Bank	1/25/2024	1/25/2027	4.13	10,000,000	9,986,600	9,997,457	10,004,100
Federal Agencies	3133EPX91	Federal Farm Credit Bank	1/25/2024	1/25/2027	4.13	25,000,000	24,968,500	24,994,022	25,010,250
Federal Agencies	3133EPX91	Federal Farm Credit Bank	1/25/2024	1/25/2027	4.13	35,000,000	34,955,900	34,991,631	35,014,350
Federal Agencies	3133EPX91	Federal Farm Credit Bank	1/25/2024	1/25/2027	4.13	50,000,000	49,933,000	49,987,285	50,020,500
Federal Agencies	3133ER4A6	Federal Farm Credit Bank	2/18/2025	2/18/2027	4.25	2,000,000	1,997,860	1,999,320	2,002,780
Federal Agencies	3133ER4A6	Federal Farm Credit Bank	2/18/2025	2/18/2027	4.25	25,000,000	24,974,250	24,991,816	25,034,750
Federal Agencies	3133ER4A6	Federal Farm Credit Bank	2/18/2025	2/18/2027	4.25	30,000,000	29,967,600	29,989,703	30,041,700
Federal Agencies	3133ERD24	Federal Farm Credit Bank	11/18/2024	2/18/2027	4.25	30,000,000	29,983,500	29,995,343	30,024,300
Federal Agencies	3133ETUE5	Federal Farm Credit Bank	8/22/2025	2/22/2027	3.75	15,000,000	14,980,050	14,991,424	14,970,600
Federal Agencies	3133ETUE5	Federal Farm Credit Bank	8/22/2025	2/22/2027	3.75	25,000,000	24,967,500	24,986,029	24,951,000
Federal Agencies	3133ETUE5	Federal Farm Credit Bank	8/22/2025	2/22/2027	3.75	35,000,000	34,950,650	34,978,786	34,931,400
Federal Agencies	3133ETUE5	Federal Farm Credit Bank	8/22/2025	2/22/2027	3.75	40,000,000	39,946,800	39,977,131	39,921,600
Federal Agencies	3133ETJF5	Federal Farm Credit Bank	5/23/2025	2/23/2027	4.00	10,000,000	9,993,800	9,997,708	9,987,000
Federal Agencies	3133ETJF5	Federal Farm Credit Bank	5/23/2025	2/23/2027	4.00	45,000,000	44,972,100	44,989,684	44,941,500
Federal Agencies	3130ARB59	Federal Home Loan Bank	3/22/2022	3/8/2027	2.35	25,000,000	25,000,000	25,000,000	24,710,500
Federal Agencies	3130ARB59	Federal Home Loan Bank	3/22/2022	3/8/2027	2.35	25,000,000	25,000,000	25,000,000	24,710,500
Federal Agencies	3130ARB59	Federal Home Loan Bank	3/22/2022	3/8/2027	2.35	25,000,000	25,000,000	25,000,000	24,710,500
Federal Agencies	3130ARB59	Federal Home Loan Bank	3/22/2022	3/8/2027	2.35	25,000,000	25,000,000	25,000,000	24,710,500
Federal Agencies	3133ENRD4	Federal Farm Credit Bank	3/16/2022	3/10/2027	1.68	48,573,000	47,432,020	48,415,018	47,810,890
Federal Agencies	3133EP6K6	Federal Farm Credit Bank	4/2/2024	3/26/2027	4.50	50,000,000	49,910,000	49,977,831	50,138,000
Federal Agencies	3133ENTS9	Federal Farm Credit Bank	4/6/2022	4/5/2027	2.60	22,500,000	22,392,338	22,483,600	22,256,775
Federal Agencies	3133ENTS9	Federal Farm Credit Bank	4/6/2022	4/5/2027	2.60	24,500,000	24,377,010	24,481,265	24,235,155
Federal Agencies	3133ENTS9	Federal Farm Credit Bank	4/6/2022	4/5/2027	2.60	25,000,000	24,804,000	24,970,144	24,729,750
Federal Agencies	3130B0TY5	Federal Home Loan Bank	4/11/2024	4/9/2027	4.75	17,000,000	16,955,120	16,988,421	17,081,090
Federal Agencies	3130B0TY5	Federal Home Loan Bank	4/11/2024	4/9/2027	4.75	20,000,000	19,947,200	19,986,377	20,095,400
Federal Agencies	3130B0TY5	Federal Home Loan Bank	4/11/2024	4/9/2027	4.75	40,000,000	39,894,400	39,972,755	40,190,800
Federal Agencies	3130B0TY5	Federal Home Loan Bank	4/11/2024	4/9/2027	4.75	48,000,000	47,873,280	47,967,306	48,228,960

Investment Inventory
Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Coupon	Par Value	Original Cost	Amortized Book	Market Value
Federal Agencies	3133ERDS7	Federal Farm Credit Bank	5/13/2024	5/6/2027	4.75	12,727,000	12,740,236	12,730,759	12,796,235
Federal Agencies	3133EN2L3	Federal Farm Credit Bank	11/17/2022	5/17/2027	4.13	4,650,000	4,646,792	4,649,375	4,653,348
Federal Agencies	3133EN2L3	Federal Farm Credit Bank	11/17/2022	5/17/2027	4.13	5,000,000	4,996,550	4,999,328	5,003,600
Federal Agencies	3133EN2L3	Federal Farm Credit Bank	11/17/2022	5/17/2027	4.13	21,000,000	20,987,001	20,997,467	21,015,120
Federal Agencies	3133EN2L3	Federal Farm Credit Bank	11/17/2022	5/17/2027	4.13	25,000,000	24,982,750	24,996,638	25,018,000
Federal Agencies	3133EPP66	Federal Farm Credit Bank	12/20/2023	5/20/2027	4.00	31,000,000	30,905,760	30,975,590	30,989,150
Federal Agencies	3133EPP66	Federal Farm Credit Bank	12/20/2023	5/20/2027	4.00	58,850,000	58,662,269	58,801,373	58,829,403
Federal Agencies	3130B6R24	Federal Home Loan Bank	6/13/2025	6/4/2027	3.88	10,000,000	9,986,700	9,993,765	9,978,700
Federal Agencies	3130B6R24	Federal Home Loan Bank	6/13/2025	6/4/2027	3.88	13,000,000	12,982,710	12,991,895	12,972,310
Federal Agencies	3130B6R24	Federal Home Loan Bank	6/13/2025	6/4/2027	3.88	16,500,000	16,478,055	16,489,712	16,464,855
Federal Agencies	3130B6R24	Federal Home Loan Bank	6/13/2025	6/4/2027	3.88	20,000,000	19,973,400	19,987,530	19,957,400
Federal Agencies	3130B6R24	Federal Home Loan Bank	6/13/2025	6/4/2027	3.88	36,000,000	35,952,120	35,977,554	35,923,320
Federal Agencies	3130ASGU7	Federal Home Loan Bank	7/19/2022	6/11/2027	3.50	10,000,000	10,141,500	10,027,303	9,948,700
Federal Agencies	3130ASGU7	Federal Home Loan Bank	7/19/2022	6/11/2027	3.50	12,375,000	12,552,829	12,409,313	12,311,516
Federal Agencies	3130ASGU7	Federal Home Loan Bank	7/20/2022	6/11/2027	3.50	21,725,000	22,016,550	21,781,287	21,613,551
Federal Agencies	3130AX4E5	Federal Home Loan Bank	5/13/2024	6/11/2027	4.50	11,000,000	10,937,190	10,980,721	11,043,615
Federal Agencies	3130B1EF0	Federal Home Loan Bank	7/10/2024	6/11/2027	4.63	20,700,000	20,795,634	20,730,951	20,805,860
Federal Agencies	3133EPMV4	Federal Farm Credit Bank	6/15/2023	6/15/2027	4.13	28,940,000	28,911,928	28,933,294	28,948,971
Federal Agencies	3133ENZK9	Federal Farm Credit Bank	7/7/2022	6/28/2027	3.24	27,865,000	28,099,066	27,911,633	27,631,213
Federal Agencies	3133ERJZ5	Federal Farm Credit Bank	6/28/2024	6/28/2027	4.50	30,000,000	29,985,840	29,995,319	30,130,800
Federal Agencies	3133ERVR9	Federal Farm Credit Bank	9/30/2024	7/1/2027	3.50	55,000,000	54,925,200	54,972,807	54,705,750
Federal Agencies	3133ERKM2	Federal Farm Credit Bank	7/9/2024	7/8/2027	4.50	25,000,000	25,033,250	25,011,306	25,075,750
Federal Agencies	3133ERKM2	Federal Farm Credit Bank	7/10/2024	7/8/2027	4.50	25,000,000	25,025,500	25,008,679	25,075,750
Federal Agencies	3133ERMB4	Federal Farm Credit Bank	7/23/2024	7/23/2027	4.25	10,000,000	9,996,500	9,998,763	10,017,200
Federal Agencies	3133ERMB4	Federal Farm Credit Bank	7/23/2024	7/23/2027	4.25	15,000,000	14,994,750	14,998,145	15,025,800
Federal Agencies	3133ETSX6	Federal Farm Credit Bank	8/11/2025	8/11/2027	3.63	5,000,000	4,989,950	4,994,411	4,975,800
Federal Agencies	3133ETSX6	Federal Farm Credit Bank	8/11/2025	8/11/2027	3.63	5,000,000	4,989,750	4,994,299	4,975,800
Federal Agencies	3133ETSX6	Federal Farm Credit Bank	8/11/2025	8/11/2027	3.63	7,000,000	6,985,930	6,992,175	6,966,120
Federal Agencies	3133EPBM6	Federal Farm Credit Bank	2/23/2023	8/23/2027	4.13	10,000,000	9,974,000	9,993,381	10,000,300
Federal Agencies	3130B82L5	Federal Home Loan Bank	10/9/2025	10/4/2027	3.50	20,000,000	19,959,400	19,974,240	19,841,600
Federal Agencies	3130B82L5	Federal Home Loan Bank	10/9/2025	10/4/2027	3.50	25,000,000	24,949,250	24,967,800	24,802,000
Federal Agencies	3130B82L5	Federal Home Loan Bank	10/9/2025	10/4/2027	3.50	41,000,000	40,916,770	40,947,192	40,675,280
Federal Agencies	3130B82L5	Federal Home Loan Bank	10/9/2025	10/4/2027	3.50	50,000,000	49,898,500	49,935,600	49,604,000
Federal Agencies	3133ET6R3	Federal Farm Credit Bank	1/8/2026	10/8/2027	3.38	15,000,000	14,977,650	14,983,745	14,855,850
Federal Agencies	3133ERXJ5	Federal Farm Credit Bank	10/15/2024	10/15/2027	3.88	5,000,000	4,997,250	4,998,817	4,985,800
Federal Agencies	3133ERXJ5	Federal Farm Credit Bank	10/15/2024	10/15/2027	3.88	8,000,000	7,996,160	7,998,348	7,977,280
Federal Agencies	3133ETM95	Federal Farm Credit Bank	10/27/2025	10/27/2027	3.38	9,320,000	9,298,844	9,306,002	9,230,808
Federal Agencies	3133ETM95	Federal Farm Credit Bank	10/27/2025	10/27/2027	3.38	60,000,000	59,863,800	59,909,884	59,425,800
Federal Agencies	3133ER2Z3	Federal Farm Credit Bank	2/4/2025	11/3/2027	4.25	5,000,000	4,999,350	4,999,682	5,008,950
Federal Agencies	3133ER2Z3	Federal Farm Credit Bank	2/4/2025	11/3/2027	4.25	41,880,000	41,877,738	41,878,894	41,954,965
Federal Agencies	3133EPC60	Federal Farm Credit Bank	11/15/2023	11/15/2027	4.63	27,950,000	27,834,008	27,910,145	28,114,346
Federal Agencies	3133EPC60	Federal Farm Credit Bank	11/15/2023	11/15/2027	4.63	33,300,000	33,161,472	33,252,402	33,495,804
Federal Agencies	3133ERJ51	Federal Farm Credit Bank	12/17/2024	12/10/2027	4.13	21,000,000	20,936,790	20,969,383	20,996,430
Federal Agencies	3133ERJ51	Federal Farm Credit Bank	12/17/2024	12/10/2027	4.13	25,505,000	25,428,485	25,467,938	25,500,664
Federal Agencies	3133ERJ51	Federal Farm Credit Bank	12/17/2024	12/10/2027	4.13	33,000,000	32,893,080	32,948,211	32,994,390
Federal Agencies	3133ERJ51	Federal Farm Credit Bank	12/17/2024	12/10/2027	4.13	38,343,000	38,227,588	38,287,097	38,336,482
Federal Agencies	3133EN5N6	Federal Farm Credit Bank	12/17/2025	1/6/2028	4.00	50,000,000	50,486,000	50,358,992	49,904,800
Federal Agencies	3133ET6K8	Federal Farm Credit Bank	1/14/2026	1/7/2028	3.38	23,480,000	23,403,690	23,421,422	23,211,389
Federal Agencies	3133ET6K8	Federal Farm Credit Bank	1/7/2026	1/7/2028	3.38	30,000,000	29,941,500	29,955,524	29,656,800
Federal Agencies	3133ET6K8	Federal Farm Credit Bank	1/7/2026	1/7/2028	3.38	46,000,000	45,910,300	45,931,803	45,473,760
Federal Agencies	3133ERT84	Federal Farm Credit Bank	1/14/2025	1/14/2028	4.25	29,750,000	29,575,963	29,660,677	29,764,280
Federal Agencies	3133ET2W6	Federal Farm Credit Bank	12/8/2025	1/20/2028	3.50	5,000,000	4,991,800	4,993,975	4,949,800
Federal Agencies	3133EWAU4	Federal Farm Credit Bank	1/21/2026	1/21/2028	3.50	35,000,000	34,926,150	34,942,437	34,646,150

Investment Inventory
Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Coupon	Par Value	Original Cost	Amortized Book	Market Value
Federal Agencies	3133EWAU4	Federal Farm Credit Bank	1/21/2026	1/21/2028	3.50	35,000,000	34,926,150	34,942,437	34,646,150
Federal Agencies	3133ERZ46	Federal Farm Credit Bank	1/31/2025	1/28/2028	4.25	47,000,000	46,976,030	46,987,356	47,057,340
Federal Agencies	3133ERZ46	Federal Farm Credit Bank	1/31/2025	1/28/2028	4.25	50,000,000	49,974,500	49,986,549	50,061,000
Federal Agencies	3130B9RC6	Federal Home Loan Bank	3/5/2026	3/3/2028	3.50	13,000,000	12,988,820	12,990,630	12,863,760
Federal Agencies	3130B9RC6	Federal Home Loan Bank	3/5/2026	3/3/2028	3.50	15,000,000	14,987,100	14,989,188	14,842,800
Federal Agencies	3130B9RC6	Federal Home Loan Bank	3/5/2026	3/3/2028	3.50	25,000,000	24,978,500	24,981,980	24,738,000
Federal Agencies	3130B9RC6	Federal Home Loan Bank	3/5/2026	3/3/2028	3.50	30,000,000	29,974,200	29,978,376	29,685,600
Federal Agencies	3130B9RC6	Federal Home Loan Bank	3/5/2026	3/3/2028	3.50	50,000,000	49,957,000	49,963,960	49,476,000
Federal Agencies	3133EP5S0	Federal Farm Credit Bank	4/9/2024	3/20/2028	4.25	4,971,000	4,916,667	4,947,321	4,979,948
Federal Agencies	3133EWJZ4	Federal Farm Credit Bank	3/27/2026	3/27/2028	3.88	2,000,000	1,998,040	1,998,297	1,989,540
Federal Agencies	3133EWJZ4	Federal Farm Credit Bank	3/27/2026	3/27/2028	3.88	25,000,000	24,978,500	24,981,324	24,869,250
Federal Agencies	3133EWJZ4	Federal Farm Credit Bank	3/27/2026	3/27/2028	3.88	25,000,000	24,976,500	24,979,586	24,869,250
Federal Agencies	3133EWJZ4	Federal Farm Credit Bank	3/27/2026	3/27/2028	3.88	25,000,000	24,975,500	24,978,718	24,869,250
Federal Agencies	3130BB3J2	Federal Home Loan Bank	6/12/2026	6/1/2028	4.13	25,000,000	24,982,500	24,982,962	24,992,000
Federal Agencies	3133ETJZ1	Federal Farm Credit Bank	6/11/2025	6/5/2028	3.88	7,370,000	7,342,584	7,352,267	7,328,802
Federal Agencies	3133ETJZ1	Federal Farm Credit Bank	6/5/2025	6/5/2028	3.88	25,000,000	24,957,250	24,972,501	24,860,250
Federal Agencies	3133ERGL9	Federal Farm Credit Bank	6/26/2024	6/7/2028	4.50	14,934,000	14,962,076	14,947,765	15,026,292
Federal Agencies	3133ERGL9	Federal Farm Credit Bank	6/7/2024	6/7/2028	4.50	15,000,000	14,994,600	14,997,387	15,092,700
Federal Agencies	3133ERGL9	Federal Farm Credit Bank	6/26/2024	6/7/2028	4.50	20,000,000	20,037,600	20,018,435	20,123,600
Federal Agencies	3130AWC24	Federal Home Loan Bank	5/14/2025	6/9/2028	4.00	10,000,000	9,996,600	9,997,852	9,971,000
Federal Agencies	3133ETNU7	Federal Farm Credit Bank	7/7/2025	7/3/2028	3.75	22,500,000	22,424,175	22,449,103	22,338,225
Federal Agencies	3133ETNU7	Federal Farm Credit Bank	7/8/2025	7/3/2028	3.75	25,000,000	24,904,000	24,935,501	24,820,250
Federal Agencies	3133ETNU7	Federal Farm Credit Bank	7/7/2025	7/3/2028	3.75	50,000,000	49,829,500	49,885,553	49,640,500
Federal Agencies	3133EPSK2	Federal Farm Credit Bank	8/7/2023	8/7/2028	4.25	19,500,000	19,412,250	19,463,113	19,541,730
Federal Agencies	3133EPUN3	Federal Farm Credit Bank	8/28/2023	8/28/2028	4.50	10,000,000	9,979,100	9,990,974	10,060,000
Federal Agencies	3133EPUN3	Federal Farm Credit Bank	8/28/2023	8/28/2028	4.50	15,000,000	14,962,800	14,983,935	15,090,000
Federal Agencies	3133EPUN3	Federal Farm Credit Bank	8/28/2023	8/28/2028	4.50	25,000,000	24,943,500	24,975,600	25,150,000
Federal Agencies	3133EPUN3	Federal Farm Credit Bank	8/28/2023	8/28/2028	4.50	33,000,000	32,904,960	32,958,956	33,198,000
Federal Agencies	3133ET4Y0	Federal Farm Credit Bank	12/22/2025	9/22/2028	3.50	10,000,000	9,997,600	9,998,056	9,861,100
Federal Agencies	3133ET4Y0	Federal Farm Credit Bank	12/22/2025	9/22/2028	3.50	20,000,000	19,995,200	19,996,112	19,722,200
Federal Agencies	3133ERHN4	Federal Farm Credit Bank	6/20/2024	10/20/2028	4.25	5,000,000	4,972,100	4,985,160	5,003,550
Federal Agencies	3133ERHN4	Federal Farm Credit Bank	6/20/2024	10/20/2028	4.25	38,000,000	37,785,300	37,885,801	38,026,980
Federal Agencies	3133ETL70	Federal Farm Credit Bank	11/26/2025	10/24/2028	3.38	5,000,000	4,977,650	4,982,213	4,917,150
Federal Agencies	3133ETL70	Federal Farm Credit Bank	11/26/2025	10/24/2028	3.38	25,000,000	24,890,000	24,912,455	24,585,750
Federal Agencies	3133ETL70	Federal Farm Credit Bank	11/26/2025	10/24/2028	3.38	30,000,000	29,865,900	29,893,275	29,502,900
Federal Agencies	3133EWNL0	Federal Farm Credit Bank	5/5/2026	11/3/2028	3.88	5,000,000	4,983,750	4,984,765	4,972,250
Federal Agencies	3133EWNL0	Federal Farm Credit Bank	5/5/2026	11/3/2028	3.88	11,500,000	11,465,385	11,467,546	11,436,175
Federal Agencies	3133EPC45	Federal Farm Credit Bank	11/13/2023	11/13/2028	4.63	12,000,000	11,984,040	11,992,435	12,106,320
Federal Agencies	3133EPC45	Federal Farm Credit Bank	11/13/2023	11/13/2028	4.63	20,000,000	19,971,600	19,986,538	20,177,200
Federal Agencies	3133EPC45	Federal Farm Credit Bank	11/13/2023	11/13/2028	4.63	55,000,000	54,922,285	54,963,163	55,487,300
Federal Agencies	3130B3GD9	Federal Home Loan Bank	10/28/2024	11/27/2028	4.00	47,025,000	46,940,355	46,975,042	46,790,345
Federal Agencies	3133ET2S5	Federal Farm Credit Bank	12/9/2025	11/28/2028	3.38	35,000,000	34,735,750	34,785,434	34,386,450
Federal Agencies	3133EJ5J4	Federal Farm Credit Bank	1/8/2026	1/16/2029	3.19	10,000,000	9,891,400	9,908,516	9,769,000
Federal Agencies	3133EWRQ5	Federal Farm Credit Bank	6/8/2026	2/28/2029	4.13	11,002,000	10,977,796	10,978,355	10,996,653
Federal Agencies	3130AVBD3	Federal Home Loan Bank	4/9/2024	3/9/2029	4.50	25,000,000	25,018,750	25,010,258	25,190,500
Federal Agencies	3133EP5U5	Federal Farm Credit Bank	4/8/2024	3/20/2029	4.13	51,660,000	51,008,309	51,301,877	51,622,805
Federal Agencies	3133EWKC3	Federal Farm Credit Bank	3/27/2026	3/27/2029	3.88	21,700,000	21,649,005	21,653,472	21,825,209
Federal Agencies	3133EWKC3	Federal Farm Credit Bank	3/27/2026	3/27/2029	3.88	25,000,000	24,947,250	24,951,870	25,144,250
Federal Agencies	3133EWKC3	Federal Farm Credit Bank	3/27/2026	3/27/2029	3.88	50,000,000	49,882,500	49,892,792	50,288,500
Federal Agencies	3133ERDH1	Federal Farm Credit Bank	5/8/2024	4/30/2029	4.75	27,892,000	28,191,755	28,062,488	28,291,692
Federal Agencies	3133ERDH1	Federal Farm Credit Bank	5/8/2024	4/30/2029	4.75	30,000,000	30,317,400	30,180,523	30,429,900
Federal Agencies	3133ERDH1	Federal Farm Credit Bank	5/8/2024	4/30/2029	4.75	63,085,000	63,763,795	63,471,069	63,989,008
Federal Agencies	3133EWNE6	Federal Farm Credit Bank	5/1/2026	5/1/2029	3.75	25,000,000	24,934,000	24,937,673	24,733,000

Investment Inventory
Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Coupon	Par Value	Original Cost	Amortized Book	Market Value
Federal Agencies	3133EWNE6	Federal Farm Credit Bank	5/5/2026	5/1/2029	3.75	33,950,000	33,710,992	33,723,468	33,587,414
Federal Agencies	3130AWN30	Federal Home Loan Bank	6/5/2026	6/8/2029	4.38	13,500,000	13,603,005	13,600,568	13,581,540
Federal Agencies	3130B1BC0	Federal Home Loan Bank	7/31/2025	6/8/2029	4.63	9,705,000	9,943,355	9,886,644	9,832,310
Federal Agencies	3133ERGS4	Federal Farm Credit Bank	6/26/2024	6/11/2029	4.25	10,000,000	9,967,600	9,980,750	10,028,540
Federal Agencies	3133ERGS4	Federal Farm Credit Bank	6/26/2024	6/11/2029	4.25	10,000,000	9,967,600	9,980,750	10,028,540
Federal Agencies	3133ERGS4	Federal Farm Credit Bank	6/26/2024	6/11/2029	4.25	10,000,000	9,967,600	9,980,750	10,028,540
Federal Agencies	3133ERGS4	Federal Farm Credit Bank	6/26/2024	6/11/2029	4.25	20,000,000	19,935,200	19,961,499	20,057,080
Federal Agencies	3133ERGS4	Federal Farm Credit Bank	6/26/2024	6/11/2029	4.25	29,000,000	28,923,730	28,954,684	29,082,766
Federal Agencies	3136GD3W1	Fannie Mae	4/15/2026	6/15/2029	4.25	25,000,000	25,000,000	25,000,000	24,803,250
Federal Agencies	3136GD3W1	Fannie Mae	4/15/2026	6/15/2029	4.25	25,000,000	25,000,000	25,000,000	24,803,250
Federal Agencies	3136GD3W1	Fannie Mae	4/15/2026	6/15/2029	4.25	25,000,000	25,000,000	25,000,000	24,803,250
Federal Agencies	3136GD3W1	Fannie Mae	4/15/2026	6/15/2029	4.25	25,000,000	25,000,000	25,000,000	24,803,250
Federal Agencies	3136GD3W1	Fannie Mae	4/15/2026	6/15/2029	4.25	50,000,000	50,000,000	50,000,000	49,606,500
Federal Agencies	3136GD5K5	Fannie Mae	4/24/2026	6/15/2029	4.13	25,000,000	25,000,000	25,000,000	24,849,000
Federal Agencies	3136GD5K5	Fannie Mae	4/24/2026	6/15/2029	4.13	25,000,000	25,000,000	25,000,000	24,849,000
Federal Agencies	3136GD5K5	Fannie Mae	4/24/2026	6/15/2029	4.13	25,000,000	25,000,000	25,000,000	24,849,000
Federal Agencies	3136GD5K5	Fannie Mae	4/24/2026	6/15/2029	4.13	25,000,000	25,000,000	25,000,000	24,849,000
Federal Agencies	3136GD5K5	Fannie Mae	4/24/2026	6/15/2029	4.13	50,000,000	50,000,000	50,000,000	49,698,000
Federal Agencies	3130B2XR1	Federal Home Loan Bank	10/2/2024	7/2/2029	4.01	25,000,000	25,000,000	25,000,000	24,707,750
Federal Agencies	3130B2XR1	Federal Home Loan Bank	10/2/2024	7/2/2029	4.01	25,000,000	25,000,000	25,000,000	24,707,750
Federal Agencies	3130B2XR1	Federal Home Loan Bank	10/2/2024	7/2/2029	4.01	65,000,000	65,000,000	65,000,000	64,240,150
Federal Agencies	3133ERKX8	Federal Farm Credit Bank	7/12/2024	7/12/2029	4.25	20,000,000	19,989,200	19,993,453	20,056,000
Federal Agencies	3130ATHX8	Federal Home Loan Bank	9/27/2024	9/14/2029	4.13	15,000,000	15,392,700	15,253,641	14,983,470
Federal Agencies	3130ATHX8	Federal Home Loan Bank	10/29/2024	9/14/2029	4.13	15,000,000	15,048,300	15,031,757	14,983,470
Federal Agencies	3130ATHX8	Federal Home Loan Bank	10/29/2024	9/14/2029	4.13	15,000,000	15,043,200	15,028,404	14,983,470
Federal Agencies	3130ATHX8	Federal Home Loan Bank	8/11/2025	9/14/2029	4.13	17,000,000	17,204,170	17,159,922	16,981,266
Federal Agencies	3130ATHX8	Federal Home Loan Bank	10/29/2024	9/14/2029	4.13	25,590,000	25,663,699	25,638,457	25,561,800
Federal Agencies	3136GAVY2	Fannie Mae	10/1/2025	10/1/2029	4.08	25,000,000	25,000,000	25,000,000	24,780,750
Federal Agencies	3136GAVY2	Fannie Mae	10/1/2025	10/1/2029	4.08	25,000,000	25,000,000	25,000,000	24,780,750
Federal Agencies	3136GAVY2	Fannie Mae	10/1/2025	10/1/2029	4.08	25,000,000	25,000,000	25,000,000	24,780,750
Federal Agencies	3136GAVY2	Fannie Mae	10/1/2025	10/1/2029	4.08	25,000,000	25,000,000	25,000,000	24,780,750
Federal Agencies	3136GAVY2	Fannie Mae	10/1/2025	10/1/2029	4.08	50,000,000	50,000,000	50,000,000	49,561,500
Federal Agencies	3133ETKN6	Federal Farm Credit Bank	6/9/2025	10/9/2029	4.00	10,000,000	9,987,500	9,990,556	9,942,800
Federal Agencies	3133ETKN6	Federal Farm Credit Bank	6/9/2025	10/9/2029	4.00	15,000,000	14,981,250	14,985,834	14,914,200
Federal Agencies	3136GAWY1	Fannie Mae	10/15/2025	10/15/2029	4.00	25,000,000	25,000,000	25,000,000	24,733,500
Federal Agencies	3136GAWY1	Fannie Mae	10/15/2025	10/15/2029	4.00	25,000,000	25,000,000	25,000,000	24,733,500
Federal Agencies	3136GAWY1	Fannie Mae	10/15/2025	10/15/2029	4.00	25,000,000	25,000,000	25,000,000	24,733,500
Federal Agencies	3136GAWY1	Fannie Mae	10/15/2025	10/15/2029	4.00	25,000,000	25,000,000	25,000,000	24,733,500
Federal Agencies	3136GAWY1	Fannie Mae	10/15/2025	10/15/2029	4.00	50,000,000	50,000,000	50,000,000	49,467,000
Federal Agencies	3136GC2P9	Fannie Mae	11/7/2025	11/7/2029	4.05	25,000,000	24,998,750	24,998,952	24,828,250
Federal Agencies	3136GC2P9	Fannie Mae	11/7/2025	11/7/2029	4.05	25,000,000	24,998,750	24,998,952	24,828,250
Federal Agencies	3136GC2P9	Fannie Mae	11/7/2025	11/7/2029	4.05	25,000,000	24,998,750	24,998,952	24,828,250
Federal Agencies	3136GC2P9	Fannie Mae	11/7/2025	11/7/2029	4.05	25,000,000	24,998,750	24,998,952	24,828,250
Federal Agencies	3136GC2P9	Fannie Mae	11/7/2025	11/7/2029	4.05	50,000,000	49,997,500	49,997,904	49,656,500
Federal Agencies	3133ETJV0	Federal Farm Credit Bank	5/30/2025	11/30/2029	4.00	15,000,000	14,945,400	14,958,577	14,896,800
Federal Agencies	3133ETJV0	Federal Farm Credit Bank	5/30/2025	11/30/2029	4.00	23,000,000	22,922,030	22,940,847	22,841,760
Federal Agencies	3136GD2S1	Fannie Mae	4/7/2026	1/7/2030	4.18	25,000,000	25,000,000	25,000,000	24,775,000
Federal Agencies	3136GD2S1	Fannie Mae	4/7/2026	1/7/2030	4.18	25,000,000	25,000,000	25,000,000	24,775,000
Federal Agencies	3136GD2S1	Fannie Mae	4/7/2026	1/7/2030	4.18	25,000,000	25,000,000	25,000,000	24,775,000
Federal Agencies	3136GD2S1	Fannie Mae	4/7/2026	1/7/2030	4.18	25,000,000	25,000,000	25,000,000	24,775,000
Federal Agencies	3136GD2S1	Fannie Mae	4/7/2026	1/7/2030	4.18	50,000,000	50,000,000	50,000,000	49,550,000
Federal Agencies	3136GCFD2	Fannie Mae	1/16/2026	1/16/2030	4.06	25,000,000	25,000,000	25,000,000	24,706,000
Federal Agencies	3136GCFD2	Fannie Mae	1/16/2026	1/16/2030	4.06	25,000,000	25,000,000	25,000,000	24,706,000

Investment Inventory
Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Coupon	Par Value	Original Cost	Amortized Book	Market Value
Federal Agencies	3136GCFD2	Fannie Mae	1/16/2026	1/16/2030	4.06	25,000,000	25,000,000	25,000,000	24,706,000
Federal Agencies	3136GCFD2	Fannie Mae	1/16/2026	1/16/2030	4.06	25,000,000	25,000,000	25,000,000	24,706,000
Federal Agencies	3136GCFD2	Fannie Mae	1/16/2026	1/16/2030	4.06	50,000,000	50,000,000	50,000,000	49,412,000
Federal Agencies	3133ER4H1	Federal Farm Credit Bank	3/25/2025	1/18/2030	4.50	12,815,000	13,022,219	12,967,706	12,950,583
Federal Agencies	3133ER4H1	Federal Farm Credit Bank	3/25/2025	1/18/2030	4.50	18,000,000	18,289,620	18,213,430	18,190,440
Federal Agencies	3133ETME4	Federal Farm Credit Bank	6/23/2025	1/23/2030	4.00	5,000,000	4,989,550	4,991,877	4,974,050
Federal Agencies	3133ETME4	Federal Farm Credit Bank	6/23/2025	1/23/2030	4.00	14,450,000	14,418,788	14,425,738	14,375,005
Federal Agencies	3133ETME4	Federal Farm Credit Bank	6/23/2025	1/23/2030	4.00	25,000,000	24,946,000	24,958,025	24,870,250
Federal Agencies	3133ER7L9	Federal Farm Credit Bank	4/10/2025	3/18/2030	4.00	8,695,000	8,671,610	8,677,409	8,619,962
Federal Agencies	3133ETBF3	Federal Farm Credit Bank	4/9/2025	4/1/2030	4.00	15,000,000	14,993,700	14,995,252	14,909,250
Federal Agencies	3133ETBF3	Federal Farm Credit Bank	4/9/2025	4/1/2030	4.00	32,260,000	32,243,870	32,247,845	32,064,827
Federal Agencies	3133ETBF3	Federal Farm Credit Bank	4/10/2025	4/1/2030	4.00	43,020,000	42,904,276	42,932,745	42,759,729
Federal Agencies	3133ETBF3	Federal Farm Credit Bank	4/9/2025	4/1/2030	4.00	46,750,000	46,732,703	46,736,965	46,467,163
Federal Agencies	3133ETBF3	Federal Farm Credit Bank	4/15/2025	4/1/2030	4.00	50,000,000	49,527,500	49,642,757	49,697,500
Federal Agencies	3133ETKQ9	Federal Farm Credit Bank	7/9/2025	6/10/2030	4.00	9,750,000	9,746,100	9,746,875	9,693,645
Federal Agencies	3133ETKQ9	Federal Farm Credit Bank	6/10/2025	6/10/2030	4.00	10,000,000	9,974,000	9,979,496	9,942,200
Federal Agencies	3133ETKQ9	Federal Farm Credit Bank	7/9/2025	6/10/2030	4.00	15,000,000	14,998,650	14,998,918	14,913,300
Federal Agencies	3133ETKQ9	Federal Farm Credit Bank	6/10/2025	6/10/2030	4.00	20,000,000	19,945,000	19,956,627	19,884,400
Federal Agencies	3133ETKQ9	Federal Farm Credit Bank	6/23/2025	6/10/2030	4.00	25,000,000	24,965,000	24,972,201	24,855,500
Federal Agencies	3130AWGS3	Federal Home Loan Bank	7/9/2025	6/14/2030	4.13	12,515,000	12,579,452	12,566,676	12,496,891
Federal Agencies	3130AWGS3	Federal Home Loan Bank	6/23/2025	6/14/2030	4.13	16,000,000	16,063,200	16,050,226	15,976,848
Federal Agencies	3130AWMP2	Federal Home Loan Bank	11/20/2025	6/14/2030	4.38	31,000,000	31,899,000	31,778,738	31,235,073
Federal Agencies	3133ETLM7	Federal Farm Credit Bank	7/8/2025	6/17/2030	4.00	10,070,000	10,077,855	10,076,297	10,009,862
Federal Agencies	3133ETLM7	Federal Farm Credit Bank	7/8/2025	6/17/2030	4.00	15,000,000	15,012,900	15,010,341	14,910,420
Federal Agencies	3133ETLM7	Federal Farm Credit Bank	7/9/2025	6/17/2030	4.00	16,944,000	16,937,222	16,938,564	16,842,810
Federal Agencies	3133ETLM7	Federal Farm Credit Bank	7/8/2025	6/17/2030	4.00	41,000,000	41,035,260	41,028,267	40,755,148
Federal Agencies	3134HCKN8	Freddie Mac	12/24/2025	6/24/2030	4.04	25,000,000	25,000,000	25,000,000	24,687,250
Federal Agencies	3134HCKN8	Freddie Mac	12/24/2025	6/24/2030	4.04	25,000,000	25,000,000	25,000,000	24,687,250
Federal Agencies	3134HCKN8	Freddie Mac	12/24/2025	6/24/2030	4.04	25,000,000	25,000,000	25,000,000	24,687,250
Federal Agencies	3134HCKN8	Freddie Mac	12/24/2025	6/24/2030	4.04	25,000,000	25,000,000	25,000,000	24,687,250
Federal Agencies	3134HCKN8	Freddie Mac	12/24/2025	6/24/2030	4.04	50,000,000	50,000,000	50,000,000	49,374,500
Federal Agencies	3136GCEC5	Fannie Mae	1/12/2026	7/1/2030	4.11	25,000,000	25,000,000	25,000,000	24,799,750
Federal Agencies	3136GCEC5	Fannie Mae	1/12/2026	7/1/2030	4.11	25,000,000	25,000,000	25,000,000	24,799,750
Federal Agencies	3136GCEC5	Fannie Mae	1/12/2026	7/1/2030	4.11	25,000,000	25,000,000	25,000,000	24,799,750
Federal Agencies	3136GCEC5	Fannie Mae	1/12/2026	7/1/2030	4.11	25,000,000	25,000,000	25,000,000	24,799,750
Federal Agencies	3136GCEC5	Fannie Mae	1/12/2026	7/1/2030	4.11	50,000,000	50,000,000	50,000,000	49,599,500
Federal Agencies	3136GD4S9	Fannie Mae	4/20/2026	7/1/2030	4.18	25,000,000	25,000,000	25,000,000	24,722,500
Federal Agencies	3136GD4S9	Fannie Mae	4/20/2026	7/1/2030	4.18	25,000,000	25,000,000	25,000,000	24,722,500
Federal Agencies	3136GD4S9	Fannie Mae	4/20/2026	7/1/2030	4.18	25,000,000	25,000,000	25,000,000	24,722,500
Federal Agencies	3136GD4S9	Fannie Mae	4/20/2026	7/1/2030	4.18	25,000,000	25,000,000	25,000,000	24,722,500
Federal Agencies	3136GD4S9	Fannie Mae	4/20/2026	7/1/2030	4.18	50,000,000	50,000,000	50,000,000	49,445,000
Federal Agencies	3133ETPF8	Federal Farm Credit Bank	7/14/2025	7/8/2030	3.75	20,000,000	19,776,200	19,819,484	19,744,000
Federal Agencies	3133EWGC8	Federal Farm Credit Bank	3/6/2026	9/6/2030	3.50	36,750,000	36,529,500	36,545,183	35,841,173
Federal Agencies	3136GATQ2	Fannie Mae	9/30/2025	9/30/2030	4.03	25,000,000	25,000,000	25,000,000	24,748,750
Federal Agencies	3136GATQ2	Fannie Mae	9/30/2025	9/30/2030	4.03	25,000,000	25,000,000	25,000,000	24,748,750
Federal Agencies	3136GATQ2	Fannie Mae	9/30/2025	9/30/2030	4.03	25,000,000	25,000,000	25,000,000	24,748,750
Federal Agencies	3136GATQ2	Fannie Mae	9/30/2025	9/30/2030	4.03	25,000,000	25,000,000	25,000,000	24,748,750
Federal Agencies	3136GATQ2	Fannie Mae	9/30/2025	9/30/2030	4.03	50,000,000	50,000,000	50,000,000	49,497,500
Federal Agencies	3134HCFX2	Freddie Mac	12/23/2025	12/23/2030	4.18	23,000,000	23,000,000	23,000,000	22,742,630
Federal Agencies	3134HCFX2	Freddie Mac	12/23/2025	12/23/2030	4.18	25,000,000	25,000,000	25,000,000	24,720,250
Federal Agencies	3134HCFX2	Freddie Mac	12/23/2025	12/23/2030	4.18	25,000,000	25,000,000	25,000,000	24,720,250
Federal Agencies	3134HCFX2	Freddie Mac	12/23/2025	12/23/2030	4.18	25,000,000	25,000,000	25,000,000	24,720,250
Federal Agencies	3134HCFX2	Freddie Mac	12/23/2025	12/23/2030	4.18	50,000,000	50,000,000	50,000,000	49,440,500

Investment Inventory
Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Coupon	Par Value	Original Cost	Amortized Book	Market Value
Federal Agencies	3136GCZU2	Fannie Mae	4/6/2026	3/17/2031	4.20	25,000,000	25,000,000	25,000,000	24,732,500
Federal Agencies	3136GCZU2	Fannie Mae	4/6/2026	3/17/2031	4.20	25,000,000	25,000,000	25,000,000	24,732,500
Federal Agencies	3136GCZU2	Fannie Mae	4/6/2026	3/17/2031	4.20	25,000,000	25,000,000	25,000,000	24,732,500
Federal Agencies	3136GCZU2	Fannie Mae	4/6/2026	3/17/2031	4.20	25,000,000	25,000,000	25,000,000	24,732,500
Federal Agencies	3136GCZU2	Fannie Mae	4/6/2026	3/17/2031	4.20	50,000,000	50,000,000	50,000,000	49,465,000
Federal Agencies	3133EWTC4	Federal Farm Credit Bank	6/18/2026	6/12/2031	4.25	24,750,000	24,835,140	24,834,532	24,773,018
Federal Agencies	3133EWTC4	Federal Farm Credit Bank	6/12/2026	6/12/2031	4.25	25,000,000	24,990,750	24,990,846	25,023,250
Subtotals					**3.51**	**8,349,406,000**	**8,331,287,029**	**8,344,379,964**	**8,311,329,908**

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Coupon	Par Value	Original Cost	Amortized Book	Market Value
Negotiable CDs	06418NHV7	Bank of Nova Scotia/HOU	7/24/2025	7/1/2026	4.27	100,000,000	100,000,000	100,000,000	100,003,000
Negotiable CDs	78015JL88	Royal Bank of Canada/NY	8/14/2025	7/1/2026	4.06	100,000,000	100,000,000	100,000,000	100,002,000
Negotiable CDs	89115DKD7	Toronto Dominion Bank/NY	12/11/2025	7/1/2026	3.85	50,000,000	50,000,000	50,000,000	50,000,500
Negotiable CDs	89115MA63	Toronto Dominion Bank/NY	3/25/2026	9/23/2026	4.05	25,000,000	25,000,000	25,000,000	25,006,000
Negotiable CDs	89115MAA4	Toronto Dominion Bank/NY	3/25/2026	9/24/2026	4.05	50,000,000	50,000,000	50,000,000	50,012,000
Negotiable CDs	89115MAE6	Toronto Dominion Bank/NY	3/25/2026	10/5/2026	4.06	25,000,000	25,000,000	25,000,000	25,006,000
Negotiable CDs	13606DUD2	Canadian Imperial Bank/NY	3/25/2026	10/23/2026	4.05	100,000,000	100,000,000	100,000,000	100,031,000
Negotiable CDs	78015J4M6	Royal Bank of Canada/NY	3/25/2026	10/23/2026	4.00	100,000,000	100,000,000	100,000,000	100,020,000
Negotiable CDs	89115MAJ5	Toronto Dominion Bank/NY	3/26/2026	10/23/2026	4.07	100,000,000	100,000,000	100,000,000	100,018,000
Negotiable CDs	06367DUX1	Bank of Montreal/CHI	4/1/2026	11/2/2026	4.00	100,000,000	100,000,000	100,000,000	99,999,000
Negotiable CDs	89115M4K9	Toronto Dominion Bank/NY	4/2/2026	11/3/2026	4.01	50,000,000	50,000,000	50,000,000	49,997,000
Negotiable CDs	06367DUZ6	Bank of Montreal/CHI	4/2/2026	11/4/2026	4.01	60,000,000	60,000,000	60,000,000	60,000,600
Negotiable CDs	13606DUU4	Canadian Imperial Bank/NY	4/9/2026	12/3/2026	4.00	60,000,000	60,000,000	60,000,000	59,986,200
Negotiable CDs	13606DUV2	Canadian Imperial Bank/NY	4/9/2026	12/14/2026	4.00	25,000,000	25,000,000	25,000,000	24,988,750
Negotiable CDs	78015J6H5	Royal Bank of Canada/NY	4/15/2026	12/15/2026	3.95	100,000,000	100,000,000	100,000,000	99,949,000
Negotiable CDs	06418NQH8	Bank of Nova Scotia/HOU	4/23/2026	12/16/2026	3.91	70,000,000	70,000,000	70,000,000	69,961,500
Negotiable CDs	06418NQJ4	Bank of Nova Scotia/HOU	4/23/2026	12/28/2026	3.91	30,000,000	30,000,000	30,000,000	29,974,500
Negotiable CDs	78015J6R3	Royal Bank of Canada/NY	4/23/2026	12/28/2026	3.92	100,000,000	100,000,000	100,000,000	99,918,000
Negotiable CDs	78015J6V4	Royal Bank of Canada/NY	4/23/2026	12/30/2026	3.91	70,000,000	70,000,000	70,000,000	69,936,300
Negotiable CDs	13606DUN0	Canadian Imperial Bank/NY	4/6/2026	1/11/2027	4.04	70,000,000	70,000,000	70,000,000	69,954,500
Negotiable CDs	13606DUP5	Canadian Imperial Bank/NY	4/6/2026	1/13/2027	4.04	55,000,000	55,000,000	55,000,000	54,963,700
Negotiable CDs	89115M5L6	Toronto Dominion Bank/NY	5/5/2026	2/5/2027	3.98	50,000,000	50,000,000	50,000,000	49,938,000
Negotiable CDs	13606DVN9	Canadian Imperial Bank/NY	5/5/2026	2/8/2027	3.98	100,000,000	100,000,000	100,000,000	99,946,000
Negotiable CDs	06367DVT9	Bank of Montreal/CHI	6/16/2026	3/22/2027	4.09	100,000,000	100,000,000	100,000,000	99,935,000
Negotiable CDs	89115M5D4	Toronto Dominion Bank/NY	6/17/2026	3/22/2027	4.09	45,000,000	45,000,000	45,000,000	44,967,600
Negotiable CDs	78015JC96	Royal Bank of Canada/NY	6/22/2026	3/24/2027	4.23	75,000,000	75,000,000	75,000,000	75,021,000
Negotiable CDs	89115M6H4	Toronto Dominion Bank/NY	6/22/2026	3/24/2027	4.21	100,000,000	100,000,000	100,000,000	100,014,000
Subtotals					**4.04**	**1,910,000,000**	**1,910,000,000**	**1,910,000,000**	**1,909,549,150**

Investment Inventory
Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Coupon	Par Value	Original Cost	Amortized Book	Market Value
Commercial Paper	89233HG16	Toyota Motor Credit	10/27/2025	7/1/2026	0.00	70,000,000	68,184,550	70,000,000	69,992,957
Commercial Paper	14912EG68	Caterpillar Financial Svcs	6/18/2026	7/6/2026	0.00	100,000,000	99,816,500	99,949,028	99,929,200
Commercial Paper	24422MG62	John Deere Capital CP	6/18/2026	7/6/2026	0.00	25,000,000	24,953,125	24,986,979	24,982,300
Commercial Paper	89233HGE8	Toyota Motor Credit	12/16/2025	7/14/2026	0.00	75,000,000	73,359,375	74,898,438	74,884,575
Commercial Paper	89233HGQ1	Toyota Motor Credit	12/16/2025	7/24/2026	0.00	75,000,000	73,285,833	74,820,792	74,805,975
Commercial Paper	24422MGU9	John Deere Capital CP	6/17/2026	7/28/2026	0.00	100,000,000	99,577,472	99,721,750	99,703,000
Commercial Paper	89233HGV0	Toyota Motor Credit	12/16/2025	7/29/2026	0.00	50,000,000	48,834,375	49,854,944	49,844,150
Commercial Paper	62479MJP9	MUFG Bank Ltd/NY	3/25/2026	9/23/2026	0.00	100,000,000	97,987,889	99,071,333	99,090,300
Commercial Paper	62479MK77	MUFG Bank Ltd/NY	3/30/2026	10/7/2026	0.00	51,000,000	49,931,196	50,451,608	50,453,484
Commercial Paper	62479MKF9	MUFG Bank Ltd/NY	3/30/2026	10/15/2026	0.00	11,000,000	10,759,818	10,872,064	10,871,520
Commercial Paper	62479ML27	MUFG Bank Ltd/NY	4/2/2026	11/2/2026	0.00	25,000,000	24,417,444	24,662,444	24,654,025
Commercial Paper	62479ML68	MUFG Bank Ltd/NY	4/2/2026	11/6/2026	0.00	15,000,000	14,643,933	14,790,933	14,785,575
Commercial Paper	62479MLP6	MUFG Bank Ltd/NY	4/7/2026	11/23/2026	0.00	90,000,000	87,746,000	88,579,000	88,537,860
Commercial Paper	62479MNR0	MUFG Bank Ltd/NY	5/26/2026	1/25/2027	0.00	15,000,000	14,602,483	14,661,133	14,648,880
Commercial Paper	89233HNT7	Toyota Motor Credit	5/22/2026	1/27/2027	0.00	100,000,000	97,250,000	97,690,000	97,716,800
Commercial Paper	62479MNU3	MUFG Bank Ltd/NY	5/26/2026	1/28/2027	0.00	25,000,000	24,327,611	24,425,611	24,405,950
Commercial Paper	62479MP80	MUFG Bank Ltd/NY	6/16/2026	2/8/2027	0.00	30,000,000	29,215,925	29,265,550	29,247,960
Commercial Paper	62479MPC1	MUFG Bank Ltd/NY	6/16/2026	2/12/2027	0.00	15,000,000	14,601,346	14,626,158	14,616,840
Commercial Paper	62479MPG2	MUFG Bank Ltd/NY	6/16/2026	2/16/2027	0.00	25,000,000	24,324,549	24,365,903	24,349,475
Commercial Paper	89233HQ15	Toyota Motor Credit	6/4/2026	3/1/2027	0.00	60,000,000	58,222,500	58,400,250	58,413,840
Subtotals					**0.00**	**1,057,000,000**	**1,036,041,925**	**1,046,093,919**	**1,045,934,666**
Medium Term Notes	594918CN2	Microsoft	7/9/2024	9/15/2026	3.40	6,452,000	6,270,957	6,434,758	6,441,806
Medium Term Notes	594918CN2	Microsoft	7/9/2024	9/15/2026	3.40	13,009,000	12,645,919	12,974,421	12,988,446
Medium Term Notes	14913UAN0	Caterpillar	9/18/2024	10/16/2026	4.45	18,385,000	18,600,288	18,415,390	18,397,134
Medium Term Notes	89236TMY8	Toyota Motors	1/9/2025	1/8/2027	4.60	40,000,000	39,978,000	39,994,236	40,102,000
Medium Term Notes	037833CJ7	Apple	9/18/2024	2/9/2027	3.35	50,000,000	49,586,000	49,894,368	49,742,000
Medium Term Notes	24422EXV6	John Deere	9/6/2024	7/15/2027	4.20	10,000,000	9,998,600	9,999,491	10,002,400
Medium Term Notes	24422EYD5	John Deere	6/5/2025	6/5/2028	4.25	25,000,000	24,977,750	24,985,688	24,987,000
Subtotals					**3.98**	**162,846,000**	**162,057,514**	**162,698,352**	**162,660,786**
Money Market Funds	09248U718	BlackRock Liquidity Funds T-Fund	6/30/2026	7/1/2026	3.55	114,877,823	114,877,823	114,877,823	114,877,823
Money Market Funds	31607A703	Fidelity Govt Portfolio	6/30/2026	7/1/2026	3.58	641,480,639	641,480,639	641,480,639	641,480,639
Money Market Funds	608919718	Federated Hermes Govt Obligations Fund	6/30/2026	7/1/2026	3.56	201,997,718	201,997,718	201,997,718	201,997,718
Money Market Funds	262006208	Dreyfus Government Cash Management	6/30/2026	7/1/2026	3.55	15,468,272	15,468,272	15,468,272	15,468,272
Money Market Funds	85749T517	State Street Institutional U.S. Govt MMF	6/30/2026	7/1/2026	3.57	331,564,938	331,564,938	331,564,938	331,564,938
Money Market Funds	61747C319	Morgan Stanley Institutional Liquidity Fund	6/30/2026	7/1/2026	3.56	348,964,979	348,964,979	348,964,979	348,964,979
Subtotals					**3.57**	**1,654,354,369**	**1,654,354,369**	**1,654,354,369**	**1,654,354,369**
Supranational	459058KC6	Int'l Bank for Recon and Dev	9/12/2025	11/16/2026	2.25	55,000,000	54,035,300	54,690,399	54,575,950
Supranational	459058KJ1	Int'l Bank for Recon and Dev	7/17/2024	6/15/2027	3.13	12,323,000	11,934,333	12,195,394	12,209,012
Supranational	4581X0EN4	Inter-American Development Bank	4/9/2024	2/15/2029	4.13	25,000,000	24,630,000	24,799,662	24,994,250
Supranational	4581X0EN4	Inter-American Development Bank	7/17/2024	2/15/2029	4.13	50,000,000	49,827,000	49,900,789	49,988,500
Subtotals					**3.32**	**142,323,000**	**140,426,633**	**141,586,243**	**141,767,712**
Secured Bank Deposit	0660P0999	Bank of America TTX INV Deposit Acct	6/30/2026	7/1/2026	3.60	167,163,449	167,163,449	167,163,449	167,163,449
Subtotals					**3.60**	**167,163,449**	**167,163,449**	**167,163,449**	**167,163,449**
Grand Totals					**3.40**	**18,602,092,818**	**18,543,932,771**	**18,582,171,493**	**18,518,479,226**

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
U.S. Treasuries	91282CCJ8	T 0.875 06/30/2026	-	35,048	1,087	-	36,135
U.S. Treasuries	91282CCJ8	T 0.875 06/30/2026	-	35,048	-1,125	-	33,923
U.S. Treasuries	91282CCJ8	T 0.875 06/30/2026	-	35,048	-5,557	-	29,491
U.S. Treasuries	91282CCJ8	T 0.875 06/30/2026	-	35,048	-5,275	-	29,774
U.S. Treasuries	91282CCJ8	T 0.875 06/30/2026	-	35,048	-6,585	-	28,463
U.S. Treasuries	91282CCJ8	T 0.875 06/30/2026	-	35,048	-3,903	-	31,145
U.S. Treasuries	91282CCJ8	T 0.875 06/30/2026	-	35,048	1,042	-	36,090
U.S. Treasuries	91282CCW9	T 0.750 08/31/2026	50,000,000	30,571	9,190	-	39,761
U.S. Treasuries	91282CCZ2	T 0.875 09/30/2026	50,000,000	35,861	5,125	-	40,985
U.S. Treasuries	91282CCZ2	T 0.875 09/30/2026	50,000,000	35,861	5,415	-	41,275
U.S. Treasuries	91282CCJ8	T 0.875 06/30/2026	-	35,048	6,850	-	41,898
U.S. Treasuries	91282CCZ2	T 0.875 09/30/2026	50,000,000	35,861	11,317	-	47,177
U.S. Treasuries	91282CDK4	T 1.250 11/30/2026	50,000,000	51,230	-1,189	-	50,040
U.S. Treasuries	91282CDK4	T 1.250 11/30/2026	50,000,000	51,230	-1,933	-	49,297
U.S. Treasuries	91282CCJ8	T 0.875 06/30/2026	-	35,048	17,220	-	52,269
U.S. Treasuries	91282CDQ1	T 1.250 12/31/2026	50,000,000	51,767	49,929	-	101,697
U.S. Treasuries	91282CDK4	T 1.250 11/30/2026	50,000,000	51,230	51,351	-	102,581
U.S. Treasuries	91282CEF4	T 2.500 03/31/2027	25,000,000	51,230	3,992	-	55,222
U.S. Treasuries	91282CHX2	T 4.375 08/31/2028	50,000,000	178,329	-2,005	-	176,324
U.S. Treasuries	91282CHK0	T 4.000 06/30/2028	50,000,000	165,656	465	-	166,121
U.S. Treasuries	91282CHK0	T 4.000 06/30/2028	50,000,000	165,656	1,334	-	166,990
U.S. Treasuries	91282CHK0	T 4.000 06/30/2028	50,000,000	165,656	1,767	-	167,423
U.S. Treasuries	91282CHK0	T 4.000 06/30/2028	50,000,000	165,656	6,020	-	171,676
U.S. Treasuries	91282CHK0	T 4.000 06/30/2028	50,000,000	165,656	13,271	-	178,927
U.S. Treasuries	91282CEW7	T 3.250 06/30/2027	50,000,000	134,595	45,072	-	179,667
U.S. Treasuries	91282CEW7	T 3.250 06/30/2027	50,000,000	134,595	47,846	-	182,441
U.S. Treasuries	91282CKD2	T 4.250 02/28/2029	50,000,000	173,234	3,803	-	177,037
U.S. Treasuries	9128284N7	T 2.875 05/15/2028	65,000,000	152,344	78,512	-	230,856
U.S. Treasuries	9128286B1	T 2.625 02/15/2029	50,000,000	108,771	72,655	-	181,426
U.S. Treasuries	91282CHK0	T 4.000 06/30/2028	50,000,000	165,656	21,084	-	186,740
U.S. Treasuries	91282CKV2	T 4.625 06/15/2027	50,000,000	190,035	-5,513	-	184,522
U.S. Treasuries	91282CKV2	T 4.625 06/15/2027	50,000,000	190,035	-8,206	-	181,829
U.S. Treasuries	91282CEW7	T 3.250 06/30/2027	50,000,000	134,595	9,426	-	144,022
U.S. Treasuries	91282CFJ5	T 3.125 08/31/2029	50,000,000	127,378	16,028	-	143,405
U.S. Treasuries	91282CLC3	T 4.000 07/31/2029	50,000,000	165,746	-17,804	-	147,942
U.S. Treasuries	91282CLL3	T 3.375 09/15/2027	50,000,000	137,568	5,973	-	143,541
U.S. Treasuries	91282CFJ5	T 3.125 08/31/2029	65,000,000	165,591	22,346	-	187,937
U.S. Treasuries	91282CLC3	T 4.000 07/31/2029	65,000,000	215,470	-9,619	-	205,851
U.S. Treasuries	91282CJW2	T 4.000 01/31/2029	65,000,000	215,470	-5,075	-	210,395

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
U.S. Treasuries	91282CKV2	T 4.625 06/15/2027	50,000,000	190,035	-27,742	-	162,293
U.S. Treasuries	91282CKT7	T 4.500 05/31/2029	50,000,000	184,426	-18,544	-	165,883
U.S. Treasuries	91282CLC3	T 4.000 07/31/2029	50,000,000	165,746	1,918	-	167,664
U.S. Treasuries	91282CKP5	T 4.625 04/30/2029	50,000,000	188,519	-21,320	-	167,199
U.S. Treasuries	91282CLR0	T 4.125 10/31/2029	50,000,000	168,139	6,474	-	174,613
U.S. Treasuries	91282CMB4	T 4.000 12/15/2027	50,000,000	164,355	7,713	-	172,067
U.S. Treasuries	91282CMB4	T 4.000 12/15/2027	50,000,000	164,355	7,873	-	172,228
U.S. Treasuries	91282CKP5	T 4.625 04/30/2029	51,000,000	192,289	-8,447	-	183,843
U.S. Treasuries	91282CLX7	T 4.125 11/15/2027	61,000,000	205,129	9,167	-	214,296
U.S. Treasuries	91282CGQ8	T 4.000 02/28/2030	50,000,000	163,043	1,215	-	164,258
U.S. Treasuries	91282CJW2	T 4.000 01/31/2029	60,000,000	198,895	1,604	-	200,499
U.S. Treasuries	91282CKD2	T 4.250 02/28/2029	75,000,000	259,851	-12,293	-	247,557
U.S. Treasuries	91282CHX2	T 4.375 08/31/2028	50,000,000	178,329	-13,712	-	164,616
U.S. Treasuries	91282CND9	T 3.750 05/15/2028	70,000,000	213,995	14,071	-	228,066
U.S. Treasuries	91282CKV2	T 4.625 06/15/2027	50,000,000	190,035	-23,792	-	166,244
U.S. Treasuries	91282CMZ1	T 3.875 04/30/2030	50,000,000	157,948	8,835	-	166,783
U.S. Treasuries	91282CFT3	T 4.000 10/31/2029	60,000,000	195,652	218	-	195,870
U.S. Treasuries	91282CKV2	T 4.625 06/15/2027	50,000,000	190,035	-28,344	-	161,691
U.S. Treasuries	91282CKV2	T 4.625 06/15/2027	50,000,000	190,035	-27,803	-	162,232
U.S. Treasuries	91282CKV2	T 4.625 06/15/2027	50,000,000	190,035	-27,514	-	162,522
U.S. Treasuries	91282CEW7	T 3.250 06/30/2027	50,000,000	134,595	25,598	-	160,194
U.S. Treasuries	91282CPA3	T 3.625 09/30/2030	50,000,000	148,566	-2,663	-	145,902
U.S. Treasuries	91282CPA3	T 3.625 09/30/2030	50,000,000	148,566	-1,626	-	146,940
U.S. Treasuries	91282CPA3	T 3.625 09/30/2030	50,000,000	148,566	-910	-	147,655
U.S. Treasuries	91282CLX7	T 4.125 11/15/2027	70,000,000	235,394	-30,216	-	205,178
U.S. Treasuries	91282CEW7	T 3.250 06/30/2027	50,000,000	134,595	13,688	-	148,284
U.S. Treasuries	91282CMN8	T 4.250 02/15/2028	50,000,000	176,105	-26,057	-	150,047
U.S. Treasuries	91282CLQ2	T 3.875 10/15/2027	75,000,000	238,217	-15,659	-	222,559
U.S. Treasuries	91282CPE5	T 3.500 10/31/2027	75,000,000	213,995	6,913	-	220,907
U.S. Treasuries	91282CLQ2	T 3.875 10/15/2027	50,000,000	158,811	-11,820	-	146,991
U.S. Treasuries	91282CNV9	T 3.625 08/31/2027	50,000,000	147,758	-1,625	-	146,133
U.S. Treasuries	91282CMN8	T 4.250 02/15/2028	90,000,000	316,989	-48,539	-	268,450
U.S. Treasuries	91282CNV9	T 3.625 08/31/2027	75,000,000	221,637	-2,713	-	218,925
U.S. Treasuries	91282CNH0	T 3.875 06/15/2028	50,000,000	159,219	-12,944	-	146,274
U.S. Treasuries	91282CPD7	T 3.625 10/31/2030	60,000,000	177,310	3,697	-	181,006
U.S. Treasuries	91282CHF1	T 3.750 05/31/2030	65,000,000	199,795	-3,541	-	196,254
U.S. Treasuries	91282CMZ1	T 3.875 04/30/2030	60,000,000	189,538	-8,942	-	180,596
U.S. Treasuries	91282CMB4	T 4.000 12/15/2027	50,000,000	164,355	-17,332	-	147,023
U.S. Treasuries	91282CNN7	T 3.875 07/31/2030	50,000,000	160,566	-4,736	-	155,830

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
U.S. Treasuries	91282CNN7	T 3.875 07/31/2030	50,000,000	160,566	-4,563	-	156,003
U.S. Treasuries	91282CNN7	T 3.875 07/31/2030	50,000,000	160,566	-4,462	-	156,104
U.S. Treasuries	91282CGQ8	T 4.000 02/28/2030	75,000,000	244,565	-15,285	-	229,280
U.S. Treasuries	91282CKY6	T 4.625 06/30/2026	-	370,511	-80,915	-	289,596
U.S. Treasuries	91282CNN7	T 3.875 07/31/2030	50,000,000	160,566	-6,526	-	154,040
U.S. Treasuries	91282CNN7	T 3.875 07/31/2030	50,000,000	160,566	-6,109	-	154,457
U.S. Treasuries	91282CNY3	T 3.375 09/15/2028	55,000,000	151,325	5,473	-	156,798
U.S. Treasuries	91282CPR6	T 3.625 12/31/2030	60,000,000	180,151	4,329	-	184,480
U.S. Treasuries	91282CNH0	T 3.875 06/15/2028	50,000,000	159,219	-12,741	-	146,478
U.S. Treasuries	91282CPR6	T 3.625 12/31/2030	50,000,000	150,126	4,921	-	155,046
U.S. Treasuries	91282CPR6	T 3.625 12/31/2030	50,000,000	150,126	7,267	-	157,393
U.S. Treasuries	91282CJW2	T 4.000 01/31/2029	55,000,000	182,320	-14,297	-	168,024
U.S. Treasuries	91282CPK1	T 3.500 11/15/2028	62,000,000	176,902	7,244	-	184,146
U.S. Treasuries	912797TX5	B 0.000 08/20/2026	100,000,000	-	291,667	-	291,667
U.S. Treasuries	912797TY3	B 0.000 08/27/2026	25,000,000	-	73,479	-	73,479
U.S. Treasuries	912797UA3	B 0.000 06/16/2026	-	-	37,323	-	37,323
U.S. Treasuries	91282CMS7	T 3.875 03/15/2028	40,000,000	126,359	-775	-	125,584
U.S. Treasuries	91282CMS7	T 3.875 03/15/2028	50,000,000	157,948	-888	-	157,061
U.S. Treasuries	91282CQG9	T 3.875 03/31/2031	100,000,000	317,623	9,347	-	326,970
U.S. Treasuries	91282CQK0	T 3.875 04/30/2031	55,000,000	173,743	8,495	-	182,238
U.S. Treasuries	91282CLR0	T 4.125 10/31/2029	50,000,000	168,139	3,121	-	171,259
U.S. Treasuries	91282CJF9	T 4.875 10/31/2028	50,000,000	198,709	-27,952	-	170,757
U.S. Treasuries	91282CNH0	T 3.875 06/15/2028	50,000,000	137,927	5,894	-	143,821
U.S. Treasuries	91282CMZ1	T 3.875 04/30/2030	50,000,000	136,889	8,909	-	145,798
U.S. Treasuries	91282CHK0	T 4.000 06/30/2028	50,000,000	126,982	4,773	-	131,754
U.S. Treasuries	91282CJX0	T 4.000 01/31/2031	50,000,000	127,072	8,016	-	135,088
U.S. Treasuries	91282CKF7	T 4.125 03/31/2031	50,000,000	73,258	1,628	-	74,886
U.S. Treasuries	91282CKF7	T 4.125 03/31/2031	50,000,000	73,258	1,628	-	74,886
Subtotals			**5,159,000,000**	**15,578,802**	**453,478**	**-**	**16,032,280**

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
Federal Agencies	3130ANMP2	FHLB 1.070 07/27/2026	25,000,000	22,292	-	-	22,292
Federal Agencies	3130ANMP2	FHLB 1.070 07/27/2026	25,000,000	22,292	-	-	22,292
Federal Agencies	3130ANMP2	FHLB 1.070 07/27/2026	25,000,000	22,292	-	-	22,292
Federal Agencies	3130ANMP2	FHLB 1.070 07/27/2026	25,000,000	22,292	-	-	22,292
Federal Agencies	3130ANNM8	FHLB 1.050 07/13/2026	25,000,000	21,875	-	-	21,875
Federal Agencies	3130ANNM8	FHLB 1.050 07/13/2026	25,000,000	21,875	-	-	21,875
Federal Agencies	3130ANNM8	FHLB 1.050 07/13/2026	25,000,000	21,875	-	-	21,875
Federal Agencies	3130ANNM8	FHLB 1.050 07/13/2026	25,000,000	21,875	-	-	21,875
Federal Agencies	3130ANTG5	FHLB 1.050 08/10/2026	25,000,000	21,875	-	-	21,875

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
Federal Agencies	3130ANTG5	FHLB 1.050 08/10/2026	25,000,000	21,875	-	-	21,875
Federal Agencies	3130ANTG5	FHLB 1.050 08/10/2026	25,000,000	21,875	-	-	21,875
Federal Agencies	3130ANTG5	FHLB 1.050 08/10/2026	25,000,000	21,875	-	-	21,875
Federal Agencies	3130AP6T7	FHLB 1.075 09/03/2026	25,000,000	22,396	-	-	22,396
Federal Agencies	3130AP6T7	FHLB 1.075 09/03/2026	25,000,000	22,396	-	-	22,396
Federal Agencies	3130AP6T7	FHLB 1.075 09/03/2026	25,000,000	22,396	-	-	22,396
Federal Agencies	3130AP6T7	FHLB 1.075 09/03/2026	25,000,000	22,396	-	-	22,396
Federal Agencies	3130APPR0	FHLB 1.430 10/19/2026	25,000,000	29,792	-	-	29,792
Federal Agencies	3130APPR0	FHLB 1.430 10/19/2026	25,000,000	29,792	-	-	29,792
Federal Agencies	3130APPR0	FHLB 1.430 10/19/2026	25,000,000	29,792	-	-	29,792
Federal Agencies	3130APPR0	FHLB 1.430 10/19/2026	25,000,000	29,792	-	-	29,792
Federal Agencies	3130AQ7L1	FHLB 1.605 11/16/2026	25,000,000	33,438	-	-	33,438
Federal Agencies	3130AQ7L1	FHLB 1.605 11/16/2026	25,000,000	33,438	-	-	33,438
Federal Agencies	3130AQ7L1	FHLB 1.605 11/16/2026	25,000,000	33,438	-	-	33,438
Federal Agencies	3130AQ7L1	FHLB 1.605 11/16/2026	25,000,000	33,438	-	-	33,438
Federal Agencies	3130AQJ95	FHLB 1.645 12/14/2026	25,000,000	34,271	-	-	34,271
Federal Agencies	3130AQJ95	FHLB 1.645 12/14/2026	25,000,000	34,271	-	-	34,271
Federal Agencies	3130AQJ95	FHLB 1.645 12/14/2026	25,000,000	34,271	-	-	34,271
Federal Agencies	3130AQJ95	FHLB 1.645 12/14/2026	25,000,000	34,271	-	-	34,271
Federal Agencies	3130ARB59	FHLB 2.350 03/08/2027	25,000,000	48,958	-	-	48,958
Federal Agencies	3130ARB59	FHLB 2.350 03/08/2027	25,000,000	48,958	-	-	48,958
Federal Agencies	3130ARB59	FHLB 2.350 03/08/2027	25,000,000	48,958	-	-	48,958
Federal Agencies	3130ARB59	FHLB 2.350 03/08/2027	25,000,000	48,958	-	-	48,958
Federal Agencies	3133ENRD4	FFCB 1.680 03/10/2027	48,573,000	68,002	18,807	-	86,810
Federal Agencies	3133ENTS9	FFCB 2.600 04/05/2027	24,500,000	53,083	2,022	-	55,105
Federal Agencies	3133ENTS9	FFCB 2.600 04/05/2027	22,500,000	48,750	1,770	-	50,520
Federal Agencies	3133ENTS9	FFCB 2.600 04/05/2027	25,000,000	54,167	3,222	-	57,389
Federal Agencies	3133ENZK9	FFCB 3.240 06/28/2027	27,865,000	75,236	-3,865	-	71,371
Federal Agencies	3130ASGU7	FHLB 3.500 06/11/2027	12,375,000	36,094	-2,984	-	33,110
Federal Agencies	3130ASGU7	FHLB 3.500 06/11/2027	10,000,000	29,167	-2,374	-	26,792
Federal Agencies	3130ASGU7	FHLB 3.500 06/11/2027	21,725,000	63,365	-4,894	-	58,470
Federal Agencies	3133EN2L3	FFCB 4.125 05/17/2027	21,000,000	72,188	238	-	72,425
Federal Agencies	3133EN2L3	FFCB 4.125 05/17/2027	5,000,000	17,188	63	-	17,251
Federal Agencies	3133EN2L3	FFCB 4.125 05/17/2027	4,650,000	15,984	59	-	16,043
Federal Agencies	3133EN2L3	FFCB 4.125 05/17/2027	25,000,000	85,938	315	-	86,253
Federal Agencies	3133EPBM6	FFCB 4.125 08/23/2027	10,000,000	34,375	475	-	34,850
Federal Agencies	3130AVWS7	FHLB 3.750 06/12/2026	-	19,531	521	-	20,052
Federal Agencies	3130AVWS7	FHLB 3.750 06/12/2026	-	22,917	596	-	23,513
Federal Agencies	3130AWAH3	FHLB 4.000 06/12/2026	-	18,333	1,000	-	19,334

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
Federal Agencies	3130AWAH3	FHLB 4.000 06/12/2026	-	12,222	653	-	12,875
Federal Agencies	3133EPMU6	FFCB 4.250 06/15/2026	-	49,583	621	-	50,204
Federal Agencies	3133EPMU6	FFCB 4.250 06/15/2026	-	33,056	393	-	33,449
Federal Agencies	3133EPMV4	FFCB 4.125 06/15/2027	28,940,000	99,481	576	-	100,058
Federal Agencies	3133EPMU6	FFCB 4.250 06/15/2026	-	40,824	764	-	41,587
Federal Agencies	3133EPNG6	FFCB 4.375 06/23/2026	-	133,681	532	-	134,212
Federal Agencies	3133EPNG6	FFCB 4.375 06/23/2026	-	66,840	266	-	67,106
Federal Agencies	3133EPNG6	FFCB 4.375 06/23/2026	-	66,840	266	-	67,106
Federal Agencies	3130AWLZ1	FHLB 4.750 06/12/2026	-	72,569	1,483	-	74,053
Federal Agencies	3133EPSK2	FFCB 4.250 08/07/2028	19,500,000	69,063	1,441	-	70,503
Federal Agencies	3133EPSW6	FFCB 4.500 08/14/2026	50,000,000	187,500	3,148	-	190,648
Federal Agencies	3133EPUN3	FFCB 4.500 08/28/2028	10,000,000	37,500	343	-	37,843
Federal Agencies	3133EPUN3	FFCB 4.500 08/28/2028	25,000,000	93,750	928	-	94,678
Federal Agencies	3133EPUN3	FFCB 4.500 08/28/2028	15,000,000	56,250	611	-	56,861
Federal Agencies	3133EPUN3	FFCB 4.500 08/28/2028	33,000,000	123,750	1,561	-	125,311
Federal Agencies	3133EPVP7	FFCB 4.750 07/08/2026	19,000,000	75,208	441	-	75,649
Federal Agencies	3133EPVP7	FFCB 4.750 07/08/2026	10,000,000	39,583	241	-	39,824
Federal Agencies	3133EPVP7	FFCB 4.750 07/08/2026	21,000,000	83,125	500	-	83,625
Federal Agencies	3130AXCP1	FHLB 4.875 09/11/2026	11,895,000	48,323	2,069	-	50,392
Federal Agencies	3133EPZA6	FFCB 4.875 10/20/2026	30,000,000	121,875	4,541	-	126,416
Federal Agencies	3133EPZA6	FFCB 4.875 10/20/2026	14,000,000	56,875	2,602	-	59,477
Federal Agencies	3133EPZY4	FFCB 5.000 07/30/2026	25,000,000	104,167	1,890	-	106,057
Federal Agencies	3133EPZY4	FFCB 5.000 07/30/2026	3,000,000	12,500	241	-	12,741
Federal Agencies	3133EPZY4	FFCB 5.000 07/30/2026	9,615,000	40,063	773	-	40,835
Federal Agencies	3133EPZY4	FFCB 5.000 07/30/2026	16,000,000	66,667	1,286	-	67,953
Federal Agencies	3133EPC60	FFCB 4.625 11/15/2027	27,950,000	107,724	2,382	-	110,106
Federal Agencies	3133EPC60	FFCB 4.625 11/15/2027	33,300,000	128,344	2,845	-	131,188
Federal Agencies	3133EPC45	FFCB 4.625 11/13/2028	12,000,000	46,250	262	-	46,512
Federal Agencies	3133EPC45	FFCB 4.625 11/13/2028	20,000,000	77,083	466	-	77,550
Federal Agencies	3133EPC45	FFCB 4.625 11/13/2028	55,000,000	211,979	1,276	-	213,255
Federal Agencies	3130AXU63	FHLB 4.625 11/17/2026	50,000,000	192,708	2,422	-	195,131
Federal Agencies	3133EM4X7	FFCB 0.800 09/10/2026	28,975,000	19,317	83,770	-	103,087
Federal Agencies	3133EPP66	FFCB 4.000 05/20/2027	31,000,000	103,333	2,267	-	105,601
Federal Agencies	3133EPP66	FFCB 4.000 05/20/2027	58,850,000	196,167	4,516	-	200,683
Federal Agencies	3133EPX91	FFCB 4.125 01/25/2027	35,000,000	120,313	1,207	-	121,520
Federal Agencies	3133EPX91	FFCB 4.125 01/25/2027	50,000,000	171,875	1,834	-	173,709
Federal Agencies	3133EPX91	FFCB 4.125 01/25/2027	25,000,000	85,938	862	-	86,800
Federal Agencies	3133EPX91	FFCB 4.125 01/25/2027	10,000,000	34,375	367	-	34,742
Federal Agencies	3133EPX91	FFCB 4.125 01/25/2027	5,000,000	17,188	196	-	17,383

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
Federal Agencies	3130AYPN0	FHLB 4.125 01/15/2027	12,000,000	41,250	749	-	41,999
Federal Agencies	3130AYPN0	FHLB 4.125 01/15/2027	25,000,000	85,938	1,560	-	87,497
Federal Agencies	3130AYPN0	FHLB 4.125 01/15/2027	29,350,000	100,891	1,831	-	102,722
Federal Agencies	3130AYPN0	FHLB 4.125 01/15/2027	50,000,000	171,875	3,119	-	174,994
Federal Agencies	3133EP6K6	FFCB 4.500 03/26/2027	50,000,000	187,500	2,482	-	189,982
Federal Agencies	3133EP5U5	FFCB 4.125 03/20/2029	51,660,000	177,581	10,819	-	188,401
Federal Agencies	3133EP5S0	FFCB 4.250 03/20/2028	4,971,000	17,606	1,131	-	18,737
Federal Agencies	3130AVBD3	FHLB 4.500 03/09/2029	25,000,000	93,750	-313	-	93,437
Federal Agencies	3130B0TY5	FHLB 4.750 04/09/2027	20,000,000	79,167	1,449	-	80,616
Federal Agencies	3130B0TY5	FHLB 4.750 04/09/2027	17,000,000	67,292	1,232	-	68,523
Federal Agencies	3130B0TY5	FHLB 4.750 04/09/2027	48,000,000	190,000	3,478	-	193,478
Federal Agencies	3130B0TY5	FHLB 4.750 04/09/2027	40,000,000	158,333	2,898	-	161,232
Federal Agencies	3133ERDH1	FFCB 4.750 04/30/2029	63,085,000	249,711	-11,201	-	238,510
Federal Agencies	3133ERDH1	FFCB 4.750 04/30/2029	27,892,000	110,406	-4,946	-	105,459
Federal Agencies	3133ERDH1	FFCB 4.750 04/30/2029	30,000,000	118,750	-5,238	-	113,512
Federal Agencies	3133ERDS7	FFCB 4.750 05/06/2027	12,727,000	50,378	-365	-	50,013
Federal Agencies	3130AX4E5	FHLB 4.500 06/11/2027	11,000,000	41,250	1,676	-	42,926
Federal Agencies	3133ERGL9	FFCB 4.500 06/07/2028	15,000,000	56,250	111	-	56,361
Federal Agencies	3130B1BT3	FHLB 4.875 06/12/2026	-	20,087	-305	-	19,782
Federal Agencies	3133ERHD6	FFCB 4.875 06/12/2026	-	47,667	-778	-	46,889
Federal Agencies	3133ERHD6	FFCB 4.875 06/12/2026	-	29,792	-462	-	29,330
Federal Agencies	3133ERHN4	FFCB 4.250 10/20/2028	38,000,000	134,583	4,069	-	138,652
Federal Agencies	3133ERHN4	FFCB 4.250 10/20/2028	5,000,000	17,708	529	-	18,237
Federal Agencies	3133ERGS4	FFCB 4.250 06/11/2029	10,000,000	35,417	537	-	35,953
Federal Agencies	3133ERGS4	FFCB 4.250 06/11/2029	10,000,000	35,417	537	-	35,953
Federal Agencies	3133ERGS4	FFCB 4.250 06/11/2029	20,000,000	70,833	1,073	-	71,907
Federal Agencies	3133ERGS4	FFCB 4.250 06/11/2029	10,000,000	35,417	537	-	35,953
Federal Agencies	3133ERGS4	FFCB 4.250 06/11/2029	29,000,000	102,708	1,263	-	103,972
Federal Agencies	3133ERGL9	FFCB 4.500 06/07/2028	20,000,000	75,000	-782	-	74,218
Federal Agencies	3133ERGL9	FFCB 4.500 06/07/2028	14,934,000	56,003	-584	-	55,418
Federal Agencies	3133ERJZ5	FFCB 4.500 06/28/2027	30,000,000	112,500	388	-	112,888
Federal Agencies	3133ERKM2	FFCB 4.500 07/08/2027	25,000,000	93,750	-912	-	92,838
Federal Agencies	3130B1EF0	FHLB 4.625 06/11/2027	20,700,000	79,781	-2,691	-	77,090
Federal Agencies	3133ERKM2	FFCB 4.500 07/08/2027	25,000,000	93,750	-700	-	93,050
Federal Agencies	3133ERKX8	FFCB 4.250 07/12/2029	20,000,000	70,833	177	-	71,011
Federal Agencies	3133ERMB4	FFCB 4.250 07/23/2027	10,000,000	35,417	96	-	35,513
Federal Agencies	3133ERMB4	FFCB 4.250 07/23/2027	15,000,000	53,125	144	-	53,269
Federal Agencies	3130B2PJ8	FHLB 3.625 09/04/2026	25,000,000	75,521	1,383	-	76,904
Federal Agencies	3130B2PJ8	FHLB 3.625 09/04/2026	50,000,000	151,042	2,767	-	153,809

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
Federal Agencies	3130B2PJ8	FHLB 3.625 09/04/2026	19,000,000	57,396	1,051	-	58,447
Federal Agencies	3130B2PJ8	FHLB 3.625 09/04/2026	25,900,000	78,240	1,433	-	79,673
Federal Agencies	3130ATHX8	FHLB 4.125 09/14/2029	15,000,000	51,563	-6,498	-	45,064
Federal Agencies	3133ERVR9	FFCB 3.500 07/01/2027	55,000,000	160,417	2,235	-	162,652
Federal Agencies	3130B2XR1	FHLB 4.010 07/02/2029	65,000,000	217,208	-	-	217,208
Federal Agencies	3130B2XR1	FHLB 4.010 07/02/2029	25,000,000	83,542	-	-	83,542
Federal Agencies	3130B2XR1	FHLB 4.010 07/02/2029	25,000,000	83,542	-	-	83,542
Federal Agencies	3133ERWR8	FFCB 3.500 01/07/2027	12,500,000	36,458	4,613	-	41,072
Federal Agencies	3133ERXJ5	FFCB 3.875 10/15/2027	8,000,000	25,833	105	-	25,939
Federal Agencies	3133ERXJ5	FFCB 3.875 10/15/2027	5,000,000	16,146	75	-	16,221
Federal Agencies	3130B3A29	FHLB 4.000 10/09/2026	15,000,000	50,000	130	-	50,130
Federal Agencies	3130B3A29	FHLB 4.000 10/09/2026	25,000,000	83,333	216	-	83,550
Federal Agencies	3130B3A29	FHLB 4.000 10/09/2026	25,000,000	83,333	216	-	83,550
Federal Agencies	3130B3A29	FHLB 4.000 10/09/2026	50,000,000	166,667	433	-	167,099
Federal Agencies	3130B3GD9	FHLB 4.000 11/27/2028	47,025,000	156,750	1,703	-	158,453
Federal Agencies	3130ATHX8	FHLB 4.125 09/14/2029	15,000,000	51,563	-814	-	50,749
Federal Agencies	3130ATHX8	FHLB 4.125 09/14/2029	15,000,000	51,563	-728	-	50,835
Federal Agencies	3130ATHX8	FHLB 4.125 09/14/2029	25,590,000	87,966	-1,241	-	86,724
Federal Agencies	3133ERD24	FFCB 4.250 02/18/2027	30,000,000	106,250	602	-	106,852
Federal Agencies	3133ERJ51	FFCB 4.125 12/10/2027	38,343,000	131,804	3,182	-	134,986
Federal Agencies	3133ERJ51	FFCB 4.125 12/10/2027	25,505,000	87,673	2,110	-	89,783
Federal Agencies	3133ERJ51	FFCB 4.125 12/10/2027	21,000,000	72,188	1,743	-	73,930
Federal Agencies	3133ERJ51	FFCB 4.125 12/10/2027	33,000,000	113,438	2,948	-	116,386
Federal Agencies	3133ERT84	FFCB 4.250 01/14/2028	29,750,000	105,365	4,768	-	110,133
Federal Agencies	3133ERZ46	FFCB 4.250 01/28/2028	50,000,000	177,083	701	-	177,784
Federal Agencies	3133ERZ46	FFCB 4.250 01/28/2028	47,000,000	166,458	658	-	167,117
Federal Agencies	3133ER2Z3	FFCB 4.250 11/03/2027	41,880,000	148,325	68	-	148,393
Federal Agencies	3133ER2Z3	FFCB 4.250 11/03/2027	5,000,000	17,708	19	-	17,728
Federal Agencies	3133ER4A6	FFCB 4.250 02/18/2027	30,000,000	106,250	1,332	-	107,582
Federal Agencies	3133ER4A6	FFCB 4.250 02/18/2027	25,000,000	88,542	1,058	-	89,600
Federal Agencies	3133ER4A6	FFCB 4.250 02/18/2027	2,000,000	7,083	88	-	7,171
Federal Agencies	3133ER4H1	FFCB 4.500 01/18/2030	12,815,000	48,056	-3,532	-	44,524
Federal Agencies	3133ER4H1	FFCB 4.500 01/18/2030	18,000,000	67,500	-4,937	-	62,563
Federal Agencies	3133ETBF3	FFCB 4.000 04/01/2030	32,260,000	107,533	266	-	107,800
Federal Agencies	3133ETBF3	FFCB 4.000 04/01/2030	46,750,000	155,833	285	-	156,119
Federal Agencies	3133ETBF3	FFCB 4.000 04/01/2030	15,000,000	50,000	104	-	50,104
Federal Agencies	3133ETBF3	FFCB 4.000 04/01/2030	43,020,000	143,400	1,911	-	145,311
Federal Agencies	3133ER7L9	FFCB 4.000 03/18/2030	8,695,000	28,983	389	-	29,373
Federal Agencies	3133ETBF3	FFCB 4.000 04/01/2030	50,000,000	166,667	7,823	-	174,489

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
Federal Agencies	3130AWC24	FHLB 4.000 06/09/2028	10,000,000	33,333	91	-	33,424
Federal Agencies	3133ETJF5	FFCB 4.000 02/23/2027	45,000,000	150,000	1,306	-	151,306
Federal Agencies	3133ETJF5	FFCB 4.000 02/23/2027	10,000,000	33,333	290	-	33,624
Federal Agencies	3133ETJV0	FFCB 4.000 11/30/2029	15,000,000	50,000	996	-	50,996
Federal Agencies	3133ETJS7	FFCB 4.000 11/10/2026	12,600,000	42,000	1,056	-	43,056
Federal Agencies	3133ETJV0	FFCB 4.000 11/30/2029	23,000,000	76,667	1,422	-	78,089
Federal Agencies	3133ETJZ1	FFCB 3.875 06/05/2028	25,000,000	80,729	1,170	-	81,899
Federal Agencies	3133ETKQ9	FFCB 4.000 06/10/2030	20,000,000	66,667	904	-	67,570
Federal Agencies	3133ETKQ9	FFCB 4.000 06/10/2030	10,000,000	33,333	427	-	33,761
Federal Agencies	3133ETKN6	FFCB 4.000 10/09/2029	15,000,000	50,000	355	-	50,355
Federal Agencies	3133ETKN6	FFCB 4.000 10/09/2029	10,000,000	33,333	237	-	33,570
Federal Agencies	3133ETJZ1	FFCB 3.875 06/05/2028	7,370,000	23,799	755	-	24,554
Federal Agencies	3130B6R24	FHLB 3.875 06/04/2027	16,500,000	53,281	913	-	54,194
Federal Agencies	3130B6R24	FHLB 3.875 06/04/2027	10,000,000	32,292	553	-	32,845
Federal Agencies	3130B6R24	FHLB 3.875 06/04/2027	20,000,000	64,583	1,107	-	65,690
Federal Agencies	3130B6R24	FHLB 3.875 06/04/2027	13,000,000	41,979	719	-	42,699
Federal Agencies	3130B6R24	FHLB 3.875 06/04/2027	36,000,000	116,250	1,992	-	118,242
Federal Agencies	3133ETME4	FFCB 4.000 01/23/2030	25,000,000	83,333	967	-	84,301
Federal Agencies	3133ETME4	FFCB 4.000 01/23/2030	14,450,000	48,167	559	-	48,726
Federal Agencies	3133ETME4	FFCB 4.000 01/23/2030	5,000,000	16,667	187	-	16,854
Federal Agencies	3130AWGS3	FHLB 4.125 06/14/2030	16,000,000	55,000	-1,043	-	53,957
Federal Agencies	3133ETKQ9	FFCB 4.000 06/10/2030	25,000,000	83,333	579	-	83,912
Federal Agencies	3133ETNU7	FFCB 3.750 07/03/2028	50,000,000	156,250	4,684	-	160,934
Federal Agencies	3133ETNU7	FFCB 3.750 07/03/2028	22,500,000	70,313	2,083	-	72,396
Federal Agencies	3133ETLM7	FFCB 4.000 06/17/2030	41,000,000	136,667	-586	-	136,081
Federal Agencies	3133ETLM7	FFCB 4.000 06/17/2030	15,000,000	50,000	-214	-	49,786
Federal Agencies	3133ETLM7	FFCB 4.000 06/17/2030	10,070,000	33,567	-131	-	33,436
Federal Agencies	3133ETNU7	FFCB 3.750 07/03/2028	25,000,000	78,125	2,640	-	80,765
Federal Agencies	3133ETKQ9	FFCB 4.000 06/10/2030	15,000,000	50,000	23	-	50,023
Federal Agencies	3133ETKQ9	FFCB 4.000 06/10/2030	9,750,000	32,500	65	-	32,565
Federal Agencies	3133ETLM7	FFCB 4.000 06/17/2030	16,944,000	56,480	113	-	56,593
Federal Agencies	3130AWGS3	FHLB 4.125 06/14/2030	12,515,000	43,020	-1,074	-	41,947
Federal Agencies	3133ETPF8	FFCB 3.750 07/08/2030	20,000,000	62,500	3,689	-	66,189
Federal Agencies	3130B1BC0	FHLB 4.625 06/08/2029	9,705,000	37,405	-5,079	-	32,326
Federal Agencies	3133ETSX6	FFCB 3.625 08/11/2027	7,000,000	21,146	578	-	21,724
Federal Agencies	3133ETSX6	FFCB 3.625 08/11/2027	5,000,000	15,104	413	-	15,517
Federal Agencies	3133ETSX6	FFCB 3.625 08/11/2027	5,000,000	15,104	421	-	15,525
Federal Agencies	3130ATHX8	FHLB 4.125 09/14/2029	17,000,000	58,438	-4,097	-	54,340
Federal Agencies	3133ETUE5	FFCB 3.750 02/22/2027	40,000,000	125,000	2,907	-	127,907

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
Federal Agencies	3133ETUE5	FFCB 3.750 02/22/2027	25,000,000	78,125	1,776	-	79,901
Federal Agencies	3133ETUE5	FFCB 3.750 02/22/2027	15,000,000	46,875	1,090	-	47,965
Federal Agencies	3133ETUE5	FFCB 3.750 02/22/2027	35,000,000	109,375	2,697	-	112,072
Federal Agencies	3136GATQ2	FNMA 4.030 09/30/2030	25,000,000	83,958	-	-	83,958
Federal Agencies	3136GATQ2	FNMA 4.030 09/30/2030	25,000,000	83,958	-	-	83,958
Federal Agencies	3136GATQ2	FNMA 4.030 09/30/2030	25,000,000	83,958	-	-	83,958
Federal Agencies	3136GATQ2	FNMA 4.030 09/30/2030	25,000,000	83,958	-	-	83,958
Federal Agencies	3136GATQ2	FNMA 4.030 09/30/2030	50,000,000	167,917	-	-	167,917
Federal Agencies	3136GAVY2	FNMA 4.080 10/01/2029	50,000,000	170,000	-	-	170,000
Federal Agencies	3136GAVY2	FNMA 4.080 10/01/2029	25,000,000	85,000	-	-	85,000
Federal Agencies	3136GAVY2	FNMA 4.080 10/01/2029	25,000,000	85,000	-	-	85,000
Federal Agencies	3136GAVY2	FNMA 4.080 10/01/2029	25,000,000	85,000	-	-	85,000
Federal Agencies	3136GAVY2	FNMA 4.080 10/01/2029	25,000,000	85,000	-	-	85,000
Federal Agencies	3136GAWY1	FNMA 4.000 10/15/2029	50,000,000	166,667	-	-	166,667
Federal Agencies	3136GAWY1	FNMA 4.000 10/15/2029	25,000,000	83,333	-	-	83,333
Federal Agencies	3136GAWY1	FNMA 4.000 10/15/2029	25,000,000	83,333	-	-	83,333
Federal Agencies	3136GAWY1	FNMA 4.000 10/15/2029	25,000,000	83,333	-	-	83,333
Federal Agencies	3136GAWY1	FNMA 4.000 10/15/2029	25,000,000	83,333	-	-	83,333
Federal Agencies	3130B82L5	FHLB 3.500 10/04/2027	41,000,000	119,583	3,444	-	123,027
Federal Agencies	3130B82L5	FHLB 3.500 10/04/2027	50,000,000	145,833	4,200	-	150,033
Federal Agencies	3130B82L5	FHLB 3.500 10/04/2027	25,000,000	72,917	2,100	-	75,017
Federal Agencies	3130B82L5	FHLB 3.500 10/04/2027	20,000,000	58,333	1,680	-	60,013
Federal Agencies	3133ETM95	FFCB 3.375 10/27/2027	9,320,000	26,213	869	-	27,082
Federal Agencies	3133ETM95	FFCB 3.375 10/27/2027	60,000,000	168,750	5,597	-	174,347
Federal Agencies	3136GC2P9	FNMA 4.050 11/07/2029	25,000,000	84,375	26	-	84,401
Federal Agencies	3136GC2P9	FNMA 4.050 11/07/2029	25,000,000	84,375	26	-	84,401
Federal Agencies	3136GC2P9	FNMA 4.050 11/07/2029	50,000,000	168,750	51	-	168,801
Federal Agencies	3136GC2P9	FNMA 4.050 11/07/2029	25,000,000	84,375	26	-	84,401
Federal Agencies	3136GC2P9	FNMA 4.050 11/07/2029	25,000,000	84,375	26	-	84,401
Federal Agencies	3130AWMP2	FHLB 4.375 06/14/2030	31,000,000	113,021	-16,179	-	96,842
Federal Agencies	3133ETL70	FFCB 3.375 10/24/2028	5,000,000	14,063	631	-	14,693
Federal Agencies	3133ETL70	FFCB 3.375 10/24/2028	25,000,000	70,313	3,104	-	73,417
Federal Agencies	3133ETL70	FFCB 3.375 10/24/2028	30,000,000	84,375	3,785	-	88,160
Federal Agencies	3133ET2W6	FFCB 3.500 01/20/2028	5,000,000	14,583	318	-	14,902
Federal Agencies	3130AYPN0	FHLB 4.125 01/15/2027	20,000,000	68,750	-7,597	-	61,153
Federal Agencies	3134HCFX2	FHLMC 4.175 12/23/2030	50,000,000	173,958	-	-	173,958
Federal Agencies	3134HCFX2	FHLMC 4.175 12/23/2030	25,000,000	86,979	-	-	86,979
Federal Agencies	3134HCFX2	FHLMC 4.175 12/23/2030	25,000,000	86,979	-	-	86,979
Federal Agencies	3134HCFX2	FHLMC 4.175 12/23/2030	25,000,000	86,979	-	-	86,979

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
Federal Agencies	3133ET2S5	FFCB 3.375 11/28/2028	35,000,000	98,438	7,306	-	105,744
Federal Agencies	3134HCFX2	FHLMC 4.175 12/23/2030	23,000,000	80,021	-	-	80,021
Federal Agencies	3133ET5B9	FFCB 3.500 12/22/2026	45,000,000	131,250	1,516	-	132,766
Federal Agencies	3133ET5B9	FFCB 3.500 12/22/2026	37,000,000	107,917	1,247	-	109,163
Federal Agencies	3133ET5B9	FFCB 3.500 12/22/2026	15,000,000	43,750	505	-	44,255
Federal Agencies	3133EN5N6	FFCB 4.000 01/06/2028	50,000,000	166,667	-19,440	-	147,227
Federal Agencies	3134HCKN8	FHLMC 4.035 06/24/2030	25,000,000	84,063	-	-	84,063
Federal Agencies	3134HCKN8	FHLMC 4.035 06/24/2030	25,000,000	84,063	-	-	84,063
Federal Agencies	3134HCKN8	FHLMC 4.035 06/24/2030	25,000,000	84,063	-	-	84,063
Federal Agencies	3134HCKN8	FHLMC 4.035 06/24/2030	50,000,000	168,125	-	-	168,125
Federal Agencies	3134HCKN8	FHLMC 4.035 06/24/2030	25,000,000	84,063	-	-	84,063
Federal Agencies	3133ET4Y0	FFCB 3.500 09/22/2028	10,000,000	29,167	72	-	29,238
Federal Agencies	3133ET4Y0	FFCB 3.500 09/22/2028	20,000,000	58,333	143	-	58,477
Federal Agencies	3133ET6K8	FFCB 3.375 01/07/2028	46,000,000	129,375	3,686	-	133,061
Federal Agencies	3133ET6K8	FFCB 3.375 01/07/2028	30,000,000	84,375	2,404	-	86,779
Federal Agencies	3133ET6R3	FFCB 3.375 10/08/2027	15,000,000	42,188	1,051	-	43,238
Federal Agencies	313385ZG4	FHDN 0.000 07/13/2026	15,000,000	-	43,188	-	43,188
Federal Agencies	313385ZS8	FHDN 0.000 07/23/2026	15,000,000	-	43,125	-	43,125
Federal Agencies	313385ZT6	FHDN 0.000 07/24/2026	50,000,000	-	144,167	-	144,167
Federal Agencies	3136GCEC5	FNMA 4.110 07/01/2030	50,000,000	171,250	-	-	171,250
Federal Agencies	3136GCEC5	FNMA 4.110 07/01/2030	25,000,000	85,625	-	-	85,625
Federal Agencies	3136GCEC5	FNMA 4.110 07/01/2030	25,000,000	85,625	-	-	85,625
Federal Agencies	3136GCEC5	FNMA 4.110 07/01/2030	25,000,000	85,625	-	-	85,625
Federal Agencies	3136GCEC5	FNMA 4.110 07/01/2030	25,000,000	85,625	-	-	85,625
Federal Agencies	3133EJ5J4	FFCB 3.190 01/16/2029	10,000,000	26,583	2,951	-	29,534
Federal Agencies	3136GCFD2	FNMA 4.060 01/16/2030	50,000,000	169,167	-	-	169,167
Federal Agencies	3136GCFD2	FNMA 4.060 01/16/2030	25,000,000	84,583	-	-	84,583
Federal Agencies	3136GCFD2	FNMA 4.060 01/16/2030	25,000,000	84,583	-	-	84,583
Federal Agencies	3136GCFD2	FNMA 4.060 01/16/2030	25,000,000	84,583	-	-	84,583
Federal Agencies	3136GCFD2	FNMA 4.060 01/16/2030	25,000,000	84,583	-	-	84,583
Federal Agencies	313385B47	FHDN 0.000 08/10/2026	25,000,000	-	72,396	-	72,396
Federal Agencies	313385B62	FHDN 0.000 08/12/2026	51,000,000	-	147,687	-	147,687
Federal Agencies	313385A97	FHDN 0.000 08/07/2026	10,000,000	-	29,000	-	29,000
Federal Agencies	3133ET6K8	FFCB 3.375 01/07/2028	23,480,000	66,038	3,166	-	69,204
Federal Agencies	3133EWAU4	FFCB 3.500 01/21/2028	35,000,000	102,083	3,035	-	105,118
Federal Agencies	3133EWAU4	FFCB 3.500 01/21/2028	35,000,000	102,083	3,035	-	105,118
Federal Agencies	313385B88	FHDN 0.000 08/14/2026	22,900,000	-	67,269	-	67,269
Federal Agencies	313385D29	FHDN 0.000 08/24/2026	25,000,000	-	73,646	-	73,646
Federal Agencies	313385D29	FHDN 0.000 08/24/2026	25,000,000	-	73,646	-	73,646

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
Federal Agencies	313385D29	FHDN 0.000 08/24/2026	15,000,000	-	44,187	-	44,187
Federal Agencies	313385G91	FHDN 0.000 09/24/2026	25,000,000	-	73,021	-	73,021
Federal Agencies	313385G91	FHDN 0.000 09/24/2026	25,000,000	-	73,021	-	73,021
Federal Agencies	313385G91	FHDN 0.000 09/24/2026	25,000,000	-	73,021	-	73,021
Federal Agencies	313385D45	FHDN 0.000 08/26/2026	51,000,000	-	150,450	-	150,450
Federal Agencies	3133EWGC8	FFCB 3.500 09/06/2030	36,750,000	107,188	4,021	-	111,209
Federal Agencies	3130B9RC6	FHLB 3.500 03/03/2028	15,000,000	43,750	531	-	44,281
Federal Agencies	3130B9RC6	FHLB 3.500 03/03/2028	50,000,000	145,833	1,770	-	147,603
Federal Agencies	3130B9RC6	FHLB 3.500 03/03/2028	30,000,000	87,500	1,062	-	88,562
Federal Agencies	3130B9RC6	FHLB 3.500 03/03/2028	25,000,000	72,917	885	-	73,801
Federal Agencies	3130B9RC6	FHLB 3.500 03/03/2028	13,000,000	37,917	460	-	38,377
Federal Agencies	313385G67	FHDN 0.000 09/21/2026	50,000,000	-	148,125	-	148,125
Federal Agencies	313385G67	FHDN 0.000 09/21/2026	25,000,000	-	74,063	-	74,063
Federal Agencies	313385G67	FHDN 0.000 09/21/2026	15,585,000	-	46,365	-	46,365
Federal Agencies	313385G67	FHDN 0.000 09/21/2026	40,000,000	-	118,500	-	118,500
Federal Agencies	3133EWJZ4	FFCB 3.875 03/27/2028	25,000,000	80,729	882	-	81,612
Federal Agencies	3133EWJZ4	FFCB 3.875 03/27/2028	25,000,000	80,729	964	-	81,694
Federal Agencies	3133EWJZ4	FFCB 3.875 03/27/2028	25,000,000	80,729	1,005	-	81,735
Federal Agencies	3133EWJZ4	FFCB 3.875 03/27/2028	2,000,000	6,458	80	-	6,539
Federal Agencies	3133EWKC3	FFCB 3.875 03/27/2029	25,000,000	80,729	1,444	-	82,173
Federal Agencies	3133EWKC3	FFCB 3.875 03/27/2029	21,700,000	70,073	1,396	-	71,469
Federal Agencies	3133EWKC3	FFCB 3.875 03/27/2029	50,000,000	161,458	3,216	-	164,675
Federal Agencies	3136GCZU2	FNMA 4.200 03/17/2031	25,000,000	87,500	-	-	87,500
Federal Agencies	3136GCZU2	FNMA 4.200 03/17/2031	25,000,000	87,500	-	-	87,500
Federal Agencies	3136GCZU2	FNMA 4.200 03/17/2031	25,000,000	87,500	-	-	87,500
Federal Agencies	3136GCZU2	FNMA 4.200 03/17/2031	25,000,000	87,500	-	-	87,500
Federal Agencies	3136GCZU2	FNMA 4.200 03/17/2031	50,000,000	175,000	-	-	175,000
Federal Agencies	3136GD2S1	FNMA 4.180 01/07/2030	50,000,000	174,167	-	-	174,167
Federal Agencies	3136GD2S1	FNMA 4.180 01/07/2030	25,000,000	87,083	-	-	87,083
Federal Agencies	3136GD2S1	FNMA 4.180 01/07/2030	25,000,000	87,083	-	-	87,083
Federal Agencies	3136GD2S1	FNMA 4.180 01/07/2030	25,000,000	87,083	-	-	87,083
Federal Agencies	3136GD2S1	FNMA 4.180 01/07/2030	25,000,000	87,083	-	-	87,083
Federal Agencies	3136GD3W1	FNMA 4.250 06/15/2029	50,000,000	177,083	-	-	177,083
Federal Agencies	3136GD3W1	FNMA 4.250 06/15/2029	25,000,000	88,542	-	-	88,542
Federal Agencies	3136GD3W1	FNMA 4.250 06/15/2029	25,000,000	88,542	-	-	88,542
Federal Agencies	3136GD3W1	FNMA 4.250 06/15/2029	25,000,000	88,542	-	-	88,542
Federal Agencies	3136GD3W1	FNMA 4.250 06/15/2029	25,000,000	88,542	-	-	88,542
Federal Agencies	3136GD4S9	FNMA 4.183 07/01/2030	50,000,000	174,292	-	-	174,292
Federal Agencies	3136GD4S9	FNMA 4.183 07/01/2030	25,000,000	87,146	-	-	87,146

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
Federal Agencies	3136GD4S9	FNMA 4.183 07/01/2030	25,000,000	87,146	-	-	87,146
Federal Agencies	3136GD4S9	FNMA 4.183 07/01/2030	25,000,000	87,146	-	-	87,146
Federal Agencies	3136GD4S9	FNMA 4.183 07/01/2030	25,000,000	87,146	-	-	87,146
Federal Agencies	3136GD5K5	FNMA 4.125 06/15/2029	25,000,000	85,938	-	-	85,938
Federal Agencies	3136GD5K5	FNMA 4.125 06/15/2029	25,000,000	85,938	-	-	85,938
Federal Agencies	3136GD5K5	FNMA 4.125 06/15/2029	25,000,000	85,938	-	-	85,938
Federal Agencies	3136GD5K5	FNMA 4.125 06/15/2029	25,000,000	85,938	-	-	85,938
Federal Agencies	3136GD5K5	FNMA 4.125 06/15/2029	50,000,000	171,875	-	-	171,875
Federal Agencies	3133EWNE6	FFCB 3.750 05/01/2029	25,000,000	78,125	1,807	-	79,932
Federal Agencies	3133EWNE6	FFCB 3.750 05/01/2029	33,950,000	106,094	6,566	-	112,660
Federal Agencies	3133EWNL0	FFCB 3.875 11/03/2028	11,500,000	37,135	1,137	-	38,273
Federal Agencies	3133EWNL0	FFCB 3.875 11/03/2028	5,000,000	16,146	534	-	16,680
Federal Agencies	313385ZL3	FHDN 0.000 07/17/2026	35,000,000	-	105,292	-	105,292
Federal Agencies	3130AWN30	FHLB 4.375 06/08/2029	13,500,000	42,656	-2,437	-	40,219
Federal Agencies	3133EWRQ5	FFCB 4.125 02/28/2029	11,002,000	28,995	559	-	29,554
Federal Agencies	3133EWTC4	FFCB 4.250 06/12/2031	25,000,000	56,076	96	-	56,173
Federal Agencies	3130BB3J2	FHLB 4.125 06/01/2028	25,000,000	54,427	462	-	54,889
Federal Agencies	3133EWTC4	FFCB 4.250 06/12/2031	24,750,000	37,984	-608	-	37,376
Subtotals			**8,349,406,000**	**24,900,214**	**1,855,415**	**-**	**26,755,629**
Negotiable CDs	96130AC22	WSTNY 4.320 06/15/2026	-	168,000	-	-	168,000
Negotiable CDs	06418NHV7	BNSHOU 4.270 07/01/2026	100,000,000	355,833	-	-	355,833
Negotiable CDs	06367DRZ0	BMOCHG 4.170 06/01/2026	-	0	-	-	0
Negotiable CDs	78015JL88	RY 4.060 07/01/2026	100,000,000	338,333	-	-	338,333
Negotiable CDs	06367DS97	BMOCHG 4.200 06/15/2026	-	163,333	-	-	163,333
Negotiable CDs	06367DSQ9	BMOCHG 4.000 06/09/2026	-	40,889	-	-	40,889
Negotiable CDs	06367DSR7	BMOCHG 4.000 06/15/2026	-	84,000	-	-	84,000
Negotiable CDs	06367DSV8	BMOCHG 3.980 06/17/2026	-	97,289	-	-	97,289
Negotiable CDs	89115DK96	TDNY 3.850 06/23/2026	-	117,639	-	-	117,639
Negotiable CDs	89115DKD7	TDNY 3.850 07/01/2026	50,000,000	160,417	-	-	160,417
Negotiable CDs	89115DNV4	TDNY 3.780 06/15/2026	-	147,000	-	-	147,000
Negotiable CDs	78015J4M6	RY 4.000 10/23/2026	100,000,000	333,333	-	-	333,333
Negotiable CDs	13606DUD2	CIBCNY 4.050 10/23/2026	100,000,000	337,500	-	-	337,500
Negotiable CDs	89115MA63	TDNY 4.050 09/23/2026	25,000,000	84,375	-	-	84,375
Negotiable CDs	89115MAA4	TDNY 4.050 09/24/2026	50,000,000	168,750	-	-	168,750
Negotiable CDs	89115MAE6	TDNY 4.060 10/05/2026	25,000,000	84,583	-	-	84,583
Negotiable CDs	89115MAJ5	TDNY 4.070 10/23/2026	100,000,000	339,167	-	-	339,167
Negotiable CDs	06367DUX1	BMOCHG 4.000 11/02/2026	100,000,000	333,333	-	-	333,333
Negotiable CDs	06367DUZ6	BMOCHG 4.010 11/04/2026	60,000,000	200,500	-	-	200,500

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
Negotiable CDs	89115M4K9	TDNY 4.010 11/03/2026	50,000,000	167,083	-	-	167,083
Negotiable CDs	13606DUN0	CIBCNY 4.040 01/11/2027	70,000,000	235,667	-	-	235,667
Negotiable CDs	13606DUP5	CIBCNY 4.040 01/13/2027	55,000,000	185,167	-	-	185,167
Negotiable CDs	13606DUU4	CIBCNY 4.000 12/03/2026	60,000,000	200,000	-	-	200,000
Negotiable CDs	13606DUV2	CIBCNY 4.000 12/14/2026	25,000,000	83,333	-	-	83,333
Negotiable CDs	78015J6H5	RY 3.950 12/15/2026	100,000,000	329,167	-	-	329,167
Negotiable CDs	78015J6R3	RY 3.920 12/28/2026	100,000,000	326,667	-	-	326,667
Negotiable CDs	06418NQH8	BNSHOU 3.910 12/16/2026	70,000,000	228,083	-	-	228,083
Negotiable CDs	78015J6V4	RY 3.910 12/30/2026	70,000,000	228,083	-	-	228,083
Negotiable CDs	06418NQJ4	BNSHOU 3.910 12/28/2026	30,000,000	97,750	-	-	97,750
Negotiable CDs	13606DVN9	CIBCNY 3.980 02/08/2027	100,000,000	331,667	-	-	331,667
Negotiable CDs	89115M5L6	TDNY 3.980 02/05/2027	50,000,000	165,833	-	-	165,833
Negotiable CDs	06367DVT9	BMOCHG 4.090 03/22/2027	100,000,000	170,417	-	-	170,417
Negotiable CDs	89115M5D4	TDNY 4.090 03/22/2027	45,000,000	71,575	-	-	71,575
Negotiable CDs	89115M6H4	TDNY 4.210 03/24/2027	100,000,000	105,250	-	-	105,250
Negotiable CDs	78015JC96	RY 4.230 03/24/2027	75,000,000	79,313	-	-	79,313
Subtotals			**1,910,000,000**	**6,559,329**	**-**	**-**	**6,559,329**
Commercial Paper	89233HF33	TOYCC 0.000 06/03/2026	-	-	13,000	-	13,000
Commercial Paper	89233HG16	TOYCC 0.000 07/01/2026	70,000,000	-	220,500	-	220,500
Commercial Paper	62479MFP3	MUFGBK 0.000 06/23/2026	-	-	116,722	-	116,722
Commercial Paper	62479MFV0	MUFGBK 0.000 06/29/2026	-	-	74,278	-	74,278
Commercial Paper	62479MF16	MUFGBK 0.000 06/01/2026	-	-	-0	-	(0)
Commercial Paper	62479MFJ7	MUFGBK 0.000 06/18/2026	-	-	27,058	-	27,058
Commercial Paper	89233HGE8	TOYCC 0.000 07/14/2026	75,000,000	-	234,375	-	234,375
Commercial Paper	89233HGQ1	TOYCC 0.000 07/24/2026	75,000,000	-	233,750	-	233,750
Commercial Paper	89233HGV0	TOYCC 0.000 07/29/2026	50,000,000	-	155,417	-	155,417
Commercial Paper	62479MFF5	MUFGBK 0.000 06/15/2026	-	-	94,286	-	94,286
Commercial Paper	62479MJP9	MUFGBK 0.000 09/23/2026	100,000,000	-	331,667	-	331,667
Commercial Paper	62479MK77	MUFGBK 0.000 10/07/2026	51,000,000	-	167,875	-	167,875
Commercial Paper	62479MKF9	MUFGBK 0.000 10/15/2026	11,000,000	-	36,208	-	36,208
Commercial Paper	62479ML27	MUFGBK 0.000 11/02/2026	25,000,000	-	81,667	-	81,667
Commercial Paper	62479ML68	MUFGBK 0.000 11/06/2026	15,000,000	-	49,000	-	49,000
Commercial Paper	62479MLP6	MUFGBK 0.000 11/23/2026	90,000,000	-	294,000	-	294,000
Commercial Paper	02314QFN4	AMZN 0.000 06/22/2026	-	-	73,541	-	73,541
Commercial Paper	89233HNT7	TOYCC 0.000 01/27/2027	100,000,000	-	330,000	-	330,000
Commercial Paper	62479MNR0	MUFGBK 0.000 01/25/2027	15,000,000	-	48,875	-	48,875
Commercial Paper	62479MNU3	MUFGBK 0.000 01/28/2027	25,000,000	-	81,667	-	81,667
Commercial Paper	14912EFN2	CATFIN 0.000 06/22/2026	-	-	48,292	-	48,292

Monthly Investment Earnings
Pooled Fund

Type of Investment	CUSIP	Description	Par Value	Accrued	(Amort.) / Accre.	Unrealized G/L	Total Earnings
Commercial Paper	14912EFP7	CATFIN 0.000 06/23/2026	-	-	50,833	-	50,833
Commercial Paper	89233HQ15	TOYCC 0.000 03/01/2027	60,000,000	-	177,750	-	177,750
Commercial Paper	14912EFH5	CATFIN 0.000 06/17/2026	-	-	63,440	-	63,440
Commercial Paper	62479MP80	MUFGBK 0.000 02/08/2027	30,000,000	-	49,625	-	49,625
Commercial Paper	62479MPG2	MUFGBK 0.000 02/16/2027	25,000,000	-	41,354	-	41,354
Commercial Paper	62479MPC1	MUFGBK 0.000 02/12/2027	15,000,000	-	24,813	-	24,813
Commercial Paper	24422MGU9	JDCCPP 0.000 07/28/2026	100,000,000	-	144,278	-	144,278
Commercial Paper	14912EG68	CATFIN 0.000 07/06/2026	100,000,000	-	132,528	-	132,528
Commercial Paper	24422MG62	JDCCPP 0.000 07/06/2026	25,000,000	-	33,854	-	33,854
Subtotals			**1,057,000,000**	**-**	**3,430,652**	**-**	**3,430,652**
Medium Term Notes	594918CN2	MSFT 3.400 09/15/2026	6,452,000	18,281	6,806	-	25,087
Medium Term Notes	594918CN2	MSFT 3.400 09/15/2026	13,009,000	36,859	13,650	-	50,509
Medium Term Notes	24422EXV6	DE 4.200 07/15/2027	10,000,000	35,000	40	-	35,040
Medium Term Notes	14913UAN0	CAT 4.450 10/16/2026	18,385,000	68,178	-8,521	-	59,657
Medium Term Notes	037833CJ7	AAPL 3.350 02/09/2027	50,000,000	139,583	14,211	-	153,794
Medium Term Notes	89236TMY8	TOYOTA 4.600 01/08/2027	40,000,000	153,333	905	-	154,239
Medium Term Notes	24422EYD5	DE 4.250 06/05/2028	25,000,000	88,542	609	-	89,151
Subtotals			**162,846,000**	**539,776**	**27,700**	**-**	**567,476**
Money Market Funds	09248U718	BlackRock Liquidity Funds T-Fund	114,877,823	52,723	-	-	52,723
Money Market Funds	31607A703	Fidelity Govt Portfolio	641,480,639	1,873,286	-	-	1,873,286
Money Market Funds	608919718	Federated Hermes Govt Obligations Fund	201,997,718	280,190	-	-	280,190
Money Market Funds	262006208	Dreyfus Government Cash Management	15,468,272	44,633	-	-	44,633
Money Market Funds	85749T517	State Street Institutional U.S. Govt MMF	331,564,938	314,737	-	-	314,737
Money Market Funds	61747C319	Morgan Stanley Institutional Liquidity Fund	348,964,979	453,514	-	-	453,514
Subtotals			**1,654,354,369**	**3,019,083**	**-**	**-**	**3,019,083**
Supranationals	4581X0EN4	IADB 4.125 02/15/2029	25,000,000	85,938	6,261	-	92,198
Supranationals	459058KJ1	IBRD 3.125 06/15/2027	12,323,000	32,153	10,969	-	43,122
Supranationals	4581X0EN4	IADB 4.125 02/15/2029	50,000,000	171,875	3,100	-	174,975
Supranationals	459058KC6	IBRD 0.700 11/16/2026	55,000,000	103,125	67,305	-	170,430
Subtotals			**142,323,000**	**393,090**	**87,635**	**-**	**480,725**
Secured Bank Deposit	0660P0999	Bank of America TTX INV Deposit Acct	167,658,069	494,621	-	-	494,621
Subtotals			**167,658,069**	**494,621**	**-**	**-**	**494,621**
Grand Totals			**18,602,587,439**	**51,484,915**	**5,854,879**	**-**	**57,339,794**

Investment Transactions
Pooled Fund

Accounting ID	Transaction Type	Cusip	Description	Price	Settlement Date	Posted Date	Par Value	Principal	Accrued Interest	Total
59143	Buy	14912EFN2	CATFIN 0.000 06/22/2026	99.80683	06/03/2026	06/03/2026	25,000,000	24,951,708	-	24,951,708
59144	Buy	14912EFP7	CATFIN 0.000 06/23/2026	99.79667	06/03/2026	06/03/2026	25,000,000	24,949,167	-	24,949,167
59145	Buy	89233HQ15	TOYCC 0.000 03/01/2027	97.03750	06/04/2026	06/04/2026	60,000,000	58,222,500	-	58,222,500
59146	Buy	14912EFH5	CATFIN 0.000 06/17/2026	99.86783	06/04/2026	06/04/2026	48,000,000	47,936,560	-	47,936,560
59147	Buy	3130AWN30	FHLB 4.375 06/08/2029	100.76300	06/05/2026	06/05/2026	13,500,000	13,603,005	290,391	13,893,396
59148	Buy	91282CNH0	T 3.875 06/15/2028	99.66406	06/05/2026	06/05/2026	50,000,000	49,832,031	915,522	50,747,553
59149	Buy	91282CMZ1	T 3.875 04/30/2030	99.02344	06/05/2026	06/05/2026	50,000,000	49,511,719	189,538	49,701,257
59150	Buy	3133EWRQ5	FFCB 4.125 02/28/2029	99.78000	06/08/2026	06/08/2026	11,002,000	10,977,796	12,606	10,990,402
59151	Buy	91282CHK0	T 4.000 06/30/2028	99.68750	06/08/2026	06/08/2026	50,000,000	49,843,750	878,453	50,722,203
59152	Buy	91282CJX0	T 4.000 01/31/2031	98.81641	06/08/2026	06/08/2026	50,000,000	49,408,203	707,182	50,115,385
59153	Buy	3133EWTC4	FFCB 4.250 06/12/2031	99.96300	06/12/2026	06/12/2026	25,000,000	24,990,750	-	24,990,750
59154	Buy	3130BB3J2	FHLB 4.125 06/01/2028	99.93000	06/12/2026	06/12/2026	25,000,000	24,982,500	-	24,982,500
59155	Buy	62479MP80	MUFGBK 0.000 02/08/2027	97.38642	06/16/2026	06/16/2026	30,000,000	29,215,925	-	29,215,925
59156	Buy	62479MPG2	MUFGBK 0.000 02/16/2027	97.29819	06/16/2026	06/16/2026	25,000,000	24,324,549	-	24,324,549
59157	Buy	62479MPC1	MUFGBK 0.000 02/12/2027	97.34231	06/16/2026	06/16/2026	15,000,000	14,601,346	-	14,601,346
59158	Buy	06367DVT9	BMOCHG 4.090 03/22/2027	100.00000	06/16/2026	06/16/2026	100,000,000	100,000,000	-	100,000,000
59159	Buy	89115M5D4	TDNY 4.090 03/22/2027	100.00000	06/17/2026	06/17/2026	45,000,000	45,000,000	-	45,000,000
59160	Buy	24422MGU9	JDCCPP 0.000 07/28/2026	99.57747	06/17/2026	06/17/2026	100,000,000	99,577,472	-	99,577,472
59161	Buy	14912EG68	CATFIN 0.000 07/06/2026	99.81650	06/18/2026	06/18/2026	100,000,000	99,816,500	-	99,816,500
59162	Buy	3133EWTC4	FFCB 4.250 06/12/2031	100.34400	06/18/2026	06/18/2026	24,750,000	24,835,140	17,531	24,852,671
59163	Buy	91282CKF7	T 4.125 03/31/2031	99.56250	06/18/2026	06/18/2026	50,000,000	49,781,250	445,184	50,226,434
59164	Buy	91282CKF7	T 4.125 03/31/2031	99.56250	06/18/2026	06/18/2026	50,000,000	49,781,250	445,184	50,226,434
59165	Buy	24422MG62	JDCCPP 0.000 07/06/2026	99.81250	06/18/2026	06/18/2026	25,000,000	24,953,125	-	24,953,125
59166	Buy	89115M6H4	TDNY 4.210 03/24/2027	100.00000	06/22/2026	06/22/2026	100,000,000	100,000,000	-	100,000,000
59167	Buy	78015JC96	RY 4.230 03/24/2027	100.00000	06/22/2026	06/22/2026	75,000,000	75,000,000	-	75,000,000
Activity Total							**1,172,252,000**	**1,166,096,245**	**3,901,593**	**1,169,997,838**

Investment Transactions
Pooled Fund

Accounting ID	Transaction Type	Cusip	Description	Price	Settlement Date	Posted Date	Par Value	Principal	Accrued Interest	Total
58761	Maturity	06367DRZ0	BMOCHG 4.170 06/01/2026	100.00000	06/01/2026	06/01/2026	100,000,000	100,000,000	-	100,000,000
58919	Maturity	62479MF16	MUFGBK 0.000 06/01/2026	100.00000	06/01/2026	06/01/2026	30,000,000	30,000,000	-	30,000,000
58811	Maturity	89233HF33	TOYCC 0.000 06/03/2026	100.00000	06/03/2026	06/03/2026	60,000,000	60,000,000	-	60,000,000
58812	Maturity	06367DSQ9	BMOCHG 4.000 06/09/2026	100.00000	06/09/2026	06/09/2026	46,000,000	46,000,000	-	46,000,000
57657	Maturity	3130AVWS7	FHLB 3.750 06/12/2026	100.00000	06/12/2026	06/12/2026	17,045,000	17,045,000	-	17,045,000
57665	Maturity	3130AVWS7	FHLB 3.750 06/12/2026	100.00000	06/12/2026	06/12/2026	20,000,000	20,000,000	-	20,000,000
57671	Maturity	3130AWAH3	FHLB 4.000 06/12/2026	100.00000	06/12/2026	06/12/2026	15,000,000	15,000,000	-	15,000,000
57672	Maturity	3130AWAH3	FHLB 4.000 06/12/2026	100.00000	06/12/2026	06/12/2026	10,000,000	10,000,000	-	10,000,000
57701	Maturity	3130AWLZ1	FHLB 4.750 06/12/2026	100.00000	06/12/2026	06/12/2026	50,000,000	50,000,000	-	50,000,000
58022	Maturity	3130B1BT3	FHLB 4.875 06/12/2026	100.00000	06/12/2026	06/12/2026	13,485,000	13,485,000	-	13,485,000
58023	Maturity	3133ERHD6	FFCB 4.875 06/12/2026	100.00000	06/12/2026	06/12/2026	32,000,000	32,000,000	-	32,000,000
58024	Maturity	3133ERHD6	FFCB 4.875 06/12/2026	100.00000	06/12/2026	06/12/2026	20,000,000	20,000,000	-	20,000,000
58780	Maturity	06367DS97	BMOCHG 4.200 06/15/2026	100.00000	06/15/2026	06/15/2026	100,000,000	100,000,000	-	100,000,000
58813	Maturity	06367DSR7	BMOCHG 4.000 06/15/2026	100.00000	06/15/2026	06/15/2026	54,000,000	54,000,000	-	54,000,000
57679	Maturity	3133EPMU6	FFCB 4.250 06/15/2026	100.00000	06/15/2026	06/15/2026	30,000,000	30,000,000	-	30,000,000
57680	Maturity	3133EPMU6	FFCB 4.250 06/15/2026	100.00000	06/15/2026	06/15/2026	20,000,000	20,000,000	-	20,000,000
57683	Maturity	3133EPMU6	FFCB 4.250 06/15/2026	100.00000	06/15/2026	06/15/2026	24,700,000	24,700,000	-	24,700,000
58951	Maturity	62479MFF5	MUFGBK 0.000 06/15/2026	100.00000	06/15/2026	06/15/2026	65,000,000	65,000,000	-	65,000,000
58946	Maturity	89115DNV4	TDNY 3.780 06/15/2026	100.00000	06/15/2026	06/15/2026	100,000,000	100,000,000	-	100,000,000
58726	Maturity	96130AC22	WSTNY 4.320 06/15/2026	100.00000	06/15/2026	06/15/2026	100,000,000	100,000,000	-	100,000,000
58995	Maturity	912797UA3	B 0.000 06/16/2026	100.00000	06/16/2026	06/16/2026	25,000,000	25,000,000	-	25,000,000
58829	Maturity	06367DSV8	BMOCHG 3.980 06/17/2026	100.00000	06/17/2026	06/17/2026	55,000,000	55,000,000	-	55,000,000
59146	Maturity	14912EFH5	CATFIN 0.000 06/17/2026	100.00000	06/17/2026	06/17/2026	48,000,000	48,000,000	-	48,000,000
58920	Maturity	62479MFJ7	MUFGBK 0.000 06/18/2026	100.00000	06/18/2026	06/18/2026	15,000,000	15,000,000	-	15,000,000
59136	Maturity	02314QFN4	AMZN 0.000 06/22/2026	100.00000	06/22/2026	06/22/2026	34,730,000	34,730,000	-	34,730,000
59143	Maturity	14912EFN2	CATFIN 0.000 06/22/2026	100.00000	06/22/2026	06/22/2026	25,000,000	25,000,000	-	25,000,000
59144	Maturity	14912EFP7	CATFIN 0.000 06/23/2026	100.00000	06/23/2026	06/23/2026	25,000,000	25,000,000	-	25,000,000
57686	Maturity	3133EPNG6	FFCB 4.375 06/23/2026	100.00000	06/23/2026	06/23/2026	50,000,000	50,000,000	-	50,000,000
57687	Maturity	3133EPNG6	FFCB 4.375 06/23/2026	100.00000	06/23/2026	06/23/2026	25,000,000	25,000,000	-	25,000,000
57688	Maturity	3133EPNG6	FFCB 4.375 06/23/2026	100.00000	06/23/2026	06/23/2026	25,000,000	25,000,000	-	25,000,000
58917	Maturity	62479MFP3	MUFGBK 0.000 06/23/2026	100.00000	06/23/2026	06/23/2026	50,000,000	50,000,000	-	50,000,000
58921	Maturity	89115DK96	TDNY 3.850 06/23/2026	100.00000	06/23/2026	06/23/2026	50,000,000	50,000,000	-	50,000,000
58918	Maturity	62479MFV0	MUFGBK 0.000 06/29/2026	100.00000	06/29/2026	06/29/2026	25,000,000	25,000,000	-	25,000,000
47078	Maturity	91282CCJ8	T 0.875 06/30/2026	100.00000	06/30/2026	06/30/2026	50,000,000	50,000,000	-	50,000,000
47096	Maturity	91282CCJ8	T 0.875 06/30/2026	100.00000	06/30/2026	06/30/2026	50,000,000	50,000,000	-	50,000,000
47099	Maturity	91282CCJ8	T 0.875 06/30/2026	100.00000	06/30/2026	06/30/2026	50,000,000	50,000,000	-	50,000,000
47101	Maturity	91282CCJ8	T 0.875 06/30/2026	100.00000	06/30/2026	06/30/2026	50,000,000	50,000,000	-	50,000,000
47113	Maturity	91282CCJ8	T 0.875 06/30/2026	100.00000	06/30/2026	06/30/2026	50,000,000	50,000,000	-	50,000,000
47124	Maturity	91282CCJ8	T 0.875 06/30/2026	100.00000	06/30/2026	06/30/2026	50,000,000	50,000,000	-	50,000,000
47165	Maturity	91282CCJ8	T 0.875 06/30/2026	100.00000	06/30/2026	06/30/2026	50,000,000	50,000,000	-	50,000,000
47175	Maturity	91282CCJ8	T 0.875 06/30/2026	100.00000	06/30/2026	06/30/2026	50,000,000	50,000,000	-	50,000,000
47275	Maturity	91282CCJ8	T 0.875 06/30/2026	100.00000	06/30/2026	06/30/2026	50,000,000	50,000,000	-	50,000,000
58923	Maturity	91282CKY6	T 4.625 06/30/2026	100.00000	06/30/2026	06/30/2026	100,000,000	100,000,000	-	100,000,000
Activity Total							**1,909,960,000**	**1,909,960,000**	**-**	**1,909,960,000**

Interest Received
Pooled Fund

Accounting ID	Transaction Type	Cusip	Description	Date Posted	Interest Received	Purchased Interest Adjustment	Net Interest
58690	Interest Income	3133ETJV0	FFCB 4.000 11/30/2029	06/01/2026	300,000.00	0.00	300,000.00
58692	Interest Income	3133ETJV0	FFCB 4.000 11/30/2029	06/01/2026	460,000.00	0.00	460,000.00
58761	Interest Income	06367DRZ0	BMOCHG 4.170 06/01/2026	06/01/2026	3,475,000.00	0.00	3,475,000.00
58901	Interest Income	91282CHF1	T 3.750 05/31/2030	06/01/2026	1,218,750.00	53,571.43	1,165,178.57
47226	Interest Income	91282CDK4	T 1.250 11/30/2026	06/01/2026	312,500.00	0.00	312,500.00
47237	Interest Income	91282CDK4	T 1.250 11/30/2026	06/01/2026	312,500.00	0.00	312,500.00
47333	Interest Income	91282CDK4	T 1.250 11/30/2026	06/01/2026	312,500.00	0.00	312,500.00
58430	Interest Income	91282CKT7	T 4.500 05/31/2029	06/01/2026	1,125,000.00	0.00	1,125,000.00
58715	Interest Income	3130B6R24	FHLB 3.875 06/04/2027	06/04/2026	319,687.50	0.00	319,687.50
58716	Interest Income	3130B6R24	FHLB 3.875 06/04/2027	06/04/2026	193,750.00	0.00	193,750.00
58717	Interest Income	3130B6R24	FHLB 3.875 06/04/2027	06/04/2026	387,500.00	0.00	387,500.00
58718	Interest Income	3130B6R24	FHLB 3.875 06/04/2027	06/04/2026	251,875	0	251,875
58719	Interest Income	3130B6R24	FHLB 3.875 06/04/2027	06/04/2026	697,500	0	697,500
58702	Interest Income	24422EYD5	DE 4.250 06/05/2028	06/05/2026	531,250	0	531,250
58704	Interest Income	3133ETJZ1	FFCB 3.875 06/05/2028	06/05/2026	484,375	0	484,375
58714	Interest Income	3133ETJZ1	FFCB 3.875 06/05/2028	06/05/2026	142,794	0	142,794
58759	Interest Income	3130B1BC0	FHLB 4.625 06/08/2029	06/08/2026	224,428	0	224,428
59147	Interest Income	3130AWN30	FHLB 4.375 06/08/2029	06/08/2026	295,313	290,391	4,922
58000	Interest Income	3133ERGL9	FFCB 4.500 06/07/2028	06/08/2026	337,500	0	337,500
58038	Interest Income	3133ERGL9	FFCB 4.500 06/07/2028	06/08/2026	450,000	0	450,000
58040	Interest Income	3133ERGL9	FFCB 4.500 06/07/2028	06/08/2026	336,015	0	336,015
58672	Interest Income	3130AWC24	FHLB 4.000 06/09/2028	06/09/2026	200,000	0	200,000
58812	Interest Income	06367DSQ9	BMOCHG 4.000 06/09/2026	06/09/2026	1,395,333	0	1,395,333
58707	Interest Income	3133ETKQ9	FFCB 4.000 06/10/2030	06/10/2026	400,000	0	400,000
58708	Interest Income	3133ETKQ9	FFCB 4.000 06/10/2030	06/10/2026	200,000	0	200,000
58728	Interest Income	3133ETKQ9	FFCB 4.000 06/10/2030	06/10/2026	500,000	0	500,000
58742	Interest Income	3133ETKQ9	FFCB 4.000 06/10/2030	06/10/2026	300,000	0	300,000
58743	Interest Income	3133ETKQ9	FFCB 4.000 06/10/2030	06/10/2026	195,000	0	195,000
58495	Interest Income	3133ERJ51	FFCB 4.125 12/10/2027	06/10/2026	790,824	0	790,824
58496	Interest Income	3133ERJ51	FFCB 4.125 12/10/2027	06/10/2026	526,041	0	526,041
58497	Interest Income	3133ERJ51	FFCB 4.125 12/10/2027	06/10/2026	433,125	0	433,125
58500	Interest Income	3133ERJ51	FFCB 4.125 12/10/2027	06/10/2026	680,625	0	680,625
47409	Interest Income	3130ASGU7	FHLB 3.500 06/11/2027	06/11/2026	216,563	0	216,563
47410	Interest Income	3130ASGU7	FHLB 3.500 06/11/2027	06/11/2026	175,000	0	175,000
47411	Interest Income	3130ASGU7	FHLB 3.500 06/11/2027	06/11/2026	380,188	0	380,188
57937	Interest Income	3130AX4E5	FHLB 4.500 06/11/2027	06/11/2026	247,500	0	247,500
58033	Interest Income	3133ERGS4	FFCB 4.250 06/11/2029	06/11/2026	212,500	0	212,500
58034	Interest Income	3133ERGS4	FFCB 4.250 06/11/2029	06/11/2026	212,500	0	212,500
58035	Interest Income	3133ERGS4	FFCB 4.250 06/11/2029	06/11/2026	425,000	0	425,000
58036	Interest Income	3133ERGS4	FFCB 4.250 06/11/2029	06/11/2026	212,500	0	212,500
58037	Interest Income	3133ERGS4	FFCB 4.250 06/11/2029	06/11/2026	616,250	0	616,250
58066	Interest Income	3130B1EF0	FHLB 4.625 06/11/2027	06/11/2026	478,688	0	478,688

Interest Received
Pooled Fund

Accounting ID	Transaction Type	Cusip	Description	Date Posted	Interest Received	Purchased Interest Adjustment	Net Interest
57657	Interest Income	3130AVWS7	FHLB 3.750 06/12/2026	06/12/2026	319,594	0	319,594
57665	Interest Income	3130AVWS7	FHLB 3.750 06/12/2026	06/12/2026	375,000	0	375,000
57671	Interest Income	3130AWAH3	FHLB 4.000 06/12/2026	06/12/2026	300,000	0	300,000
57672	Interest Income	3130AWAH3	FHLB 4.000 06/12/2026	06/12/2026	200,000	0	200,000
57701	Interest Income	3130AWLZ1	FHLB 4.750 06/12/2026	06/12/2026	1,187,500	0	1,187,500
58022	Interest Income	3130B1BT3	FHLB 4.875 06/12/2026	06/12/2026	328,697	0	328,697
58023	Interest Income	3133ERHD6	FFCB 4.875 06/12/2026	06/12/2026	780,000	0	780,000
58024	Interest Income	3133ERHD6	FFCB 4.875 06/12/2026	06/12/2026	487,500	0	487,500
58676	Interest Income	91282CKV2	T 4.625 06/15/2027	06/15/2026	1,156,250	0	1,156,250
58726	Interest Income	96130AC22	WSTNY 4.320 06/15/2026	06/15/2026	4,320,000	0	4,320,000
58727	Interest Income	3130AWGS3	FHLB 4.125 06/14/2030	06/15/2026	330,000	0	330,000
58735	Interest Income	91282CKV2	T 4.625 06/15/2027	06/15/2026	1,156,250	0	1,156,250
58744	Interest Income	91282CKV2	T 4.625 06/15/2027	06/15/2026	1,156,250	0	1,156,250
58746	Interest Income	3130AWGS3	FHLB 4.125 06/14/2030	06/15/2026	258,122	0	258,122
58755	Interest Income	91282CKV2	T 4.625 06/15/2027	06/15/2026	1,156,250	0	1,156,250
58780	Interest Income	06367DS97	BMOCHG 4.200 06/15/2026	06/15/2026	3,511,667	0	3,511,667
58813	Interest Income	06367DSR7	BMOCHG 4.000 06/15/2026	06/15/2026	1,674,000	0	1,674,000
58893	Interest Income	3130AWMP2	FHLB 4.375 06/14/2030	06/15/2026	678,125	0	678,125
58896	Interest Income	91282CNH0	T 3.875 06/15/2028	06/15/2026	968,750	0	968,750
58903	Interest Income	91282CMB4	T 4.000 12/15/2027	06/15/2026	1,000,000	0	1,000,000
58946	Interest Income	89115DNV4	TDNY 3.780 06/15/2026	06/15/2026	1,690,500	0	1,690,500
58966	Interest Income	91282CNH0	T 3.875 06/15/2028	06/15/2026	968,750	159,684	809,066
59074	Interest Income	3136GD3W1	FNMA 4.250 06/15/2029	06/15/2026	354,167	0	354,167
59075	Interest Income	3136GD3W1	FNMA 4.250 06/15/2029	06/15/2026	177,083	0	177,083
59076	Interest Income	3136GD3W1	FNMA 4.250 06/15/2029	06/15/2026	177,083	0	177,083
59077	Interest Income	3136GD3W1	FNMA 4.250 06/15/2029	06/15/2026	177,083	0	177,083
59078	Interest Income	3136GD3W1	FNMA 4.250 06/15/2029	06/15/2026	177,083	0	177,083
59103	Interest Income	3136GD5K5	FNMA 4.125 06/15/2029	06/15/2026	146,094	0	146,094
59104	Interest Income	3136GD5K5	FNMA 4.125 06/15/2029	06/15/2026	146,094	0	146,094
59105	Interest Income	3136GD5K5	FNMA 4.125 06/15/2029	06/15/2026	146,094	0	146,094
59106	Interest Income	3136GD5K5	FNMA 4.125 06/15/2029	06/15/2026	146,094	0	146,094
59107	Interest Income	3136GD5K5	FNMA 4.125 06/15/2029	06/15/2026	292,188	0	292,188
59148	Interest Income	91282CNH0	T 3.875 06/15/2028	06/15/2026	968,750	915,522	53,228
57679	Interest Income	3133EPMU6	FFCB 4.250 06/15/2026	06/15/2026	637,500	0	637,500
57680	Interest Income	3133EPMU6	FFCB 4.250 06/15/2026	06/15/2026	425,000	0	425,000
57681	Interest Income	3133EPMV4	FFCB 4.125 06/15/2027	06/15/2026	596,888	0	596,888
57683	Interest Income	3133EPMU6	FFCB 4.250 06/15/2026	06/15/2026	524,875	0	524,875
58039	Interest Income	91282CKV2	T 4.625 06/15/2027	06/15/2026	1,156,250	0	1,156,250
58067	Interest Income	91282CKV2	T 4.625 06/15/2027	06/15/2026	1,156,250	0	1,156,250
58101	Interest Income	459058KJ1	IBRD 3.125 06/15/2027	06/15/2026	192,608	0	192,608
58415	Interest Income	91282CKV2	T 4.625 06/15/2027	06/15/2026	1,156,250	0	1,156,250
58492	Interest Income	91282CMB4	T 4.000 12/15/2027	06/15/2026	1,000,000	0	1,000,000

Interest Received
Pooled Fund

Accounting ID	Transaction Type	Cusip	Description	Date Posted	Interest Received	Purchased Interest Adjustment	Net Interest
58493	Interest Income	91282CMB4	T 4.000 12/15/2027	06/15/2026	1,000,000	0	1,000,000
58737	Interest Income	3133ETLM7	FFCB 4.000 06/17/2030	06/17/2026	820,000	0	820,000
58738	Interest Income	3133ETLM7	FFCB 4.000 06/17/2030	06/17/2026	300,000	0	300,000
58739	Interest Income	3133ETLM7	FFCB 4.000 06/17/2030	06/17/2026	201,400	0	201,400
58745	Interest Income	3133ETLM7	FFCB 4.000 06/17/2030	06/17/2026	338,880	0	338,880
58829	Interest Income	06367DSV8	BMOCHG 3.980 06/17/2026	06/17/2026	1,617,428	0	1,617,428
58932	Interest Income	3133ET5B9	FFCB 3.500 12/22/2026	06/22/2026	787,500	0	787,500
58933	Interest Income	3133ET5B9	FFCB 3.500 12/22/2026	06/22/2026	647,500	0	647,500
58934	Interest Income	3133ET5B9	FFCB 3.500 12/22/2026	06/22/2026	262,500	0	262,500
58908	Interest Income	3134HCFX2	FHLMC 4.175 12/23/2030	06/23/2026	1,043,750	0	1,043,750
58909	Interest Income	3134HCFX2	FHLMC 4.175 12/23/2030	06/23/2026	521,875	0	521,875
58910	Interest Income	3134HCFX2	FHLMC 4.175 12/23/2030	06/23/2026	521,875	0	521,875
58911	Interest Income	3134HCFX2	FHLMC 4.175 12/23/2030	06/23/2026	521,875	0	521,875
58916	Interest Income	3134HCFX2	FHLMC 4.175 12/23/2030	06/23/2026	480,125	0	480,125
58921	Interest Income	89115DK96	TDNY 3.850 06/23/2026	06/23/2026	1,037,361	0	1,037,361
57686	Interest Income	3133EPNG6	FFCB 4.375 06/23/2026	06/23/2026	1,093,750	0	1,093,750
57687	Interest Income	3133EPNG6	FFCB 4.375 06/23/2026	06/23/2026	546,875	0	546,875
57688	Interest Income	3133EPNG6	FFCB 4.375 06/23/2026	06/23/2026	546,875	0	546,875
58937	Interest Income	3134HCKN8	FHLMC 4.035 06/24/2030	06/24/2026	504,375	0	504,375
58938	Interest Income	3134HCKN8	FHLMC 4.035 06/24/2030	06/24/2026	504,375	0	504,375
58939	Interest Income	3134HCKN8	FHLMC 4.035 06/24/2030	06/24/2026	504,375	0	504,375
58940	Interest Income	3134HCKN8	FHLMC 4.035 06/24/2030	06/24/2026	1,008,750.00	0.00	1,008,750.00
58941	Interest Income	3134HCKN8	FHLMC 4.035 06/24/2030	06/24/2026	504,375.00	0.00	504,375.00
47402	Interest Income	3133ENZK9	FFCB 3.240 06/28/2027	06/29/2026	451,413.00	0.00	451,413.00
58041	Interest Income	3133ERJZ5	FFCB 4.500 06/28/2027	06/29/2026	675,000.00	0.00	675,000.00
47099	Interest Income	91282CCJ8	T 0.875 06/30/2026	06/30/2026	218,750.00	0.00	218,750.00
47101	Interest Income	91282CCJ8	T 0.875 06/30/2026	06/30/2026	218,750.00	0.00	218,750.00
47113	Interest Income	91282CCJ8	T 0.875 06/30/2026	06/30/2026	218,750.00	0.00	218,750.00
58756	Interest Income	91282CEW7	T 3.250 06/30/2027	06/30/2026	812,500.00	0.00	812,500.00
47124	Interest Income	91282CCJ8	T 0.875 06/30/2026	06/30/2026	218,750.00	0.00	218,750.00
58886	Interest Income	91282CEW7	T 3.250 06/30/2027	06/30/2026	812,500.00	0.00	812,500.00
47165	Interest Income	91282CCJ8	T 0.875 06/30/2026	06/30/2026	218,750.00	0.00	218,750.00
58923	Interest Income	91282CKY6	T 4.625 06/30/2026	06/30/2026	2,312,500.00	0.00	2,312,500.00
58950	Interest Income	91282CPR6	T 3.625 12/31/2030	06/30/2026	1,087,500.00	42,058.01	1,045,441.99
58971	Interest Income	91282CPR6	T 3.625 12/31/2030	06/30/2026	906,250.00	80,110.50	826,139.50
58974	Interest Income	91282CPR6	T 3.625 12/31/2030	06/30/2026	906,250.00	100,138.12	806,111.88
47175	Interest Income	91282CCJ8	T 0.875 06/30/2026	06/30/2026	218,750.00	0.00	218,750.00
59151	Interest Income	91282CHK0	T 4.000 06/30/2028	06/30/2026	1,000,000.00	878,453.04	121,546.96
47275	Interest Income	91282CCJ8	T 0.875 06/30/2026	06/30/2026	218,750.00	0.00	218,750.00
47330	Interest Income	91282CDQ1	T 1.250 12/31/2026	06/30/2026	312,500.00	0.00	312,500.00
57826	Interest Income	91282CHK0	T 4.000 06/30/2028	06/30/2026	1,000,000.00	0.00	1,000,000.00
57833	Interest Income	91282CHK0	T 4.000 06/30/2028	06/30/2026	1,000,000.00	0.00	1,000,000.00

Interest Received

Pooled Fund

Accounting ID	Transaction Type	Cusip	Description	Date Posted	Interest Received	Purchased Interest Adjustment	Net Interest
57834	Interest Income	91282CHK0	T 4.000 06/30/2028	06/30/2026	1,000,000.00	0.00	1,000,000.00
57845	Interest Income	91282CHK0	T 4.000 06/30/2028	06/30/2026	1,000,000.00	0.00	1,000,000.00
57861	Interest Income	91282CHK0	T 4.000 06/30/2028	06/30/2026	1,000,000.00	0.00	1,000,000.00
57879	Interest Income	91282CEW7	T 3.250 06/30/2027	06/30/2026	812,500.00	0.00	812,500.00
57892	Interest Income	91282CEW7	T 3.250 06/30/2027	06/30/2026	812,500.00	0.00	812,500.00
57935	Interest Income	91282CHK0	T 4.000 06/30/2028	06/30/2026	1,000,000.00	0.00	1,000,000.00
58391	Interest Income	91282CEW7	T 3.250 06/30/2027	06/30/2026	812,500.00	0.00	812,500.00
47078	Interest Income	91282CCJ8	T 0.875 06/30/2026	06/30/2026	218,750.00	0.00	218,750.00
47096	Interest Income	91282CCJ8	T 0.875 06/30/2026	06/30/2026	218,750.00	0.00	218,750.00
Activity Total					**89,720,992**	**2,519,928**	**87,201,065**

Cash Activity
Pooled Fund

Accounting ID	Description	Activity Date	Transaction	Amount
608919718	Federated Hermes Govt Obligations Fund	06/01/2026	Withdrawal	-150,000,000
61747C319	Morgan Stanley Institutional Liquidity Fund	06/02/2026	Deposit	65,000,000
608919718	Federated Hermes Govt Obligations Fund	06/03/2026	Withdrawal	-95,000,000
608919718	Federated Hermes Govt Obligations Fund	06/04/2026	Withdrawal	-105,000,000
31607A703	Fidelity Govt Portfolio	06/05/2026	Deposit	10,000,000
61747C319	Morgan Stanley Institutional Liquidity Fund	06/05/2026	Withdrawal	-135,000,000
61747C319	Morgan Stanley Institutional Liquidity Fund	06/08/2026	Withdrawal	-125,000,000
61747C319	Morgan Stanley Institutional Liquidity Fund	06/10/2026	Withdrawal	-40,000,000
608919718	Federated Hermes Govt Obligations Fund	06/11/2026	Withdrawal	-10,000,000
608919718	Federated Hermes Govt Obligations Fund	06/12/2026	Deposit	100,000,000
608919718	Federated Hermes Govt Obligations Fund	06/15/2026	Withdrawal	-85,000,000
31607A703	Fidelity Govt Portfolio	06/16/2026	Withdrawal	-115,000,000
31607A703	Fidelity Govt Portfolio	06/17/2026	Deposit	105,000,000
608919718	Federated Hermes Govt Obligations Fund	06/17/2026	Deposit	75,000,000
85749T517	State Street Institutional U.S. Govt MMF	06/17/2026	Deposit	200,000,000
61747C319	Morgan Stanley Institutional Liquidity Fund	06/17/2026	Deposit	200,000,000
608919718	Federated Hermes Govt Obligations Fund	06/18/2026	Withdrawal	-135,000,000
61747C319	Morgan Stanley Institutional Liquidity Fund	06/18/2026	Withdrawal	-150,000,000
85749T517	State Street Institutional U.S. Govt MMF	06/22/2026	Withdrawal	-100,000,000
61747C319	Morgan Stanley Institutional Liquidity Fund	06/22/2026	Withdrawal	-80,000,000
608919718	Federated Hermes Govt Obligations Fund	06/24/2026	Deposit	20,000,000
61747C319	Morgan Stanley Institutional Liquidity Fund	06/24/2026	Deposit	80,000,000
61747C319	Morgan Stanley Institutional Liquidity Fund	06/25/2026	Deposit	45,000,000
85749T517	State Street Institutional U.S. Govt MMF	06/26/2026	Deposit	50,000,000
61747C319	Morgan Stanley Institutional Liquidity Fund	06/29/2026	Deposit	45,000,000
09248U718	BlackRock Liquidity Funds T-Fund	06/30/2026	Deposit	100,000,000
09248U718	BlackRock Liquidity Funds T-Fund	06/30/2026	Interest Received	52,723
31607A703	Fidelity Govt Portfolio	06/30/2026	Interest Received	1,873,286
608919718	Federated Hermes Govt Obligations Fund	06/30/2026	Deposit	155,000,000
608919718	Federated Hermes Govt Obligations Fund	06/30/2026	Interest Received	280,190
262006208	Dreyfus Government Cash Management	06/30/2026	Interest Received	44,633
85749T517	State Street Institutional U.S. Govt MMF	06/30/2026	Deposit	150,000,000
85749T517	State Street Institutional U.S. Govt MMF	06/30/2026	Interest Received	314,737
61747C319	Morgan Stanley Institutional Liquidity Fund	06/30/2026	Deposit	150,000,000
61747C319	Morgan Stanley Institutional Liquidity Fund	06/30/2026	Interest Received	453,514
0660P0999	Bank of America TTX INV Deposit Acct	06/30/2026	Interest Received	494,621
Activity Total				**228,513,704**

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APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this APPENDIX G has been provided by DTC for use in securities offering documents, and 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 will distribute to the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in 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 "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this appendix, "Securities" means the Bonds, "Issuer" means the District, and "Agent" means the Paying Agent. The District notes that it will issue one fully registered certificate for each maturity of the Bonds in the principal amount of such maturity, and suggests that this is what the first numbered paragraph below intends to convey.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and

Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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.

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

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions and dividend payments on the Securities 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 Issuer or 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, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and

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

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

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

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