

NEW ISSUE - FULL BOOK-ENTRY

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

In the opinion of Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Irvine, California, Bond Counsel, subject, however, to certain qualifications described herein, under 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 Bonds (including any original issue discount properly allocable to the Owner thereof) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended ("Code"). In the further opinion of Bond Counsel interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel interest on the Bonds is exempt from personal income taxation imposed by the State of California. Bond Counsel expresses no other opinion regarding or concerning any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on the Bonds. See "TAX MATTERS" herein.

\$39,715,000*

DEL MAR UNION SCHOOL DISTRICT
(San Diego County, California)

General Obligation Bonds, 2018 Election, Series 2026 D

Dated: Date of Delivery

Due: August 1, as shown on inside front cover

Authority and Purpose. The above-captioned General Obligation Bonds, 2018 Election, Series 2026 D (the "Bonds") are being issued by Del Mar Union School District (the "District") pursuant to certain provisions of the California Government Code, a resolution of the Board of Trustees of the District adopted on September 9, 2026, and related California law. The Bonds were authorized at an election of the registered voters of the District held on November 6, 2018, which authorized the issuance of up to \$186,000,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The Bonds are the fourth and final series of bonds to be issued under the 2018 Authorization (as defined herein). Following the issuance of the Bonds, there will be no unused authorization remaining under the 2018 Authorization. See "THE BONDS – Authority for Issuance" and "– Purpose of Issue" herein.

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

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

Payments. The Bonds are dated the date of delivery set forth below and accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing February 1, 2027. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, the designated paying agent, registrar and transfer agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

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

MATURITY SCHEDULE
(See inside cover)

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

*The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Bond Counsel to the District, and subject to certain other conditions. Jones Hall LLP is serving as Disclosure Counsel to the District. Kutak Rock LLP is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about October 7, 2026.**

STIFEL

The date of this Official Statement is _____, 2026.

*Preliminary; subject to change

MATURITY SCHEDULE*

DEL MAR UNION SCHOOL DISTRICT
(San Diego County, California)
General Obligation Bonds, 2018 Election, Series 2026 D

Base CUSIP†: 245145

\$_____ Serial Bonds

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				

\$_____ % Term Bonds maturing August 1, 20__; Yield: ____%;
CUSIP†: ____

**Preliminary; subject to change.*

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

DEL MAR UNION SCHOOL DISTRICT
(San Diego County, California)

BOARD OF TRUSTEES

Alan Kholos, Esq., *President*
Bill Porter, Ed.D., *Clerk*
Katherine Fitzpatrick, *Trustee*
Gee Wah Mok, Esq., *Trustee*
Doug Rafner, Esq., *Trustee*

DISTRICT ADMINISTRATION

Marisa Janicek, *Superintendent*
Christopher Delehanty, *Assistant Superintendent, Business Services*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc.
Irvine, California

BOND COUNSEL

Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation
Irvine, California

DISCLOSURE COUNSEL

Jones Hall LLP
San Mateo, California

UNDERWRITER'S COUNSEL

Kutak Rock LLP
Irvine, California

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

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

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

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

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

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

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

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

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

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\$39,715,000*
DEL MAR UNION SCHOOL DISTRICT
(San Diego County, California)
General Obligation Bonds, 2018 Election, Series 2026 D

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the general obligation bonds captioned above (the “**Bonds**”) by Del Mar Union School District (the “**District**”).

INTRODUCTION

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

The District. The District was established as a school district in 1906. The District is located in the northern coastal region of San Diego County (the “**County**”) in the State of California (the “**State**”), and encompasses approximately 14.6 square miles, serving the City of Del Mar and portions of the City of San Diego known as Del Mar Heights, Carmel Valley, Pacific Highlands Ranch, and Sorrento Hills. The District provides transitional kindergarten through sixth grade education services, currently maintaining nine elementary schools. Additionally, the District administers an early childhood development center and an after-school program. Enrollment in the District is budgeted for approximately 3,231 students for fiscal year 2026-27. For purposes of education funding, the District is a “**Basic Aid**” District or “**Community Funded**” District, meaning that the District’s share of local property taxes exceeds its funding entitlement under the State’s education funding formula.

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

Purpose of Issue. The net proceeds of the Bonds will be used to finance the renovation, construction and improvement of District facilities, as approved by voters in the District at an election held on November 6, 2018 (the “**Bond Election**”). See “THE BONDS - Purpose of Issue” herein.

Authority for Issuance of the Bonds. Issuance of the Bonds was approved by more than the requisite 55% of the voters of the District voting at the Bond Election to authorize the issuance of up to \$186,000,000 of general obligation bonds, and will be issued pursuant to certain provisions of the California Government Code, related State law and a resolution adopted by the Board of Trustees of the District on September 9, 2026 (the “**Bond Resolution**”). See “THE BONDS – Authority for Issuance” herein.

Description of the Bonds. The Bonds will be issued as current interest bonds. The Bonds will be dated their date of delivery (the “**Dated Date**”) and will be issued as fully registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple thereof. The Bonds will

^{*} Preliminary; subject to change.

mature on August 1 in the years indicated on the inside cover page hereof. The Bonds will accrue interest from the Dated Date, which is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2027. See “THE BONDS – Description of the Bonds” herein.

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

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

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

Following the issuance of the Bonds, there will be no unused authorization remaining under the 2018 Authorization* (as defined herein). See “FINANCIAL INFORMATION - Existing Debt Obligations” in APPENDIX A.

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

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

Tax Matters. In the opinion of Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Irvine, California, Bond Counsel, subject, however, to certain qualifications described herein, under 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 Bonds (including any original issue discount properly allocable to the Owner thereof) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (“**Code**”). In the further opinion of Bond Counsel interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel interest on the Bonds is exempt from personal income taxation imposed by the State. Bond Counsel expresses no other opinion regarding or concerning any other

* Preliminary; subject to change.

tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Set forth in APPENDIX D, attached hereto, is the form of opinion Bond Counsel is expected to deliver in connection with the issuance of the Bonds. For a more complete discussion of such opinion and certain other tax consequences incident to the ownership of the Bonds, including certain exceptions to the tax treatment of interest paid on the Bonds, see “TAX MATTERS” herein.

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

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

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

END OF INTRODUCTION

THE BONDS

Authority for Issuance

The Bonds are being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof, related State law, and the Bond Resolution. The District received authorization by more than the requisite 55% of District voters at the Bond Election to issue general obligation bonds in a principal amount of up to \$186,000,000 (the “**2018 Authorization**”).

On October 16, 2019, the District issued its General Obligation Bonds, 2018 Election, Series 2019 A, in an aggregate principal amount of \$55,285,000. On May 25, 2022, the District issued its General Obligation Bonds, 2018 Election, Series 2022 B, in an aggregate principal amount of \$64,000,000. On October 31, 2024, the District issued its General Obligation Bonds, 2018 Election, Series 2024 C, in an aggregate principal amount of \$27,000,000. The Bonds are the fourth and final series of bonds issued pursuant to the 2018 Authorization. Following the issuance of the Bonds, there will be no unused authorization remaining under the 2018 Authorization*.

Purpose of Issue

Proceeds of the Bonds will be used for the purposes specified in the ballot measure approved by voters in the District on November 6, 2018, the abbreviated text of which appeared on the ballot as follows:

“To improve Del Mar neighborhood elementary schools, repair/upgrade/reconstruct deteriorated school facilities, plumbing, roofs, electrical systems, renovate classrooms supporting science, engineering, math, arts instruction; improve safety/security and technology infrastructure; and construct/equip a new elementary school; shall Del Mar Union School District issue \$186 million in bonds at legal rates, raising \$10.4 million annually over 32 years at approximately 3 cents per \$100 of assessed value, with independent citizens’ oversight, mandatory audits, all money for Del Mar K-6 schools?”

In addition to the abbreviated statement of the ballot measure, included as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of ballot measure, which, among other items, included a project list identifying to District voters the projects eligible for funding from proceeds of bonds approved at the Bond Election (the “**Project List**”). The District makes no representation as to the specific application of the proceeds of the Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2018 Authorization will provide sufficient funds to complete any particular project listed in the Project List.

Description of the Bonds

The Bonds are being issued as current interest bonds. The Bonds mature in the years and in the amounts set forth on the inside cover page hereof. Interest on the Bonds will be computed based on a 360-day year of twelve 30-day months. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See “Book-Entry Only System” and APPENDIX F.

*Preliminary; subject to change.

The Bonds shall be issued in the denominations of \$5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2027 (each, an “**Interest Payment Date**”). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the 15th day of the month preceding the Interest Payment Date (each, a “**Record Date**”), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to January 15, 2027, in which event it will bear interest from the date of delivery of the Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as the designated paying agent, registrar, authentication agent and transfer agent (the “**Paying Agent**”) to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

Book-Entry Only System

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

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

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

Redemption*

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

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

** Preliminary; subject to change.*

(principal amount), and any such portion may be separately redeemed. The Bonds may all be separately redeemed.

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

Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption
---------------------------------------	------------------------------------

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

Notice of Redemption

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

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

Partial Redemption of Bonds

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

Effect of Redemption

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

Right to Rescind Notice of Redemption

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

Registration, Transfer and Exchange of Bonds

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

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

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

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

Defeasance and Discharge of Bonds

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

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

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

- (i) Cash: by irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, together with the interest to accrue thereon, be fully sufficient to pay and discharge the designated Bonds (including all principal and interest represented thereby and redemption premiums, if any) at or before their maturity date; or
- (ii) Defeasance Securities: By irrevocably depositing with a bank or trust company, in escrow, non-callable Defeasance Securities, permitted under Section 149(d) of the Code thereto together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, be fully sufficient to pay and discharge the designated Outstanding maturities of the Bonds (including all Principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such designated maturities of Bonds shall not have been surrendered for payment, all obligations of the District or the County with respect to such Outstanding maturities of Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (i) or ii) above, to the Owners of the Bonds of such maturities designated for redemption not so surrendered and paid all sums due with respect thereto.

“Defeasance Securities” means Direct and general obligations of the United States of America (including State and Local Government Series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidence of direct ownership or proportionate interests in future interest or principal payments of such obligations.

DEBT SERVICE SCHEDULES

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

**Del Mar Union School District
General Obligation Bonds, 2018 Election, Series 2026 D
Debt Service Schedule**

Bond Year Ending (August 1)	Principal	Interest	Total Annual Debt Service
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
TOTAL			

Combined General Obligation Bonds. The following table shows the combined annual debt service schedule with respect to all outstanding general obligation bonds of the District secured by *ad valorem* property taxes, assuming no optional redemptions. See “FINANCIAL INFORMATION – Existing Debt Obligations” in APPENDIX A for additional information.

Period Ending (August 1)	2018 Election, Series 2019 A Bonds	2018 Election, Series 2022 B Bonds	2018 Election, Series 2024 C Bonds	2018 Election, Series 2026 D Bonds	Total Outstanding Debt Service
2027	\$2,183,118.76	\$2,819,750.00	\$2,484,800.00		
2028	2,268,718.76	2,933,500.00	1,014,800.00		
2029	2,359,518.76	3,050,500.00	1,014,800.00		
2030	2,455,118.76	3,170,250.00	1,014,800.00		
2031	2,555,118.76	3,292,250.00	1,049,800.00		
2032	2,654,118.76	3,426,000.00	1,093,050.00		
2033	2,761,918.76	3,565,500.00	1,134,050.00		
2034	2,872,918.76	3,705,000.00	1,182,800.00		
2035	2,986,718.76	3,854,000.00	1,228,800.00		
2036	3,107,918.76	4,011,500.00	1,272,050.00		
2037	3,233,918.76	4,166,500.00	1,327,550.00		
2038	3,359,068.76	4,338,500.00	1,379,550.00		
2039	3,496,693.76	4,511,000.00	1,433,050.00		
2040	3,635,568.76	4,692,800.00	1,487,800.00		
2041	3,778,800.00	4,877,600.00	1,553,550.00		
2042	3,931,950.00	5,074,800.00	1,614,550.00		
2043	4,089,400.00	5,278,400.00	1,675,800.00		
2044	4,253,900.00	5,487,600.00	1,745,800.00		
2045	--	8,471,600.00	3,471,600.00		
2046	--	8,808,800.00	3,611,800.00		
2047	--	--	12,922,000.00		
2048	--	--	--		
TOTAL	\$55,984,487.64	\$89,535,850.00	\$44,712,800.00		

SOURCES AND USES OF FUNDS

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

Sources of Funds

Principal Amount of Bonds

[Net] Original Issue [Premium]/[Discount]

Total Sources

Uses of Funds

Building Fund

Debt Service Fund ⁽¹⁾

Costs of Issuance Fund ⁽²⁾

Total Uses

(1) Represents capitalized interest on the Bonds for a limited period of time.

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

SECURITY FOR THE BONDS

Ad Valorem Taxes

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

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

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

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

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

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

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

Building Fund

Proceeds from the sale of the Bonds, to the extent of the principal amount thereof, will be paid to the County to the credit of the fund created and established in the Bond Resolution and known as the “2018 Election, Series 2026 D Building Fund” (the “**Building Fund**”), which will be accounted for as separate and distinct from all other District and County funds. The proceeds will be used solely for the purposes for which the Bonds are being issued and for payment of permissible costs of issuance. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds. If, after payment in full of the Bonds, there remains excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Interest earnings on the investment of monies held in the Building Fund will be retained in the Building Fund.

Debt Service Fund

Amounts to pay debt service on the Bonds will be held in the fund created and established in the Bond Resolution and known as the “2018 Election, Series 2026 D Debt Service Fund” (the “**Debt Service Fund**”) for the Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the District and the County. All taxes levied by the County for the payment of the principal of and interest on the Bonds will be deposited in the Debt Service Fund by the County promptly upon the receipt. The Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Bonds when and as the same become due. The County will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest on the Bonds as the same becomes due and payable.

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

Not a County Obligation

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

PROPERTY TAXATION

Property Tax Collection Procedures

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

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

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

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

Taxation of State-Assessed Utility Property

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

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

Assessed Valuation

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

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

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

DEL MAR UNION SCHOOL DISTRICT Assessed Valuation Fiscal Years 2013-14 through 2026-27

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2013-14	\$13,539,018,856	\$0	\$180,128,743	\$13,719,147,599	--%
2014-15	14,258,198,421	0	182,533,348	14,440,731,769	5.3
2015-16	15,207,124,506	0	191,385,015	15,398,509,521	6.6
2016-17	16,372,792,888	0	195,904,666	16,568,697,554	7.6
2017-18	17,524,762,116	0	199,956,060	17,724,718,176	7.0
2018-19	18,773,261,498	0	186,209,325	18,959,470,823	7.0
2019-20	19,745,677,294	0	191,204,694	19,936,881,988	5.2
2020-21	20,446,111,913	0	204,929,603	20,651,041,516	3.6
2021-22	21,035,660,070	0	144,170,613	21,179,830,683	2.6
2022-23	22,372,109,378	0	191,474,430	22,563,583,808	6.5
2023-24	23,534,661,428	0	240,438,093	23,775,099,521	5.4
2024-25	24,842,676,946	0	273,400,265	25,116,077,211	5.6
2025-26	25,985,657,710	0	365,898,137	26,351,555,847	4.9
2026-27	27,211,468,539	0	374,870,116	27,586,338,655	4.7

Source: California Municipal Statistics, Inc.

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

Wildfires. According to the State, fire season is starting earlier and ending later each year, with the increased length of the season corresponding to an increase in the extent of forest fires across the State. In addition to destroying land and structures, there have been human fatalities and negative impacts on air quality throughout the State. Fires in the State and neighboring states have threatened the region's power grids, making some power lines unreliable. The Governor has issued executive orders in the past suspending penalties, costs and interest on late property tax payments for properties impacted by wildfires. The District cannot predict or make any representations regarding the effects that wildfires and related conditions have or may have on the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

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

Drought. The State has experienced drought conditions in recent years, including a period of drought followed by record-level precipitation, which resulted in related severe flooding and mudslides in certain regions. As of August 11, 2026, the U.S. Drought Monitor indicates that the State is classified as mostly abnormally dry drought conditions, with some moderate drought conditions in the northwest, northeast and southeast parts of the State and severe drought conditions being experienced in the northwestern part of the State, with the County currently experiencing abnormally dry and no drought conditions at this time.

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

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

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

whether future pandemics will occur and whether any such pandemics may impact its finances or operations.

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

**DEL MAR UNION SCHOOL DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2026-27**

<u>Jurisdiction:</u>	<u>Assessed Valuation in School District</u>	<u>% of School District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in School District</u>
City of Del Mar	\$ 5,841,681,715	21.18%	\$5,948,029,128	98.21%
City of San Diego	21,744,656,940	78.82	\$383,580,374,146	5.67%
Total District	\$27,586,338,655	100.00%		
San Diego County	\$27,586,338,655	100.00%	\$813,730,988,400	3.39%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of property in the District, as measured by local secured assessed valuation and the number of parcels for fiscal year 2026-27. As shown, the majority of the District's assessed valuation is represented by residential property.

**DEL MAR UNION SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2026-27**

	<u>2026-27 Assessed Valuation ⁽¹⁾</u>	<u>% of Total</u>	<u>No. of Parcels</u>	<u>% of Total</u>
<u>Non-Residential:</u>				
Agricultural/Rural	\$ 10,274,899	0.04%	22	0.11%
Commercial/Office	3,369,581,008	12.38	228	1.18
Vacant Commercial	44,809,964	0.16	20	0.10
Industrial	996,777,277	3.66	19	0.10
Vacant Industrial	7,488,160	0.03	14	0.07
Recreational	81,523,625	0.30	11	0.06
Government/Social/Institutional	3,366,590	0.01	312	1.61
Miscellaneous	4,975,017	0.02	367	1.89
Subtotal Non-Residential	\$4,518,796,540	16.61%	993	5.12%
<u>Residential:</u>				
Single Family Residence	\$16,629,340,622	61.11%	10,225	52.72%
Condominium	3,819,394,745	14.04	5,084	26.21
Mobile Home	1,523,916	0.01	2	0.01
Timeshare Units	42,561,427	0.16	2,242	11.56
2-4 Residential Units	325,224,002	1.20	158	0.81
5+ Residential Units/Apartments	1,286,270,174	4.73	58	0.30
Miscellaneous Residential	30,577,513	0.11	370	1.91
Vacant Residential	557,779,600	2.05	262	1.35
Subtotal Residential	\$22,692,671,999	83.39%	18,401	94.88%
Total	\$27,211,468,539	100.00%	19,394	100.00%

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

Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Residential Parcels. The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the District for fiscal year 2026-27, including the median and average assessed value of single-family parcels in the District.

DEL MAR UNION SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2026-27

	<u>No. of Parcels</u>	<u>2026-27 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	10,225	\$16,629,340,622	\$1,626,341	\$1,263,074

<u>2026-27 Assessed Valuation</u>	<u>No. of Parcels ⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$199,999	294	2.875%	2.875%	\$ 37,688,962	0.227%	0.227%
\$200,000 - \$399,999	341	3.335	6.210	106,935,730	0.643	0.870
\$400,000 - \$599,999	586	5.731	11.941	299,095,831	1.799	2.668
\$600,000 - \$799,999	898	8.782	20.724	635,048,977	3.819	6.487
\$800,000 - \$999,999	1,085	10.611	31.335	986,202,799	5.930	12.418
\$1,000,000 - \$1,199,999	1,453	14.210	45.545	1,598,367,647	9.612	22.029
\$1,200,000 - \$1,399,999	1,259	12.313	57.858	1,629,471,614	9.799	31.828
\$1,400,000 - \$1,599,999	862	8.430	66.289	1,285,319,139	7.729	39.557
\$1,600,000 - \$1,799,999	681	6.660	72.949	1,154,770,937	6.944	46.502
\$1,800,000 - \$1,999,999	480	4.694	77.643	912,501,584	5.487	51.989
\$2,000,000 - \$2,199,999	387	3.785	81.428	812,378,597	4.885	56.874
\$2,200,000 - \$2,399,999	300	2.934	84.362	690,994,621	4.155	61.029
\$2,400,000 - \$2,599,999	259	2.533	86.895	646,332,569	3.887	64.916
\$2,600,000 - \$2,799,999	225	2.200	89.095	605,819,219	3.643	68.559
\$2,800,000 - \$2,999,999	175	1.711	90.807	507,490,980	3.052	71.611
\$3,000,000 - \$3,199,999	169	1.653	92.460	522,435,992	3.142	74.753
\$3,200,000 - \$3,399,999	93	0.910	93.369	306,960,334	1.846	76.598
\$3,400,000 - \$3,599,999	86	0.841	94.210	300,740,706	1.808	78.407
\$3,600,000 - \$3,799,999	73	0.714	94.924	270,250,037	1.625	80.032
\$3,800,000 - \$3,999,999	51	0.499	95.423	198,645,936	1.195	81.227
\$4,000,000 and greater	468	4.577	100.000	3,121,888,411	18.773	100.000
	10,225	100.000%		\$16,629,340,622	100.000%	

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

Reassessments and Appeals of Assessed Value

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

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

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

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

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

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

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

Tax Rates

Below are historical tax rates in a typical rate area within the District for fiscal years 2021-22 through 2025-26. Data for fiscal year 2026-27 is not yet available.

DEL MAR UNION SCHOOL DISTRICT
Typical Total Tax Rates of Assessed Valuation
(Tax Rate Area 8-119)*
Fiscal Years 2021-22 through 2025-26

	2021-22	2022-23	2023-24	2024-25	2025-26
General Tax Rate	\$1.00000	\$1.00000	\$1.00000	\$1.00000	\$1.00000
City of San Diego	.00500	.00500	.00500	.00500	.00500
Metropolitan Water District	.00350	.00350	.00350	.00700	.00700
Mira Costa Community College District	.01339	.01357	.01164	.01148	.01140
San Dieguito Union High School District	.02233	.02143	.02078	.02066	.02003
Del Mar Union School District	.00699	.02662	.02524	.02458	.02541
Total Tax Rate	\$1.05121	\$1.07012	\$1.06616	\$1.06872	\$1.06884

*2025-26 assessed valuation of TRA 8-119 is \$16,014,394,323, which is 60.77% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

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

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

The current practice of the County under the Teeter Plan is to pay 100% of the District’s *ad valorem* property taxes payable annually to the District in connection with general obligation bond indebtedness and to retain any penalties or delinquencies collected to offset such gross payment. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District’s or the County’s control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity. *There can be no assurances that the County will continue the Teeter Plan in the future, or that the County will not discontinue the Teeter Plan or remove the District from the Teeter Plan in the future.*

Notwithstanding the above, the table below shows secured tax charge and delinquency rates for fiscal years 2020-21 through 2025-26.

DEL MAR UNION SCHOOL DISTRICT
Fiscal Years 2020-21 through 2025-26
Secured Tax Charges and Delinquency Rates

Fiscal Year	Secured Tax Charge⁽¹⁾	Amount Delinquent June 30⁽²⁾	Percent Delinquent June 30
2020-21	51,022,655.72	--	--
2021-22	52,670,529.66	--	--
2022-23	56,064,707.99	--	--
2023-24	58,937,412.65	--	--
2024-25	62,148,968.53	--	--
2025-26	63,312,136.93		

(1) 1% general fund apportionment.

(2) San Diego County utilizes the Teeter Plan for tax collections and distribution. This method guarantees distribution of 100% of the taxes levied to the taxing entity, with the County retaining all penalties and interest. Exceptions to the plan are assessments, reassessments and special taxes related to 1915 Act bonds and community facilities districts as well as all cities except Coronado, Vista and National City.

Source: California Municipal Statistics, Inc.

Top 20 Property Owners

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2026-27. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below. A large concentration of ownership in a single individual or entity results in a greater amount of tax collections which are dependent upon that property owner's ability or willingness to pay property taxes.

DEL MAR UNION SCHOOL DISTRICT Top 20 Secured Property Taxpayers Fiscal Year 2026-27

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2026-27 Assessed Valuation</u>	<u>% of Total ⁽¹⁾</u>
1.	Gemdale Aperture Phase I LLC	Industrial	\$ 466,737,797	1.72%
2.	Torrey View Owner LLC	Industrial	369,794,785	1.36
3.	Kilroy Realty LP	Office Building	355,557,877	1.31
4.	KSL Del Mar LLC	Hotel	249,542,175	0.92
5.	Torrey Villa Apts	Apartments	236,077,371	0.87
6.	Paseo Del Mar LLC	Office Building	188,310,757	0.69
7.	Torrey Garden Hills I LLC	Apartments	164,274,870	0.60
8.	Pacific Plaza Owner LLC	Office Building	135,912,339	0.50
9.	SWVP Del Mar Hotel LLC / SWVPMMDM LLC	Hotel	135,282,208	0.50
10.	Avino Del LLC	Apartments	125,041,767	0.46
11.	Carmel Village LP	Apartments	123,563,231	0.45
12.	BRE-FMCA LLC	Apartments	123,015,406	0.45
13.	Gateway Torrey Hills LLC	Office Building	121,861,524	0.45
14.	Torrey Hills Apartments SD LLC	Apartments	118,335,660	0.43
15.	Irvine Co. LLC	Apartments	107,796,617	0.40
16.	Lhoberge LP	Hotel	98,290,498	0.36
17.	PHR Village LLC	Office Building	96,028,512	0.35
18.	TPBP Owner DE LLC	Industrial	94,496,319	0.35
19.	KR 12400 High Bluff LLC	Office Building	89,214,965	0.33
20.	Carmel Terrace LP	Apartments	<u>88,530,421</u>	<u>0.33</u>
			<u>\$3,487,665,099</u>	<u>12.82%</u>

(1) 2026-27 local secured assessed valuation: \$27,211,468,539.

Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. for debt issued as of September 1, 2026. The Debt Report is included for general information purposes only. Neither the District nor the Underwriter have reviewed the Debt Report for completeness or accuracy and neither makes any representation in connection therewith.

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

DEL MAR UNION SCHOOL DISTRICT Statement of Direct and Overlapping Bonded Debt (Debt Issued as of September 1, 2026)

2026-27 Assessed Valuation: \$27,586,338,655

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 9/1/26</u>
Metropolitan Water District	0.621%	\$ 99,639
Mira Costa Community College District	16.549	55,445,770
San Diego Community College District	0.044	559,603
San Dieguito Union High School District	27.453	102,464,205
Del Mar Union School District	100.000	122,665,000 ⁽¹⁾
Del Mar Union School District Community Facilities District No. 95-1	100.000	8,835,000
Del Mar Union School District Community Facilities District No. 99-1	100.000	33,195,000
North City West School District Community Facilities District No. 1	68.677	2,976,787
San Dieguito Union High School District Combined Community Facilities Districts	37.33-80.66	30,515,885
California Statewide Communities Development Authority Assessment District No. 21-02	100.000	1,179,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$357,935,889
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
San Diego County General Fund Obligations	3.390%	\$13,836,794
San Diego County Superintendent of Schools Certificates of Participation	3.390	159,500
Mira Costa Community College District Certificates of Participation	16.549	7,678,736
San Dieguito Union High School District General Fund Obligations	27.453	3,494,767
City of San Diego General Fund Obligations	5.669	62,459,625
TOTAL OVERLAPPING GENERAL FUND DEBT		\$87,629,422
COMBINED TOTAL DEBT		\$445,565,311 ⁽²⁾

Ratios to 2026-27 Assessed Valuation:

Direct Debt (\$122,665,000)	0.44%
Total Direct and Overlapping Tax and Assessment Debt	1.30%
Combined Total Debt.....	1.62%

(1) Excludes the Bonds offered for sale hereunder.

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

Source: California Municipal Statistics, Inc.

TAX MATTERS

Tax Exemption

In the opinion of Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Irvine, California, Bond Counsel, subject, however, to certain qualifications described herein, based upon an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, compliance with certain representations and with certain covenants, interest on the Bonds (including any original issue discount properly allocable to the Owner thereof) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (“**Code**”). In the opinion of Bond Counsel such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations.

The opinion of Bond Counsel set forth in the preceding paragraph is subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted in the Bond Resolution to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Certain requirements and procedures contained or referred to in the Bond Resolution and other relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice, or with an approving opinion, of nationally recognized bond counsel. Bond Counsel expresses no opinion as to the effect on any Bond, or the interest paid thereon, if any such change occurs or action is taken upon advice or approval of bond counsel other than Bond Counsel.

In the further opinion of Bond Counsel interest on the Bonds is exempt from personal income taxation imposed by the State.

Bond Counsel expresses no opinion regarding or concerning any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or State tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or State tax consequences arising with respect to the Bonds other than as expressly described above. See APPENDIX D – “FORM OF OPINION OF BOND COUNSEL” for the proposed form of the opinion of Bond Counsel.

The opinion of Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Irvine, California, Bond Counsel to the District, approving the validity of the Bonds, in substantially the form appearing in APPENDIX D hereto, will be supplied to the original purchasers of the Bonds without cost. See APPENDIX D – “PROPOSED FORM OF OPINION OF BOND COUNSEL” for the proposed form of the opinion of Bond Counsel. A copy of such opinion will be attached at the end of each of the Bonds. The payment of fees of Bond Counsel is contingent upon the closing of the Bonds transaction.

Bond Counsel's employment is limited to a review of the legal proceedings required for the authorization and issuance of the Bonds and to rendering an opinion as to the validity of the Bonds, the exclusion from gross income for federal income tax purposes of interest on the Bonds and the exemption of interest paid on the Bonds from State personal income taxation. Bond Counsel has undertaken no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the Bonds and expresses no opinion relating thereto.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Owners regarding the federal tax-exempt status of interest paid on the Bonds in the event of an audit examination by the Internal Revenue Service ("IRS"). Under current procedures, parties other than the District and their respective appointed counsel, including the Owners, would have little, if any, right to participate in such an audit examination process. Moreover, because achieving judicial review in connection with an audit examination of federally 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 Bonds for audit, or the course or result of such audit, or an audit of the Bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the Owners to incur significant expense.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the recipient's federal or state tax liability. Owners of the Bonds should be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. The nature and extent of these other tax consequences will depend upon the recipient's particular tax status and other items of income or deduction. Bond Counsel expresses no opinion regarding any federal or State tax consequences arising with respect to the Bonds other than as expressly described above.

Original Issue Discount; Premium Bonds

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and State personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the 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 Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semi-annually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of the Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under the federal alternative minimum tax.

The Bonds purchased, whether at original issuance or otherwise, for an amount greater 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, a purchaser’s basis in a Premium Bond, and under Treasury Regulations the amount of tax exempt interest received, will be reduced by the amount of amortizable bond premium properly allocable to such purchaser. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest (including original issue discount) paid after March 31, 2007, on federally tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner’s federal income tax once the required information is furnished to the IRS. Bond Counsel provides no opinion concerning such reporting or withholding with respect to the Bonds.

Internal Revenue Service Audit of Municipal Bond Issues

The IRS has undertaken a program for the auditing of federal tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds or securities).

Impact of Legislative Proposals, Clarifications of the Code and Court Decisions on Tax Exemption

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest paid on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to, or exempted from, State income taxation, or otherwise prevent Owners of the Bonds from realizing the full current benefit of the tax status of such interest.

The introduction or enactment of any such or future legislative proposals, clarification of the Code or court decisions may also affect the market price for, liquidity of, or marketability of, the Bonds. In recent years, legislative changes were proposed in Congress, which, if enacted, would result in additional federal income tax being imposed on certain owners of tax-exempt state or local obligations, such as the Bonds. Prospective purchasers of the Bonds should consult their own tax

advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation as to which Bond Counsel expresses no opinion.

As discussed in this Official Statement, under the above caption “**Tax Exemption – Opinion of Bond Counsel**,” interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds are not subject to special redemption or acceleration and will remain outstanding until maturity or until redeemed under the other redemption provisions contained in the Bond Resolution.

Changes in Law and Post-Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment affecting Owners of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any such events on the Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Bonds may affect the tax status of interest paid on the Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS.

CERTAIN LEGAL MATTERS

Legality for Investment

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

Absence of Material Litigation

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

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

Compensation of Certain Professionals

Payment of the fees and expenses of Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, as Bond Counsel to the District, Jones Hall LLP, as Disclosure Counsel to the District, Fieldman, Rolapp & Associates, Inc., as Municipal Advisor to the District, and Kutak Rock LLP, as counsel to the Underwriter, are contingent upon issuance of the Bonds.

MUNICIPAL ADVISOR

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

CONTINUING DISCLOSURE

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

In the previous five-years, the District has complied, in all material respects, with its existing continuing disclosure undertakings. In order to assist it in complying with its undertakings pursuant to the Rule, including the undertaking to be entered into with respect to the Bonds, the District has engaged Fieldman, Rolapp & Associates, Inc., doing business as Applied Best Practices, to serve as its initial dissemination agent.

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

RATING

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

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

UNDERWRITING

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

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

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

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

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

ADDITIONAL INFORMATION

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

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

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

EXECUTION

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

DEL MAR UNION SCHOOL DISTRICT

By: _____

Christopher Delehanty
Assistant Superintendent,
Business Services

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APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

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

GENERAL INFORMATION

The District was established as a school district in 1906. The District is located in the northern coastal region of San Diego County (the "**County**") in the State of California (the "**State**"), and encompasses approximately 14.6 square miles, serving the City of Del Mar and portions of the City of San Diego known as Del Mar Heights, Carmel Valley, Pacific Highlands Ranch, and Sorrento Hills. The District provides transitional kindergarten through sixth grade education services, currently maintaining nine elementary schools. Additionally, the District administers an early childhood development center and an after-school program. Enrollment in the District is budgeted for approximately 3,231 students for fiscal year 2026-27. For purposes of education funding, the District is a Basic Aid District or Community Funded District, meaning that the District's share of local property taxes exceeds its funding entitlement under the State's education funding formula. For more information, see "– Community Funded Districts" below.

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

District Governance and Administration

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

<u>Name</u>	<u>Office</u>	<u>Current Term Expires</u>
Alan Kholos, Esq.	President	December 2028
Bill Porter, Ed. D.	Clerk	December 2028
Katherine Fitzpatrick	Trustee	December 2026
Gee Wah Mok, Esq.	Trustee	December 2028
Doug Rafner, Esq.	Trustee	December 2026

Administrative Personnel. The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Marisa Janicek currently serves as the Superintendent of the District, and Christopher Delehanty, as the Assistant Superintendent, Business Services.

Employee Relations

In fiscal year 2026-27 the District has budgeted for approximately 250.0 certificated full-time equivalent ("FTE") employees, 165.3 classified FTE employees, and 33.0 management/supervisor/confidential FTE employees. The certificated employees of the District are represented by the Del Mar California Teachers Association under a contract that expires June 30, 2028.

Recent Enrollment Trends

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

ANNUAL ENROLLMENT
Fiscal Years 2020-21 through 2026-27
Del Mar Union School District

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>% Change</u>
2020-21	3,853	--%
2021-22	3,895	1.1
2022-23	3,748	(3.8)
2023-24	3,662	(2.3)
2024-25	3,497	(4.5)
2025-26	3,331	(4.7)
2026-27 ⁽¹⁾	3,231	(3.0)

(1) Budgeted.

Source: California Department of Education; Del Mar Union School District.

FINANCIAL INFORMATION

Education Funding Generally

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

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

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

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

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

Funding levels used in the LCFF entitlement calculations for fiscal year 2026-27 are set forth in the following table.

**Fiscal Year 2026-27 Base Grant Funding* Under LCFF
by Grade Span**

Entitlement Factor	TK-3	4-6	7-8	9-12
A. 2025-26 Base Grant per ADA	\$10,256	\$10,411	\$10,719	\$12,423
B. 2026-27 Statutory COLA (A x 2.87%)	\$294	\$299	\$308	\$357
C. Additional LCFF Investment of 1.44%	\$148	\$150	\$154	\$179
D. 2026-27 Base Grants before Grade Span Adjustments (A+B+C)	\$10,698	\$10,860	\$11,181	\$12,959
E. Grade Span Adjustments (TK-3: D x 10.4%; 9-12: D x 2.6%)	\$1,113	n/a	n/a	\$337
F. 2026-27 Adjusted Base Grants per ADA (D+E)	\$11,811	\$10,860	\$11,181	\$13,296

*Add-ons to the Base Grant, as may be applicable, are: (1) Supplemental Grant: For the supplemental grant funding entitlement, for each grade span, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times Unduplicated Pupil Percentage, times 20%; (2) Concentration Grant: For the concentration grant funding entitlement, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times portion of Unduplicated Pupil Percentage that exceeds 55%, times 65%; and (3) Transitional Kindergarten Add-On: For the TK add-on funding, the amount is the rate of \$5,704 times the school district's current year TK ADA.

Source: California Department of Education.

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

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

Community Funded Districts. Community Funded Districts (also known as Basic Aid Districts), are California public school districts whose local property tax revenues exceed the funding entitlement under the LCFF. Community Funded Districts do not receive any funds from the State appropriation, however, they do receive funds from the State for categorical and grant programs restricted to a special population or for certain purposes such as disabled students or instructional equipment. The current law in California allows these districts to keep the excess property tax revenues without penalty. The result for Community Funded Districts is that the legislatively determined annual cost of living adjustment and other politically determined factors

are less significant in determining such districts' primary funding sources. Rather, property tax growth and the local economy become the determinant factors. Under Proposition 30, Community Funded Districts are entitled to the minimum \$200 per pupil from the Education Protection Account, and, under the Constitution, Community Funded Districts receive a minimum of \$120 per pupil. The District is a Community Funded District, and expects to continue to have local property tax revenue in excess of its LCFF entitlement for the near future.

District Accounting Practices

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

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

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

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's audited financial statements for fiscal year 2024-25 were prepared by Wilkinson Hadley King & Co. LLP, El Cajon, California, and are attached to the Official Statement as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Office of the Assistant Superintendent, Business Services. The District has not requested, and the auditor has not provided, any review or update of such financial statements in connection with its inclusion in this Official Statement.

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

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2020-21 through 2024-25 (Audited)
Del Mar Union School District ⁽¹⁾

	<u>Audited 2020-21</u>	<u>Audited 2021-22</u>	<u>Audited 2022-23</u>	<u>Audited 2023-24</u>	<u>Audited 2024-25</u>
Revenues:					
State Apportionment	\$1,170,350	\$1,170,350	\$1,170,350	\$1,170,350	\$1,170,350
Education Protection Account Funds	802,542	801,834	786,590	758,204	724,690
Local Property Taxes	53,213,004	54,630,115	57,926,018	61,099,632	64,809,224
Federal Revenues	5,657,234	2,523,731	1,060,985	943,539	1,163,652
State Revenues	7,373,055	7,983,066	10,321,988	6,967,974	7,432,087
Interest & Investment Income(Loss)	185,146	(517,008)	600,206	1,327,871	1,426,996
FMV Adjustment	64,152	--	--	--	--
Local Revenues	3,697,365	4,242,615	4,871,206	4,482,246	5,127,184
Total Revenues	72,162,848	70,834,703	76,737,343	76,749,816	81,854,183
Expenditures:					
Instruction	47,130,098	45,850,997	46,356,408	48,697,882	49,756,365
Instruction Related Services	6,059,653	6,460,172	6,658,652	7,679,844	8,249,555
Pupil Services	2,825,180	3,385,882	3,780,188	4,923,510	5,151,859
Ancillary	--	54,532	780,668	1,026,163	928,641
General Administration	5,178,589	5,075,245	5,668,587	6,153,880	6,548,645
Plant Services	6,534,120	6,391,892	8,033,522	9,218,110	7,932,263
Other Outgo	18,251	--	22,212	53,742	101,367
Capital Outlay	657,191	1,724,956	1,057,759	81,430	94,104
Debt service: principal	301,515	332,129	964,890	631,447	585,792
Debt service: interest	16,563	12,119	17,839	12,431	160
Total Expenditures	68,721,160	69,287,924	73,340,725	78,478,439	79,348,751
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,441,688	1,546,779	3,396,618	(1,728,623)	2,505,432
Other Financing Sources (Uses)					
Operating transfers in	700,000	--	--	--	--
Operating transfers out ⁽²⁾	(952,069)	(49,954)	(821,269)	--	--
Other sources ⁽³⁾	127,553	1,649,572	345,536	--	--
Total Other Financing Sources (Uses)	(124,516)	1,599,618	(475,733)	--	--
Net change in fund balance	3,317,172	3,146,397	2,920,885	(1,728,623)	2,505,432
Fund Balances July 1	15,998,311	19,315,483	22,461,880	25,382,765	23,654,142
Fund Balances June 30	\$19,315,483	\$22,461,880	\$25,382,765	\$23,654,142	\$26,159,574

(1) Totals may not sum due to rounding.

(2) Transfers out attributed to a combination of lease payments and special education placements.

(3) Other sources contributed to right-to-use subscription IT assets acquired in fiscal year 2022-23 were financed with Subscription-Based IT Arrangements and proceeds from leases.

Source: Audited financial statements of the District. Because the District is a Community Funded District, the majority of LCFF funding is derived from local sources.

District Budget and Interim Financial Reporting

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

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

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

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

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district's repayment of indebtedness is probable. During the past five years, each of the District's adopted budgets have been approved by the County Superintendent and the District has received positive certifications on all of its interim reports.

District's General Fund. The following table shows the general fund figures for fiscal year 2025-26 (unaudited actuals) and fiscal year 2026-27 (adopted budget).

DEL MAR UNION SCHOOL DISTRICT
Revenues, Expenditures, and Changes in General Fund Balance
Fiscal Year 2025-26 (Unaudited Actuals)
Fiscal Year 2026-27 (Adopted Budget)

	Unaudited Actuals 2025-26	Adopted Budget 2026-27
Revenues		
Total LCFF Sources	\$69,603,780	\$72,546,192
Federal Revenues	991,055	950,096
Other state revenues	8,544,928	7,192,662
Other local revenues	5,372,314	4,878,541
Total Revenues	84,512,077	85,567,491
Expenditures		
Certificated Salaries	36,103,959	36,985,661
Classified Salaries	11,874,622	12,597,757
Employee Benefits	20,454,198	22,388,980
Books and Supplies	2,258,320	2,682,844
Services and Other Operating Expenditures	9,591,494	10,225,815
Capital Outlay	1,890,222	705,000
Other Outgo (excluding transfers of indirect costs)	362,796	106,463
Other Outgo	--	--
Total Expenditures	82,535,610	85,692,520
Excess of Revenues Over/(Under) Expenditures	1,976,467	(125,029)
Other Financing Sources (Uses)		
Operating transfers in	--	--
Operating transfers out	--	--
Other sources	--	--
Contributions	--	--
Total Other Financing Sources (Uses)	--	--
Net change in fund balance	1,976,467	(125,029)
Fund Balance, July 1	23,874,692	24,019,744
Audit Adjustments	--	--
Adjusted Beginning Balance	--	--
Fund Balance, June 30 ⁽¹⁾	\$25,851,159	\$23,894,715

(1) Budget documents shown in this table do not account for reserves held outside of the general fund. In the five-year summary of audited general fund revenues, expenditures and changes in fund balances shown above, the audits have accounted for reserves within the general fund.

Source: Del Mar Union School District.

District Reserves. The District's ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State's minimum required reserve of 3% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by the District in the future. The District has a Board-adopted policy to maintain an additional 15% of unrestricted reserves on top of the State required 3%, and the Board has given informal guidance to District staff to maintain reserves at or above 20%.

Under State law, there are certain restrictions on the amounts that can be held in reserve by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or Community Funded Districts, of which the District is one.

Attendance - LCFF Funding

With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. With implementation of the LCFF commencing in fiscal year 2013-14, a school district, such as the District, which has property tax revenues which exceed its entitlement under the LCFF, is entitled to keep its local property tax revenues which exceed its LCFF funding entitlement.

Revenue Sources

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

LCFF Sources. District funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding under the LCFF. Generally, for school districts that are not Community Funded Districts, the State apportionments will amount to the difference between the District's LCFF funding entitlement and its local property tax revenues.

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

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

For school districts that were "Basic Aid" districts prior to implementation of the LCFF, provided that the per pupil funding targets under LCFF, including economic recovery targets, are met or exceeded by local property tax revenues, such districts are entitled to retain their status and keep their full local property tax revenue entitlement. The threshold for Basic Aid status under the LCFF, however, is higher than under the prior funding formula, resulting in some districts falling out of Basic Aid status as the result of the implementation of the LCFF. Accountability measures contained in the LCFF must be implemented by all districts, including Community Funded districts.

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

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

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

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

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

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

Furthermore, the District receives substantial local revenues from its education foundation, a non-profit 501(c)(3) organization that raises money to help fund the STEAM+ teachers in the District and works with the District to fund STEAM+ credentialed specialists at all District schools. The District received approximately \$950,000 in foundation revenues in fiscal year 2025-26.

District Retirement Systems

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

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

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

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

STRS EMPLOYER CONTRIBUTION RATES
Effective Dates of July 1, 2021 through July 1, 2026

Effective Date	Employer Contribution Rate
July 1, 2021	16.92%
July 1, 2022	19.10
July 1, 2023	19.10
July 1, 2024	19.10
July 1, 2025	19.10
July 1, 2026	19.10

Source: STRS.

The State also continues to contribute to STRS, and its contribution rate is 8.328% in fiscal year 2026-27.

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

**STRS CONTRIBUTIONS
Del Mar Union School District
Fiscal Years 2020-21 through 2026-27**

Fiscal Year	Amount
2020-21	\$5,392,768
2021-22	5,453,438
2022-23	6,388,480
2023-24	6,662,746
2024-25	6,860,156
2025-26 ⁽¹⁾	10,202,672
2026-27 ⁽²⁾	10,939,468

(1) Unaudited actual.

(2) Budgeted.

Source: Del Mar Union School District.

The STRS defined benefit program continues to have an unfunded actuarial liability estimated at approximately \$75.0 billion, based on a market value of assets, as of June 30, 2025, which is the date of the last actuarial valuation.

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

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

EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2020-21 through 2026-27

Fiscal Year	Employer Contribution Rate⁽¹⁾
2020-21	20.700%
2021-22	22.910
2022-23	25.370
2023-24	26.680
2024-25	27.050
2025-26	26.810
2026-27	26.400

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

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

PERS EMPLOYER CONTRIBUTIONS
Del Mar Union School District
Fiscal Years 2020-21 through 2026-27

Fiscal Year	Amount
2020-21	\$1,720,034
2021-22	1,858,658
2022-23	2,262,427
2023-24	2,667,807
2024-25	2,856,122
2025-26 ⁽¹⁾	2,737,239
2026-27 ⁽²⁾	2,942,981

(1) Unaudited actual.
(2) Budgeted.
Source: Del Mar Union School District.

PERS continues to have an unfunded liability which, on a market value of assets basis, was approximately \$35.7 billion, based on a market value of assets, as of June 30, 2025, which is the date of the last actuarial valuation.

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

employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

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

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

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

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

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

Other Post-Employment Retirement Benefits

Plan Description. PERS administers the District Retiree Benefits Plan (the "**Plan**") through the California Employers' Retiree Benefit Trust ("**CERBT**"). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions ("**OPEB**") for eligible employees.

The Plan provides retiree medical (including prescription drug benefits), dental, and vision benefits to eligible retirees and their eligible dependents until the retiree turns age 65. The District's financial obligation is to provide these benefits at the same cost as active employees. The District's contribution is subject to an annual maximum of \$17,000 for the current fiscal year. The annual maximum is subject to periodic changes. Hourly and most part-time employees are

not eligible for retiree health benefits. Membership in the Plan consists of 16 retirees and beneficiaries currently receiving benefits and 350 active members, as of June 30, 2025.

Changes in the Total OPEB Liability. The District's total OPEB liability of \$10,431,967 was measured as of June 30, 2025, and the total OPEB liability was determined by an actuarial valuation as of that date. The following table shows the changes in total OPEB liability for the fiscal year ended June 30, 2025.

CHANGES IN TOTAL OPEB LIABILITY
Del Mar Union School District

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2024	<u>\$9,841,025</u>	<u>\$1,777,458</u>	<u>\$8,063,567</u>
Change in Proportionate Share	723	384	339
Service Cost	383,124	--	383,124
Interest	631,112	219,361	411,751
Experience Differences	(114,798)	--	(114,798)
Changes of Assumptions	(83,299)	--	(83,299)
Employer Contributions	--	320,613	(320,613)
Benefit payments	(225,920)	(225,920)	--
Administrative Expenses	--	(1,383)	1,383
Net changes	590,942	313,055	277,887
Balance at June 30, 2025	<u><u>\$10,431,967</u></u>	<u><u>\$2,090,513</u></u>	<u><u>\$8,341,454</u></u>

Source: Del Mar Union School District.

OPEB Expense. For the fiscal year ended June 30, 2025, the District recognized an OPEB expense of \$242,235 for the Plan.

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

Insurance – Joint Powers Agreement

The District is a member of two joint powers agreements entities, the San Diego County Schools Risk Management and the San Diego County Schools Fringe Benefits Consortium for the operation of a common risk management and insurance programs for property and liability coverage, workers compensation, and other employee benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

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

Disclaimer Regarding Cyber Risks

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including,

but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful.

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

Existing Debt Obligations

General Obligation Bonds. The District has three series of general obligation bonds from the 2018 Authorization currently outstanding, as summarized in the following table. See also "DEBT SERVICE SCHEDULES" in the body of this Official Statement for the annual debt service requirements of the District's outstanding general obligation bonds.

GENERAL OBLIGATION BONDS Del Mar Union School District

Dated Date	Series	Amount of Original Issue	Outstanding as of September 1, 2026
10/16/2019	General Obligation Bonds, 2018 Election, Series 2019 A	\$55,285,000.00	\$41,290,000
05/25/2022	General Obligation Bonds, 2018 Election, Series 2022 B	64,000,000.00	55,675,000
10/31/2024	General Obligation Bonds, 2018 Election, Series 2024 C	27,000,000.00	25,700,000
	Total	\$146,285,000.00	\$122,665,000

Source: The Municipal Advisor.

Special Tax Bonds. On August 30, 2017, Community Facilities District No. 95-1 of the District issued refunding bonds in order to refinance special tax bonds issued in 2007 under the Mello-Roos Community Facilities Act of 1982 (the "**Mello-Roos Act**"). These bonds were issued with maturity dates beginning in September 2018 and extending through September 2036 with coupons varying in interest rates from 2.00% to 5.00%. The principal and interest payments will be made from special taxes assessed on the properties located within the Community Facilities District No. 95-1.

On December 3, 2019, Community Facilities District No. 99-1 of the District issued refunding bonds in order to refund special tax bonds issued in 2012 under the Mello-Roos Act, and to fund public works projects within the District's boundaries. These bonds were issued with maturity dates beginning September 2020 and extending through September 2049 with coupons varying in yield from 3.00% to 5.00%. The principal and interest payments will be made from special taxes assessed on the properties located within the Community Facilities District No. 99-1. See Note M of the District's audited financial statements, attached as APPENDIX B to the Official Statement, for additional information.

Compensated Absences. Compensated absences (unpaid employee vacation) for the District as of June 30, 2025, amounted to \$965,055. See Note M of APPENDIX B to the Official Statement for additional information.

Investment of District Funds

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

Effect of State Budget on Revenues

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

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

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

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

State Funding of Education Generally

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

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

The State Budget Process

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

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

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

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

Resources Relating to State Budgets

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

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

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

The 2026-27 State Budget

On June 29, 2026, the Governor signed the fiscal year 2026-27 State Budget (the “**2026-27 State Budget**”). The 2026-27 State Budget largely maintains the framework of the Governor’s May Revision to the Proposed 2026-27 State Budget, and is projected to provide for balanced State budgets in both fiscal years 2026-27 and 2027-28, while reducing projected structural deficits in fiscal years 2028-29 and 2029-30.

The 2026-27 State Budget reflects a decrease of \$19.1 billion in General Fund revenues and transfers from fiscal year 2025-26 (\$226.8 billion in fiscal year 2026-27 compared to \$245.8 billion in fiscal year 2025-26), a 7.8% decline driven primarily by a swing in miscellaneous “Other” revenue items (from \$8.6 billion to -\$1.3 billion) and a \$10.7 billion reduction in net transfers from the Budget Stabilization Account. The 2026-27 State Budget also reflects an increase in General Fund expenditures of \$6.2 billion from fiscal year 2025-26 (\$251.5 billion in fiscal year 2026-27 compared to \$245.3 billion in fiscal year 2025-26), primarily reflecting broad spending increases in K-12 education, higher education, and health and human services.

Regarding the State’s reserves and fund balances, the 2026-27 State Budget reverses two years of reserve drawdowns (approximately \$12.2 billion withdrawn from the Budget Stabilization Account, or “Rainy Day Fund,” over the 2024-25 and 2025-26 fiscal years) by including a \$3.6 billion deposit into the Rainy Day Fund in fiscal year 2026-27, bringing its balance to \$15.1 billion. Combined with \$4.5 billion in the Special Fund for Economic Uncertainties and \$9.2 billion in the Public School System Stabilization Account, the 2026-27 State Budget projects combined reserves of \$28.8 billion.

The State budget for fiscal year 2025-26 included numerous spending measures that, at the time, were projected to result in almost \$12 billion in ongoing savings. The 2026-27 State Budget includes three additional revenue measures that are intended to solidify the State’s fiscal structure:

- *Managed Care Organization (MCO) Tax* – A renewal of the MCO Tax effective January 1, 2027, projected to raise \$575 million in fiscal year 2026-27, growing to \$2.3 billion in fiscal years 2027-28 and 2028-29, and \$1.7 billion in fiscal year 2029-30, to support Medi-Cal and targeted provider rate increases.
- *Business Tax Credit Limitation* – An extension of temporary business tax credit limitation for an additional three years, which limits the amount by which carry-over business credits can reduce net tax liability. Beginning in 2030, the 2026-27 State Budget permanently limits the use of business tax credits to the greater of \$5 million or 70% of the tax liability. This is projected to increase State general fund revenues by \$1 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.
- *Prewritten Software Tax* – An extension of the existing sales tax on tangible prewritten software to electronically delivered prewritten software, projected to increase General Fund revenue by \$450 million in fiscal year 2026-27 and \$900 million annually thereafter.

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 \$158.5 billion and Proposition 98 expenditures of approximately \$92.9 billion. The 2026-27 State Budget projects a General Fund balance of \$32.5 billion at the end of fiscal year 2026-27, comprising \$28.0 billion in the Reserve for Liquidation of Encumbrances, \$4.5 billion in the State's Special Fund for Economic Uncertainties, \$9.2 billion in the Public School System Stabilization Account, and \$15.1 billion in the 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 K-12 education set forth in the 2026-27 State Budget include:

Proposition 98 Minimum Guarantee. The 2026-27 State Budget reflects updated estimates of General Fund revenues, which result in adjustments to the Proposition 98 minimum guarantee. The revised minimum guarantee for TK-14 schools is estimated at \$124.9 billion for fiscal year 2024-25, \$125.3 billion for fiscal year 2025-26, and \$128.1 billion for fiscal year 2026-27, an increase of approximately \$29.2 billion over the three-year period relative to the 2024-25 Budget Act. The minimum guarantee remains in a "Test 1" for all three years, meaning it equals roughly 40% of General Fund revenues plus local property tax revenues, without adjustment for enrollment declines. The Proposition 98 calculation also requires an \$8.3 billion maintenance factor payment in fiscal year 2024-25, fully retiring the Proposition 98 maintenance factor balance. The 2026-27 State Budget maintains a \$3.9 billion settle-up amount in fiscal year 2025-26 to be repaid to TK-14

schools in the future fiscal year 2026-27 Budget Act if fiscal year 2025-26 revenues hold at current levels, and fully pays the \$1.9 billion settle-up owed for fiscal year 2024-25.

Proposition 98 Rainy Day Fund. The 2026-27 State Budget projects mandatory Proposition 98 Rainy Day Fund deposits of \$8.7 billion across the three-year budget window, plus a discretionary deposit of \$500 million in fiscal year 2025-26, bringing the fund's final balance to \$9.2 billion. The \$9.2 billion balance triggers school district reserve caps beginning in fiscal year 2026-27.

Rebench for Non-Local Educational Agency State Preschool Program. To streamline funding sources, the 2026-27 State Budget shifts non-local educational agencies California State Preschool Program ("**CSPP**") funding from non-Proposition 98 to Proposition 98 General Fund, rebenching the guarantee by shifting \$813 million from the General Fund to Proposition 98 General Fund and increasing the Proposition 98 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 ("**COLA**") of 2.87%, which, when combined with population growth adjustments, results in approximately \$1.1 billion in additional discretionary funding for local educational agencies relative to the 2025-26 State Budget. An additional \$1.1 billion discretionary "super COLA" brings the total COLA to 4.31%, intended to help manage rising costs, offset declining-enrollment reductions and fund the new paid pregnancy disability leave mandate. The 2026-27 State Budget also includes an ongoing \$31.3 million increase for Necessary Small Schools funding.

Special Education. The 2026-27 State Budget provides a \$2.4 billion increase in special education funding, equalizing the per-student funding rate across all local educational agencies at \$1,340. It also includes \$80 million ongoing for the special extraordinary cost pool and low-incidence disabilities add-on, \$30 million one-time for the Supporting Inclusive Practices Project, \$25 million one-time for the Inclusive College Technical Assistance Center, and \$10 million one-time to support alternative pathways to a high school diploma for students with disabilities.

Student Support and Professional Development Discretionary Block Grant. The 2026-27 State Budget provides \$5 billion one-time Proposition 98 General Fund for the Student Support and Professional Development Discretionary Block Grant in order to address rising costs in addition to funding Statewide priorities including English Language Arts/English Language Development, Mathematics Framework professional development, TK-3 developmentally appropriate instruction training, teacher recruitment and retention, dual enrollment expansion, community school partnerships, and deferred facilities maintenance.

Paid Pregnancy Disability Leave. Beginning January 1, 2027, the 2026-27 State Budget requires all TK-14 schools to provide employees up to 14 weeks of paid pregnancy disability leave, with costs intended to be absorbable within the LCFF "super COLA" discretionary funding described above.

Community Schools. The 2026-27 State Budget provides \$1 billion ongoing Proposition 98 General Fund to expand the community schools model, plus \$50 million for middle/high school redesign, \$15 million and \$13 million for State and regional transformational assistance centers, and \$6 million for the Transforming Together

behavioral health initiative. It also includes intent language to provide \$20 million ongoing beginning in fiscal year 2030-31 for county offices of education coordination services.

Literacy and Math Instruction. The 2026-27 State Budget includes a one-time \$350 million extension of the Literacy Coaches and Reading Specialists Grant Program through June 30, 2031, and a one-time \$50 million expansion of the Mathematics Professional Learning Partnership, extending its expiration beyond June 30, 2029.

Teacher Preparation and Professional Development. The 2026-27 State Budget includes nearly \$750 million in new investments, including \$408 million one-time for the Student Teacher Stipend Program plus a \$5,000 stipend for high-need field candidates, \$250 million one-time to continue educator residency programs through 2029-30, \$30 million one-time for the Statewide teacher residency technical assistance center, \$10 million one-time General Fund for the Golden State Teacher Grant Program, \$15 million one-time for the 21st Century California School Leadership Academy, \$10 million one-time for the Pathways to Bilingual Teaching Program, and \$10 million one-time for the Classified School Employee Teacher Credentialing Program. It also funds a \$5 million Statewide transcript review system and offsets the cost with a \$25 increase in the clear teaching credential renewal fee.

Supports for Immigrant Students. The 2026-27 State Budget provides \$100 million one-time for the California's New Americans in Schools program and \$75 million one-time to establish Dream Resource Centers at high schools.

Early Education. The 2026-27 State Budget includes \$250 million one-time for the Universal Prekindergarten Planning & Implementation Grant, \$51.4 million ongoing for CSPP cost-of-care increases, \$33.6 million ongoing to expand CSPP professional development days from 2 to 5, and \$20 million ongoing for the State's Quality Rating and Improvement System.

Other Significant Budget Adjustments. The 2026-27 State Budget includes \$757.3 million one-time for the Learning Recovery Emergency Block Grant, \$500 million one-time for school kitchen infrastructure and training, \$116 million one-time for students experiencing homelessness, \$100 million one-time to increase access to college and career pathways for high school students, \$40 million one-time for reading difficulties risk screening, and \$10 million one-time for Holocaust and genocide education. The 2026-27 State Budget also includes new charter school accountability requirements addressing fraud, oversight, and use of verified data in the renewal process through June 30, 2028.

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

Disclaimer Regarding State Budgets

The execution of State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which

could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2026-27 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein are secured by *ad valorem* property taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

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

Legal Challenges to State Funding of Education

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

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

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

Constitutionally Required Funding of Education

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

Article XIII A of the California Constitution

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

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

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

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

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

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

Article XIII B of the California Constitution

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

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

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

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

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

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

Unitary Property

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

Articles XIIC and XIID of the California Constitution

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

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIC 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 XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

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

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

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

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

Proposition 98

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

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

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

Proposition 111

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

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

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

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

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

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

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

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

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as “**Proposition 39**”) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. Constitutional amendments may be changed only with another statewide vote. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the 3s of the proposition. The local school jurisdictions affected by Proposition 39 are K-12 school districts including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

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

Proposition 1A and Proposition 22

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

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

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

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

Proposition 30 and Proposition 55

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

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

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

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

Proposition 2

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

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

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

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

Proposition 19

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

Proposition 2 (2024)

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

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

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

Future Initiatives

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

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APPENDIX B

**DEL MAR UNION SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2024-25**

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Del Mar Union School District

County of San Diego
San Diego, California

Audit Report
June 30, 2025



Del Mar Union School District

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June 30, 2025

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Del Mar Union School District

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Independent Auditor's Report

To the Board of Education
Del Mar Union School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the Del Mar Union School District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Emphasis of Matter – Change in Accounting Principle

As described in Note A to the financial statements, in the fiscal year ended June 30, 2025 the District adopted new accounting guidance, GASB Statement No. 101 *Compensated Absences* which had a material effect on the financial statements. Our opinion is not modified with respect to this matter.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining financial statements and additional supplementary information, identified in the table of contents, as required by the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations, Section 19810* are presented for purposes of additional analysis and are not a required part of the 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 accompanying combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the additional supplementary information as identified in the table of contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the audit report. The other information comprises the Other Information section of the audit report as identified on the table of contents, 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 16, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



El Cajon, California
January 16, 2026

DEL MAR UNION SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2025
(Unaudited)

The discussion and analysis of Del Mar Union School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report, the District's financial statements and notes to the basic financial statements.

The Management's Discussion and Analysis (MD & A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information is required to be presented in the MD & A.

FINANCIAL HIGHLIGHTS

- The District's total net position increased by \$12.6 million (12.6%) in 2024-25, reaching \$112.3 million at year-end. This growth reflects strong revenue performance and effective expense management, even with the implementation of GASB 101, which resulted in a restatement of beginning net position for both governmental and business-type activities.
- Total revenues for 2024-25 were \$99.8 million, a 2.5% increase over the prior year. The increase was primarily driven by higher property tax collections and increased state and federal aid. Major revenue sources included \$76.2 million from local property taxes, \$1.2 million from state apportionment, and \$9.2 million from other state revenue.
- Total governmental fund expenditures for 2024-25 were \$121.0 million, with instruction and related services comprising the largest share. Capital outlay and debt service also represented significant portions of total expenditures, reflecting the District's ongoing investment in facilities and infrastructure.
- The total governmental fund balance increased to \$83.0 million at June 30, 2025, up from \$77.0 million at the beginning of the year. The General Fund's ending balance rose to \$26.2 million, with available reserves (unassigned and committed) at 25.63% of total outgo, well above the state-recommended minimum.
- The District issued \$27 million in new general obligation bonds and repaid \$6.1 million in principal on long-term debt, resulting in a \$23.8 million (14.7%) increase in total long-term debt. Net capital assets increased by \$22.8 million (9.3%) due to ongoing construction and building improvements.
- The District continues to demonstrate fiscal strength, maintaining strong reserves and prudent debt management, while investing in capital projects to support educational programs and facility improvements

Overview of the Financial Statements

This annual report consists of the following parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, other supplementary information, and findings and recommendations. These statements are organized so the reader can understand the Del Mar Union School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Basic Financial Statements

The first two statements are district-wide financial statements, the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the whole School District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's more significant funds with all other non-major funds presented in total in one column.

The financial statements also include notes that explain some of the supplementary information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. A comparison of the District's general fund budget is included.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

These two statements provide information about the District as a whole using methods similar to those used by private-sector companies. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. This basis of accounting takes in account all the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the district as a whole and its activities in a way that helps answer the question, "How did we do financially during 2024-25"

The change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Increases or decreases in the net position of the District over time are indications of whether its financial position is improving or deteriorating, respectively. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities. One must consider many non-financial factors, such as the quality of education provided, condition of school buildings and other facilities, and changes to the property tax base of the District, to assess the overall health of the District.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by State law. However, the District establishes other funds to control and manage money for specific purposes.

Governmental Funds

Most of the School District's activities are reported in governmental funds. The major governmental funds of the District are the General Fund, the Building Fund, and the Blended Component Unit Funds (Capital Projects & Debt Service). Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Enterprise Funds

The District also operates one Enterprise Fund, the Childcare Services Fund. This fund reflects the activity of the childcare program for which the District charges fees for services provided. The fund is reported using full accrual accounting which includes all assets and liabilities, including those that are long-term in nature.

Custodial Funds

The District is the trustee, for the Foundation Private Purpose Trust Fund. All of the District's Custodial activities are reported in separate Statements of Custodial Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL ANALYSIS OF THE GOVERNMENT WIDE STATEMENTS

Comparative Statement of Net Position

The comparative statement of net position for Del Mar Union School District, as of June 30, 2024 and 2025, reveals several key trends and changes:

- **Total Assets** increased by \$28.1 million (from \$332.1 million to \$360.2 million), primarily due to a \$23.2 million rise in capital assets and a \$3.9 million increase in cash. This reflects the District's ongoing investment in facilities and infrastructure.
- **Total Liabilities** rose by \$19.9 million (from \$240.1 million to \$260.0 million), mainly driven by a \$22.2 million increase in long-term liabilities, which is likely attributable to new debt issuances for capital projects. Accounts payable and other current liabilities decreased by \$2.5 million.
- **Net Position** improved by \$11.9 million (from \$100.4 million to \$112.3 million), reflecting the net effect of increased assets and liabilities. Notably, the unrestricted net position improved by \$7.5 million (less negative), and restricted net position increased by \$3.9 million, indicating more resources are available for specific purposes.
- **Deferred Outflows and Inflows of Resources** both decreased (\$2.4 million and \$2.0 million, respectively), due to changes in pension and OPEB-related balances.

The District's financial position strengthened in 2024-25, with significant growth in capital assets and cash, prudent management of current liabilities, and a notable improvement in both restricted and unrestricted net position. The increase in long-term liabilities is consistent with the District's capital investment strategy, supported by new bond issuances. Decreases in deferred outflows and inflows reflect actuarial changes in pension and OPEB balances. Overall, these changes demonstrate the District's continued commitment to fiscal health and long-term sustainability.

(Table 1)
Comparative Statement of Net Position

	Governmental Activities		Business Type Activities	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Assets				
Cash	\$ 83,410,109	\$ 81,191,043	\$ 4,880,979	\$ 3,151,887
Accounts receivable	3,997,844	2,707,955	69,852	373,835
Internal balances	9,108	(167,213)	(9,108)	167,213
Inventory	56,830	18,304	-	-
Lease receivable	545,673	587,232	-	-
Capital, lease, & SBITA assets, net	266,289,325	243,108,851	979,879	1,007,973
Total Assets	\$ 354,308,889	\$ 327,446,172	\$ 5,921,602	\$ 4,700,908
Deferred Outflows of Resources				
Deferred outflows of resources - pensions	\$ 22,194,835	\$ 24,072,684	\$ 1,027,236	\$ 1,082,087
Deferred outflows of resources - OPEB	898,171	1,232,912	422,397	475,479
Deferred outflows of resources - debt related	1,070,202	1,136,003	-	-
Total Deferred Outflows of Resources	\$ 24,163,208	\$ 26,441,599	\$ 1,449,633	\$ 1,557,566
Liabilities				
Accounts payable and other current liabilities	\$ 6,270,657	\$ 8,734,385	\$ 152,240	\$ 174,500
Unearned revenue	432,635	423,193	344,658	139,646
Long-term liabilities	249,489,665	227,332,302	3,310,110	3,305,889
Total Liabilities	\$ 256,192,957	\$ 236,489,880	\$ 3,807,008	\$ 3,620,035
Deferred Inflows of Resources				
Deferred inflows of resources - pensions	\$ 5,896,180	\$ 6,217,183	\$ 387,264	\$ 1,243,714
Deferred inflows of resources - OPEB	6,212,204	6,886,764	529,681	632,393
Deferred inflows of resources - GASB 87	508,174	556,696	-	-
Total Deferred Inflows of Resources	\$ 12,616,558	\$ 13,660,643	\$ 916,945	\$ 1,876,107
Net Position				
Net investment in capital assets	\$ 117,379,566	\$ 116,795,134	\$ 979,879	\$ 1,007,973
Restricted	48,941,439	45,077,204	-	-
Unrestricted	(56,658,423)	(62,258,560)	1,667,403	(245,641)
Total Net Position	\$ 109,662,582	\$ 99,613,778	\$ 2,647,282	\$ 762,332

Comparative Statement of Changes in Net Position

The comparative statement of changes in net position for Del Mar Union School District, covering fiscal years 2023-24 and 2024-25, highlights several important trends:

- **Total Revenues** increased by \$2.4 million, from \$97.4 million in 2023-24 to \$99.8 million in 2024-25. This growth was primarily driven by higher property tax collections (up \$3.4 million) and increased federal and state aid (up \$1.4 million), partially offset by a \$1.3 million decrease in investment earnings and a \$1.1 million decrease in operating grants and contributions. Charges for services also declined by \$0.26 million, mainly in governmental activities.
- **Total Expenses** remained relatively flat, decreasing slightly by \$0.3 million to \$87.1 million in 2024-25. Notable changes included a \$3.1 million reduction in plant services expenses, a \$1.5 million increase in instruction expenses, and a \$1.0 million increase in general administration. Business-type activities (childcare services) expenses increased by \$0.28 million.

- **Net Position** increased by \$12.6 million in 2024-25, compared to a \$9.9 million increase in 2023-24. The ending net position rose from \$100.4 million to \$113.0 million, reflecting improved financial performance and a stronger overall financial position for the District.

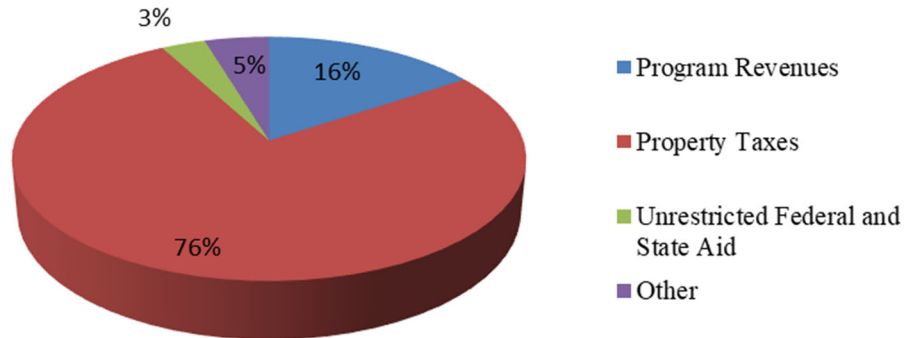
The District experienced revenue growth in 2024-25, primarily from property taxes and state/federal aid, while maintaining stable overall expenses. The resulting increase in net position demonstrates continued fiscal strength and effective resource management, positioning the District well for future financial stability

(Table 2)
Comparative Statement of Change in Net Position

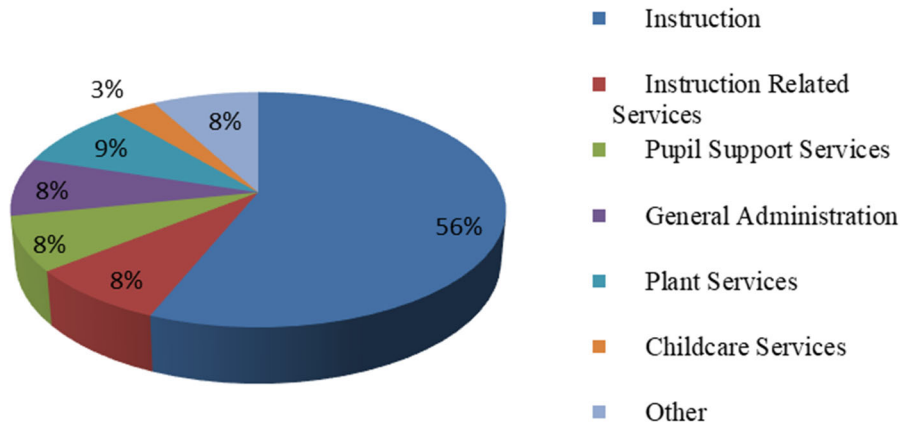
	Governmental Activities		Business Type Activities	
	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2025	Year Ended June 30, 2024
Revenues				
Program revenues				
Charges for services	\$ 415,885	\$ 798,097	\$ 4,519,809	\$ 4,401,256
Operating grants and contributions	10,703,601	11,812,687	(2,259)	(4,086)
Capital grants and contributions	25	18	-	-
General revenues				
Taxes levied for general purposes	65,133,468	61,713,502	-	-
Taxes levied for debt service	6,401,202	6,224,076	-	-
Taxes levied for other specific purposes	4,706,775	4,636,294	-	-
Federal and state aid not restricted	3,203,900	1,807,330	-	-
Interest and investment earnings	4,498,661	5,885,391	181,912	101,698
Miscellaneous	-	-	-	-
Total Revenues	95,063,517	92,877,395	4,699,462	4,498,868
Expenses				
Instruction	48,970,069	47,483,955	-	-
Instruction Related Services	7,038,455	7,017,808	-	-
Pupil Support Services	6,548,369	6,688,481	-	-
General Administration	6,971,236	5,969,185	-	-
Plant Services	7,831,233	10,919,049	-	-
Childcare Services	-	-	2,799,624	2,522,854
Other	6,956,739	6,833,975	-	-
Total Expenses	84,316,101	84,912,453	2,799,624	2,522,854
Increase (Decrease) in Net Position	10,747,416	7,964,942	1,899,838	1,976,014
Net Position - Beginning Balance*	98,915,166	91,648,836	747,444	(1,213,682)
Net Position - Ending Balance	\$ 109,662,582	\$ 99,613,778	\$ 2,647,282	\$ 762,332

*Adjusted in 2025 for GASB 101 implementation

**Sources of Revenue for the 2024-25 Fiscal Year
Figure 1**



**Expenses for the 2024-25 Fiscal Year
Figure 2**



FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The District's General Fund financial statements for 2024-25 demonstrate improved fiscal performance, with revenues exceeding budget, expenditures well managed, and a significant increase in fund balance. The District continues to maintain strong reserves, supporting its financial stability and ability to respond to future challenges.

General Fund Budgetary Highlights

For 2024-25, the Del Mar Union School District's General Fund ended with a fund balance of \$26,159,574, an increase of \$2,505,432 from the prior year. Actual revenues totaled \$81,715,092, exceeding the final budget by \$1,376,095. This positive variance was primarily due to higher-than-expected local property taxes, state revenue, and investment income. Actual expenditures were \$79,348,751, which was \$2,626,011 under budget, with the largest decreases in books and supplies and capital outlay.

The net change in fund balance was \$4,002,106 better than budgeted, indicating strong fiscal performance for the year. Some minor overages occurred in classified salaries, other outgo, and debt service, but these did not materially affect the overall financial position. The General Fund's unassigned and assigned fund balance represented a healthy reserve well above state minimum requirements.

In comparison, for 2023-24, the General Fund ended with a deficit of \$1,873,342, reducing the fund balance to \$21,508,351. Actual revenues exceeded the final budget by \$1,255,594, but expenditures were \$1,330,487 over budget, mainly due to underestimated salary costs and reclassification of certain payments. Despite the deficit, the District maintained reserves at 24.44% of expenditures, well above the state-recommended minimum. The 2024-25 budget projected a return to surplus and an increase in reserves to 40.77% of expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets, Lease Assets, and SBITA Assets

The District's capital asset base grew substantially in 2024-25 due to major construction and facility improvements, while lease and SBITA asset balances declined as a result of scheduled amortization and no new additions. These trends reflect the District's continued investment in infrastructure and technology, as well as adherence to updated accounting standards for leases and subscription-based IT arrangements

(Table 3)
Comparative Schedule of Capital, Lease, & SBITA Assets
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>	<u>Net \$ Change</u>	<u>Net % Change</u>
Land	\$ 47,803,718	\$ 47,803,718	\$ 0	0.0%
Work in Progress	32,373,289	80,367,727	(47,994,438)	-59.7%
Land Improvements	7,724,051	7,636,926	87,125	1.1%
Buildings & Improvements	230,557,019	156,664,169	73,892,850	47.2%
Equipment	7,673,062	5,252,498	2,420,564	46.1%
Less Accumulated Depreciation for				
Land Improvements	(2,360,016)	(2,349,384)	(10,632)	0.5%
Buildings & Improvements	(53,517,642)	(48,731,816)	(4,785,826)	9.8%
Equipment	(3,237,742)	(2,873,056)	(364,686)	12.7%
Lease Assets				
Equipment	1,643,848	1,643,848	0	0.0%
Less Accumulated Amortization	(1,414,488)	(1,059,435)	(355,053)	33.5%
SBITA Assets				
Information Technology Agreements	339,812	345,536	(5,724)	-1.7%
Less Accumulated Amortization	(315,707)	(208,161)	(107,546)	51.7%
Total	<u>\$ 267,269,204</u>	<u>\$ 244,492,570</u>	<u>\$ 22,776,634</u>	<u>9.3%</u>

Long-Term Debt

The District's long-term debt increased in 2024-25 due to the issuance of new general obligation bonds for capital projects, while regular principal repayments continued. This activity supports the District's ongoing investment in educational facilities and infrastructure, and demonstrates a commitment to prudent debt management and long-term financial health.

(Table 4)
Comparative Schedule of Long-Term Debt
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>	<u>Net \$ Change</u>	<u>Net % Change</u>
General Obligation Bonds	\$ 135,133,789	\$ 109,518,626	\$ 25,615,163	23.4%
Special Tax Bonds	50,136,332	51,392,365	(1,256,033)	-2.4%
Leases Payable	286,699	752,614	(465,915)	-61.9%
SBITAs Payable	<u>0</u>	<u>119,877</u>	<u>(119,877)</u>	<u>-100.0%</u>
Total Long-Term Debt	<u>\$ 185,556,820</u>	<u>\$ 161,783,482</u>	<u>\$ 23,773,338</u>	<u>14.7%</u>

GENERAL OBLIGATION BOND

On November 6, 2018, the voters of the Del Mar Union School District community voted to approve Measure MM to authorize the District to issue \$186 million of general obligation bonds for construction, reconstruction and modernization of Del Mar Union School District facilities. This bond measure passed with over 61% of votes cast in favor to authorize the issuance and sale.

The Bonds represent a general obligation of the District, payable solely from *ad valorem* taxes for the payment of the principal and interest on the Bonds upon all property subject to taxation by the District. The amount of the annual *ad valorem* taxes levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year.

The Del Mar Union School District General Obligation Bonds, 2018 Election, Series 2019 A were issued in October 2019 in the principal amount of \$55,285,000 and are rated Aaa by Moody's Investors Services

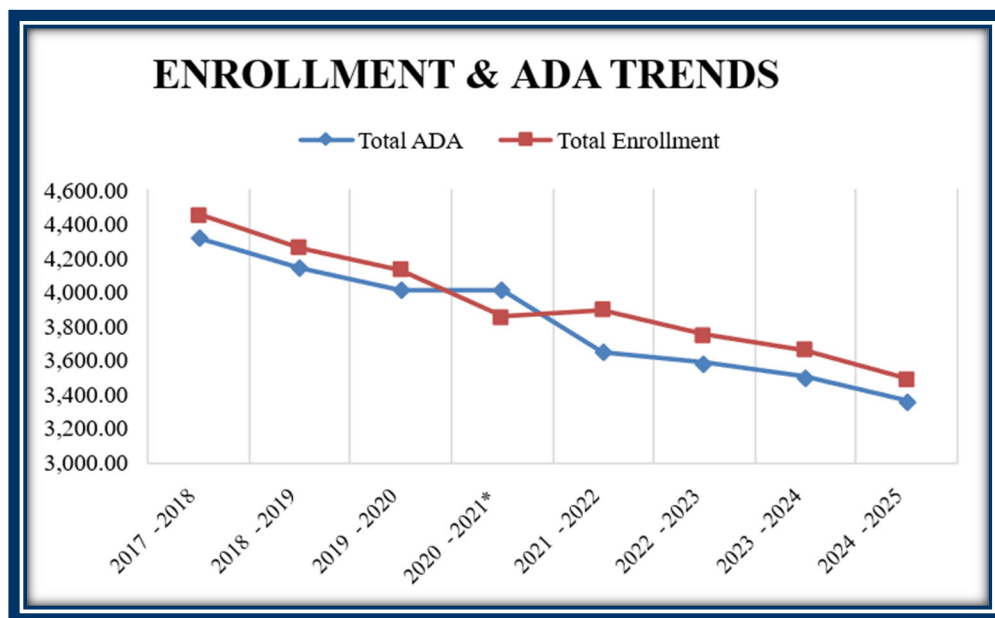
The Del Mar Union School District General Obligation Bonds, 2018 Election, Series 2022 B were issued in May 2022 in the principal amount of \$64,000,000 and are rated Aaa by Moody's Investors Services

The Del Mar Union School District General Obligation Bonds, 2018 Election, Series 2024 C were issued in October 2024 in the principal amount of \$27,000,000 and are rated Aaa by Moody's Investors Services

\$39,715,000 remains available for issuance under the Measure MM authorization.

ENROLLMENT & AVERAGE DAILY ATTENDANCE (ADA) TRENDS

The following chart shows the District's enrollment and ADA trends from 2017-2018 through 2024-25:



*Districts held harmless to 2019-2020 ADA.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The 2025-26 California enacted budget, and requisite trailer bills approved new and or augmented funding streams for transitional kindergarten add-on in the Local Control Funding Formula, the Student Support and Professional Development Discretionary Block Grant, the Learning Recovery Emergency Block Grant and additional appropriations for local education agencies (LEA) participating in the Expanded Learning Opportunities Program Tier 2.

Funded average daily attendance (ADA) has changed drastically in recent years as the Governor and Legislature provided additional relief to combat the significant declining enrollment. Those policies provided an off-ramp rather than a fiscal cliff, which ended last year. The 2024-25 fiscal year was the final year for LEAs to benefit from the positive impact of the 2021-22 hold harmless policies; however, moving forward, LEAs will continue to be able to claim ADA based on current-year, prior-year, or a three-year average, whichever is greater.

Beginning in 2025-26, LEAs are allowed to recover up to ten absences per year through the inaugural Attendance Recovery program. This program is available to LEAs serving classroom-based student populations and can be offered before and after school, as well as during weekends and intersessions.

Cash deferrals are back for a second consecutive year with \$1.9 billion scheduled to be deferred from June 2026 to July 2026. Although state revenues are trending ahead of projections, it is still prudent to plan as if the deferrals will occur as planned.

Despite positive outlooks for school funding, costs of salaries, pensions, and other employee benefits continue to rise. The District is monitoring the budget closely to ensure all financial obligations are met and the District remains fiscally strong.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, 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 additional financial information, please contact the Business Office, at Del Mar Union School District, 11232 El Camino Real, Ste. 100, San Diego CA 92130.

Basic Financial Statements

Del Mar Union School District

Statement of Net Position

June 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Cash Equivalents	\$ 83,410,109	\$ 4,880,979	\$ 88,291,088	\$ 66,518
Receivables	3,997,844	69,852	4,067,696	-
Internal Balances	9,108	(9,108)	-	-
Inventory	56,830	-	56,830	-
Lease Receivable	545,673	-	545,673	-
Capital Assets:				
Land	47,803,718	-	47,803,718	-
Improvements	7,724,051	-	7,724,051	-
Buildings	229,173,300	1,383,719	230,557,019	-
Equipment	7,673,062	-	7,673,062	-
Work in Progress	32,373,289	-	32,373,289	-
Less Accumulated Depreciation	(58,711,560)	(403,840)	(59,115,400)	-
Lease Assets				
Equipment	1,643,848	-	1,643,848	-
Less Accumulated Amortization	(1,414,488)	-	(1,414,488)	-
SBITA Assets				
Information Technology Agreements	339,812	-	339,812	-
Less Accumulated Amortization	(315,707)	-	(315,707)	-
	<u>354,308,889</u>	<u>5,921,602</u>	<u>360,230,491</u>	<u>66,518</u>
Deferred Outflows of Resources	<u>24,163,208</u>	<u>1,449,633</u>	<u>25,612,841</u>	<u>-</u>
Liabilities				
Accounts Payable and Other Current Liabilities	6,270,657	152,240	6,422,897	2,360
Unearned Revenue	432,635	344,658	777,293	-
Long-Term Liabilities:				
Due Within One Year	5,354,465	37,677	5,392,142	-
Due in More Than One Year	<u>244,135,200</u>	<u>3,272,433</u>	<u>247,407,633</u>	<u>-</u>
Total Liabilities	<u>256,192,957</u>	<u>3,807,008</u>	<u>259,999,965</u>	<u>2,360</u>
Deferred Inflows of Resources	<u>12,616,558</u>	<u>916,945</u>	<u>13,533,503</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	117,379,566	979,879	118,359,445	-
Restricted for:				
Capital Projects	38,998,116	-	38,998,116	-
Debt Service	5,872,380	-	5,872,380	-
Educational Programs	3,453,670	-	3,453,670	-
Other Purposes (Expendable)	535,443	-	535,443	-
Other Purposes (Nonexpendable)	81,830	-	81,830	-
Unrestricted	<u>(56,658,423)</u>	<u>1,667,403</u>	<u>(54,991,020)</u>	<u>64,158</u>
Total Net Position	<u>\$ 109,662,582</u>	<u>\$ 2,647,282</u>	<u>\$ 112,309,864</u>	<u>\$ 64,158</u>

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

Del Mar Union School District

Statement of Activities

For the Year Ended June 30, 2025

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business Type Activities	Total	
Governmental Activities:								
Instruction	\$ 48,970,069	\$ 232,669	\$ 5,286,355	\$ 25	\$ (43,451,020)		\$ (43,451,020)	
Instruction-Related Services								
Instructional Supervision and Administration	3,391,212	14,828	527,905	-	(2,848,479)		(2,848,479)	
Instructional Library, Media and Technology	383,964	-	-	-	(383,964)		(383,964)	
School Site Administration	3,263,279	-	(24,223)	-	(3,287,502)		(3,287,502)	
Pupil Services								
Home-to-School Transportation	1,423,090	-	-	-	(1,423,090)		(1,423,090)	
Food Services	1,923,570	106,038	2,079,023	-	261,491		261,491	
All Other Pupil Services	3,201,709	10,914	435,555	-	(2,755,240)		(2,755,240)	
General Administration								
Centralized Data Processing	2,520,032	-	(2,636)	-	(2,522,668)		(2,522,668)	
All Other General Administration	4,451,204	18	214,501	-	(4,236,685)		(4,236,685)	
Plant Services	7,831,233	3,645	70,681	-	(7,756,907)		(7,756,907)	
Ancillary Services	917,567	-	1,297,014	-	379,447		379,447	
Interest on Long-Term Debt	5,658,716	-	-	-	(5,658,716)		(5,658,716)	
Debt Issuance Costs	279,089	-	-	-	(279,089)		(279,089)	
Transfers Between Agencies	101,367	47,773	819,426	-	765,832		765,832	
Total Governmental Activities	84,316,101	415,885	10,703,601	25	(73,196,590)		(73,196,590)	
Business Type Activities:								
Child Care Services	2,799,624	4,519,809	(2,259)	-		\$ 1,717,926	1,717,926	
Total Business Type Activities	2,799,624	4,519,809	(2,259)	-		1,717,926	1,717,926	
Component Unit:								
Educational Grants	950,000	-	1,098,061	-				\$ 148,061
Management and General	102,764	-	-	-				(102,764)
Fundraising	56,697	-	-	-				(56,697)
Total Component Unit	1,109,461	-	1,098,061	-				(11,400)
Total	\$ 88,225,186	\$ 4,935,694	\$ 11,799,403	\$ 25	\$ (73,196,590)	\$ 1,717,926	\$ (71,478,664)	\$ (11,400)
General Revenues:								
Taxes and Subventions:								
Taxes Levied for General Purposes					\$ 65,133,468	\$ -	\$ 65,133,468	\$ -
Taxes Levied for Debt Service					6,401,202	-	6,401,202	-
Taxes Levied for Other Specific Purposes					4,706,775	-	4,706,775	-
Federal and State Aid, Not Restricted					3,203,900	-	3,203,900	-
Interest and Investment Earnings/(Loss)					4,498,661	181,912	4,680,573	19,386
Total General Revenues					83,944,006	181,912	84,125,918	19,386
Change in Net Position					10,747,416	1,899,838	12,647,254	7,986
Net Position, Beginning, as Previously Reported					99,613,778	762,332	100,376,110	56,172
Adjustment for GASB 101 Implementation (Note A)					(698,612)	(14,888)	(713,500)	-
Net Position, Beginning, as Restated					98,915,166	747,444	99,662,610	56,172
Net Position, Ending					\$ 109,662,582	\$ 2,647,282	\$ 112,309,864	\$ 64,158

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

Del Mar Union School District

Balance Sheet – Governmental Funds

June 30, 2025

			Blended Component Unit Funds			
	General	Building	Capital	Debt	Nonmajor	Total
	Fund	Fund	Project	Service	Governmental	Governmental
			Fund	Fund	Funds	Funds
Assets						
Cash and Investments	\$ 25,069,488	\$ 18,995,352	\$ 19,536,962	\$ -	\$ 19,808,307	\$ 83,410,109
Accounts Receivable	2,944,712	352,062	263,317	-	437,753	3,997,844
Due from Other Funds	269,966	-	-	-	1,843	271,809
Inventory	-	-	-	-	56,830	56,830
Lease Receivable	545,673	-	-	-	-	545,673
Total Assets	<u>\$ 28,829,839</u>	<u>\$ 19,347,414</u>	<u>\$ 19,800,279</u>	<u>\$ -</u>	<u>\$ 20,304,733</u>	<u>\$ 88,282,265</u>
Liabilities, Deferred Inflows, and Fund Balance						
Liabilities:						
Accounts Payable	\$ 1,508,858	\$ 2,493,425	\$ 7,207	\$ -	\$ 41,718	\$ 4,051,208
Due to Other Funds	262,701	-	-	-	-	262,701
Unearned Revenue	390,532	-	-	-	42,103	432,635
Total Liabilities	<u>2,162,091</u>	<u>2,493,425</u>	<u>7,207</u>	<u>-</u>	<u>83,821</u>	<u>4,746,544</u>
Deferred Inflows of Resources:						
Deferred Lease Revenue	508,174	-	-	-	-	508,174
Total Deferred Inflows of Resources	<u>508,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>508,174</u>
Fund Balance:						
Nonspendable Fund Balances	25,000	-	-	-	56,830	81,830
Restricted Fund Balances	3,509,875	16,853,989	19,793,072	-	8,702,673	48,859,609
Committed Fund Balances	-	-	-	-	3,427,373	3,427,373
Assigned Fund Balances	14,937,192	-	-	-	8,034,036	22,971,228
Unassigned Fund Balances	7,687,507	-	-	-	-	7,687,507
Total Fund Balance	<u>26,159,574</u>	<u>16,853,989</u>	<u>19,793,072</u>	<u>-</u>	<u>20,220,912</u>	<u>83,027,547</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u>\$ 28,829,839</u>	<u>\$ 19,347,414</u>	<u>\$ 19,800,279</u>	<u>\$ -</u>	<u>\$ 20,304,733</u>	<u>\$ 88,282,265</u>

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

Del Mar Union School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2025

Total fund balances governmental funds: \$ 83,027,547

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

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

Capital assets relating to governmental activities, at historical cost	324,747,420	
Accumulated depreciation	<u>(58,711,560)</u>	
Net		266,035,860

Lease assets relating to governmental activities, at historical cost	1,643,848	
Accumulated amortization	<u>(1,414,488)</u>	
Net		229,360

SBITA assets relating to governmental activities, at historical cost	339,812	
Accumulated amortization	<u>(315,707)</u>	
Net		24,105

Unamortized costs: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. Unamortized debt insurance costs included in deferred outflows of resources on the statement of net position are:

420,050

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 unmaturred interest owing at the end of the period was:

(2,219,449)

Del Mar Union School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position, Continued June 30, 2025

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

General obligation bonds payable	135,133,789	
Leases payable	286,699	
Special tax bonds payable	50,136,332	
Net pension liability	54,687,645	
Net OPEB liability	8,341,454	
Compensated absences	903,746	
	<u>Total</u>	(249,489,665)

Deferred gain or loss on debt refunding: In the government wide financial statements deferred gain or loss on debt refunding is recognized as a deferred outflow of resources (for a loss) or a deferred inflow of resources (for a gain) and subsequently amortized over the life of the debt. Deferred gain or loss on debt refunding recognized as a deferred outflow of resources or deferred inflow of resources on the statement of net position was:

650,152

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 relating to pensions	22,194,835	
Deferred inflows of resources relating to pensions	(5,896,180)	
	<u>Net</u>	16,298,655

Deferred outflows and inflows of resources relating to other postemployment benefits (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 relating to OPEB	898,171	
Deferred inflows of resources relating to OPEB	(6,212,204)	
	<u>Net</u>	(5,314,033)

Total net position governmental activities:	<u><u>\$ 109,662,582</u></u>
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Del Mar Union School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Year Ended June 30, 2025

	General Fund	Building Fund	Blended Component Unit Funds		Nonmajor Governmental Funds	Total Governmental Funds
			Capital Project Fund	Debt Service Fund		
Revenues						
State Apportionment	\$ 1,170,350	\$ -	\$ -	\$ -	\$ -	\$ 1,170,350
Education Protection Account Funds	724,690	-	-	-	-	724,690
Local Property Taxes	64,809,224	-	4,706,775	-	6,725,446	76,241,445
Federal Revenue	1,163,652	-	-	-	535,867	1,699,519
Other State Revenue	7,432,087	-	-	-	1,751,408	9,183,495
Interest & Investment Income/(Loss)	1,426,996	1,251,390	921,964	-	898,311	4,498,661
Other Local Revenue	5,127,184	-	-	-	254,309	5,381,493
Total Revenues	81,854,183	1,251,390	5,628,739	-	10,165,341	98,899,653
Expenditures						
Current Expenditures:						
Instruction	49,756,365	-	-	-	-	49,756,365
Instruction - Related Services	8,249,555	-	-	-	-	8,249,555
Pupil Services	5,151,859	-	-	-	2,130,646	7,282,505
Ancillary Services	928,641	-	-	-	-	928,641
General Administration	6,548,645	-	-	-	5,499	6,554,144
Plant Services	7,932,263	31,912	3,534	-	78,055	8,045,764
Debt Issue Costs	-	264,650	-	-	-	264,650
Transfers Between Agencies	101,367	-	-	-	-	101,367
Capital Outlay	94,104	29,527,949	-	-	8,301	29,630,354
Debt Service:						
Principal	585,792	-	-	1,135,000	2,415,000	4,135,792
Interest	160	-	-	1,819,438	4,237,188	6,056,786
Total Expenditures	79,348,751	29,824,511	3,534	2,954,438	8,874,689	121,005,923
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,505,432	(28,573,121)	5,625,205	(2,954,438)	1,290,652	(22,106,270)
Other Financing Sources (Uses):						
Transfers In	-	-	-	2,954,438	-	2,954,438
Transfers Out	-	-	(2,954,438)	-	-	(2,954,438)
Proceeds from Sale of Bonds	-	27,079,650	-	-	1,094,670	28,174,320
Total Other Financing Sources (Uses)	-	27,079,650	(2,954,438)	2,954,438	1,094,670	28,174,320
Net Change in Fund Balance	2,505,432	(1,493,471)	2,670,767	-	2,385,322	6,068,050
Fund Balance, Beginning of Year	23,654,142	18,347,460	17,122,305	-	17,835,590	76,959,497
Fund Balance, End of Year	\$ 26,159,574	\$ 16,853,989	\$ 19,793,072	\$ -	\$ 20,220,912	\$ 83,027,547

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

Del Mar Union School District

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

Total change in fund balances, governmental funds:	\$ 6,068,050
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Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

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

Expenditures for capital outlay	29,630,354	
Depreciation expense	(5,501,589)	
Amortization expense	<u>(468,323)</u>	
	Net	23,660,442

Gain or loss from disposal of capital assets: In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:	(325,810)
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Cost write-off for canceled capital projects: If a planned capital project is canceled and will not be completed, costs previously capitalized as Work in Progress must be written off to expense. Costs written off for canceled projects were:	(154,158)
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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:	4,135,792
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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 were:	(28,174,320)
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Del Mar Union School District

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

Debt issue costs for prepaid debt insurance: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. The difference between debt issue costs for prepaid insurance incurred in the current period and prepaid insurance costs amortized for the period is:

Prepaid debt insurance incurred during the period	-	
Prepaid debt insurance amortized for the period	(14,439)	
Net		(14,439)

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 that 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: 64,363

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 amounts earned. The difference between compensated absences paid and compensated absences earned was: 24,434

Pensions: In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: 5,187,302

Other postemployment benefits (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: 61,932

Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: 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, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding for the period is: 213,828

Change in net position of governmental activities: \$ 10,747,416

Del Mar Union School District

Statement of Net Position – Enterprise Fund

June 30, 2025

	Enterprise Fund
	Child Care Services Fund
Assets	
Current Assets	
Cash and Investments	\$ 4,880,979
Accounts Receivable	69,852
Due from Other Funds	260,858
Total Current Assets	<u>5,211,689</u>
Noncurrent Assets	
Buildings and Improvements	1,383,719
Accumulated Depreciation	(403,840)
Total Noncurrent Assets	<u>979,879</u>
Total Assets	<u><u>\$ 6,191,568</u></u>
Deferred Outflows of Resources	
OPEB Related	\$ 422,397
Pension Related	1,027,236
Total Deferred Outflows of Resources	<u><u>\$ 1,449,633</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	\$ 152,240
Due to Other Funds	269,966
Unearned Revenue	344,658
Compensated Absences - Current Portion	37,677
Total Current Liabilities	<u>804,541</u>
Noncurrent Liabilities	
Net Pension Liability	2,792,097
Net OPEB Liability	456,704
Compensated Absences - Noncurrent Portion	23,632
Total Noncurrent Liabilities	<u>3,272,433</u>
Total Liabilities	<u><u>\$ 4,076,974</u></u>
Deferred Inflows of Resources	
OPEB Related	\$ 529,681
Pension Related	387,264
Total Deferred Inflows of Resources	<u><u>\$ 916,945</u></u>
Net Position	
Net Investment in Capital Assets	\$ 979,879
Unrestricted (Deficit)	1,667,403
Total Net Position	<u><u>\$ 2,647,282</u></u>

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

Del Mar Union School District

Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund June 30, 2025

	Enterprise Fund Child Care Services Fund
Operating Revenues	
State Revenue	\$ (2,259)
Child Care Service Fees	4,519,809
Total Operating Revenues	<u>4,517,550</u>
Operating Expenses	
Certificated Salaries	12,200
Classified Salaries	2,690,199
Employee Benefits	44,785
Books and Supplies	250,285
Services and Other Operating Expenses	(225,939)
Depreciation Expense	28,094
Total Operating Expenses	<u>2,799,624</u>
Operating Income (Loss)	<u>1,717,926</u>
Non-Operating Revenues/(Expenses)	
Interest and Investment Income/(Loss)	181,912
Total Nonoperating Revenues/(Expenses)	<u>181,912</u>
Change in Net Position	1,899,838
Net Position - Beginning, as Previously Reported	762,332
Adjustment for GASB 101 Implementation (Note A)	(14,888)
Net Position - Beginning, as Adjusted	<u>747,444</u>
Total Net Position - Ending	<u>\$ 2,647,282</u>

Del Mar Union School District

Statement of Cash Flows – Enterprise Fund

June 30, 2025

	Enterprise Fund
	Child Care Services Fund
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 5,631,991
Cash Received from State Grants	(2,259)
Cash Payments for Payroll and Benefits	(4,008,259)
Cash Payments to Other Suppliers for Goods and Services	(46,606)
Net Cash Provided (Used) by Operating Activities	<u>1,574,867</u>
Cash Flows from Investing Activities	
Interest and Realized Investment Earnings/(Losses)	<u>154,225</u>
Net Cash Provided (Used) by Investing Activities	<u>154,225</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,729,092
Cash and Cash Equivalents, Beginning of Year	<u>3,151,887</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,880,979</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 1,717,926
Depreciation Expense	28,094
Change in Assets and Liabilities:	
Decrease (Increase) in Operating Accounts Receivable	331,670
Decrease (Increase) in Due From Other Funds	575,500
Decrease (Increase) in Deferred Outflows of Resources	107,933
Increase (Decrease) in Accounts Payable	(22,260)
Increase (Decrease) in Due To Other Funds	(399,179)
Increase (Decrease) in Unearned Revenue	205,012
Increase (Decrease) in Net Pension Liability	(39,822)
Increase (Decrease) In Net OPEB Liability	15,215
Increase (Decrease) in Compensated Absences Payable	13,940
Increase (Decrease) in Deferred Inflows of Resources	(959,162)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 1,574,867</u></u>

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

Del Mar Union School District
Statement of Net Position – Fiduciary Funds
June 30, 2025

	Foundation Private-Purpose Trust Fund
Assets	
Cash and Investments	\$ 33,284
Accounts Receivable	479
Total Assets	<u>\$ 33,763</u>
Net Position	
Held in Trust for Other Purpose	<u>\$ 33,763</u>
Total Net Position	<u>\$ 33,763</u>

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

Del Mar Union School District

Statement of Changes in Fiduciary Net Position – Fiduciary Funds June 30, 2025

	Foundation Private-Purpose Trust Fund
Additions	
Interest Income	\$ 1,343
Investment Gains	571
Total Additions	<u>1,914</u>
Deductions	
Books & Other Reference Materials	<u>4,888</u>
Total Deductions	<u>4,888</u>
Change in Net Position	(2,974)
Net Position, Beginning of Year	<u>36,737</u>
Net Position, End of Year	<u><u>\$ 33,763</u></u>

Del Mar Union School District

Notes to the Financial Statements

For the Year Ended June 30, 2025

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

The District operates under a locally elected Governing Board of Trustees form of government and provides educational services to grades K-6 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, special revenue funds, capital facilities funds, debt service funds, student-related activities, childcare services, and discretely presented component units.

2. 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 and the Del Mar Schools Community Facilities Districts (the CFDs) have a financial and operational relationship which meet the reporting entity definition criteria of the Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the CFD as a blended component unit of the District. Therefore, the financial activities of the CFD have been included in the basic financial statements as a blended component unit.

The following are those aspects of the relationship between the District and the CFDs which satisfy Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, criteria:

a. Manifestations of Oversight

The governing body of the CFDs are substantively the same as the District's Board of Trustees.

The CFDs have no employees. The District's Superintendent, Assistant Superintendent of Business Services, and other employees of the District function as agents of the CFDs. Neither individual received additional compensation for work performed in this capacity.

The District exercises significant influence over operations of the CFDs as it is anticipated that the District will be the sole lessee of all facilities owned by the CFDs.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

b. Accounting and Fiscal Matters

All major financing arrangements, contracts, and other transactions of the CFDs must have the consent of the District.

The District will assume a “moral obligation”, and potentially a legal obligation, for any debt incurred by the CFDs.

c. Scope of Public Service and Financial Presentation

The CFDs were created for the sole purpose of financially assisting the District.

The CFDs were created pursuant to a joint powers agreement between the District and the California Statewide Communities Development Authority, pursuant to California Government Code, commencing with Section 6500. The CFDs were formed to provide financing assistance to the District for construction and acquisition of major capital facilities. Upon completion the District intends to occupy all CFDs facilities.

The CFDs’ financial activity is presented in the financial statements in the Capital Projects Fund for Blended Component Units and Debt Service Fund for Blended Component Units.

The Del Mar Union School District has identified one foundation which has a financial and operational relationship which meet the reporting entity definition criteria of the Codification of Governmental Accounting and Financial Reporting Section 2100, for inclusion of the foundation as a discretely presented component unit.

The following are those aspects of the relationship between the District and the foundation which satisfies Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 criteria:

Del Mar Schools Education Foundation

The Del Mar Schools Education Foundation (DMSEF) is a nonprofit 501(c)(3) organization that exists to raise funds to assist in paying for the compensation packages for specialized and credentialed teachers in the Del Mar Union School District’s STEAM+ curriculum. DMSEF is committed to providing specialized instruction and thereby enriching the educational opportunities of every student in the Del Mar Union School District. During the year ended June 30, 2025, DMSEF provided a grant of \$950,000 to the District to assist in the costs associated with the STEAM+ program.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

Nature and Significance of Relationship

Certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government or its other component units. DMSEF is reported as a discretely presented component unit based on the following criteria:

- 1) The economic resources received or held by DMSEF are entirely for the direct benefit of the District.
- 2) The District is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by DMSEF.
- 3) The economic resources received or held by DMSEF are significant to the District.

3. 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. Business type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities, business type activities, and discretely presented component units. 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 general revenues of the District.

Fund Financial Statements. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental 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.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

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 programs, construction and maintenance of school facilities, and repayment of long-term debt.

Enterprise funds are used to account for activities that are proprietary in nature. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Fiduciary funds are used to account for assets held by the District in a trustee or agency capacity for others that cannot be used to support the District's own programs.

Major Governmental Funds

The District reports the following major governmental funds:

General Fund: The general fund is the primary 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.

Building Fund: This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code §15146*) and may not be used for any purpose 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 §17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code §41003*).

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 component units of the District under generally accepted accounting principles (GAAP). The Mello-Roos Community Facilities Act of 1982 (*Government Code §5311 et seq.*) allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, a "Community Facilities District" (CFD) for the purpose of selling tax-exempt bonds to finance public improvements and services. The District has one CFD reported as a blended component unit.

Debt Service Fund for Blended Component Units: This fund is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facility Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP). The Mello-Roos Community Facilities Act of 1982 (*Government Code §5311 et seq.*) allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, a "Community Facilities District" (CFD) for the purpose of selling tax-exempt bonds to finance public improvements and services. The District has multiple CFDs reported as a blended component unit.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

Non-Major Governmental Funds

The District reports the following non-major governmental funds categorized by the fund type:

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 nonmajor special revenue funds:

Cafeteria Special Revenue Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code §38091 through §38093*). The Cafeteria Special Revenue 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 §38091 and §38100*).

Deferred Maintenance Fund: This fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code §17582*).

Capital Projects Funds: Capital projects 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). The District maintains the following nonmajor capital projects funds:

Capital Facilities Fund: The Capital Facilities 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 §17620 through §17626*). The authority for these levies may be county or city ordinances (*Government Code §65970 through §65981*) or private agreements between the District and the developer. All funds, including interest earned, are restricted to the purposes specified in *Government Code §65970 through §65981* or *Government Code §65995*, or items specified in agreements with the developer (*Government Code §66006*).

County School Facilities Fund. This fund is established pursuant to Education Code §17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D) or the 2016 State School Facilities Fund (Proposition 51). The fund is used primarily to account 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 §17070.10 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 §42840*). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to other capital projects funds. Other authorized resources that may be deposited into this fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code §17462*) and rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code §41003*).

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

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. The District maintains the following nonmajor debt service funds:

Bond Interest and Redemption Fund: The Bond Interest and Redemption Fund is used for the repayment of bonds issued for the District (*Education Code §15125 through §15262*). The County of San Diego Auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the County Treasurer from taxes levied by the County Auditor-Controller.

Proprietary Fund

Enterprise Fund: Enterprise funds are used to account for an activity for which a fee is charged to external users for goods or services. An enterprise fund is accounted for on the accrual basis. Capital assets and long-term liabilities are recorded in the fund. All revenues and expenses are recorded, regardless of when they are received or paid. The District reports the following enterprise fund:

Child Care Services Fund: This fund accounts for the activities of the District's fee based childcare program.

Fiduciary Funds

Trust and Agency Funds: Trust and agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held. The District maintains the following trust funds:

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

4. Basis of Accounting – Measurement Focus

Government-Wide, Proprietary, and Fiduciary Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and 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. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

Governmental Fund Financial Statements. The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

5. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid or at year end, whichever is sooner.

6. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1st. A public hearing must be conducted to receive comments prior to adoption. The District's governing board has satisfied these requirements.

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

7. Revenues and Expenses

a. Revenues – Exchange and Non-Exchange

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as to not 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 districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, property taxes, interest, certain grants, and other local sources.

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

b. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide financial statements.

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

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized. For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

In accordance with Education Code §41001, the District maintains substantially all its cash in the San Diego County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code §53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury was not available.

b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued using the first-in/first-out (FIFO) method and consist of expendable supplies held for consumption. Reported inventories are equally offset by a non-spendable fund balance designation, which indicates that these amounts are not “available for appropriation and expenditure” even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures during the benefiting period.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Buildings & Improvements	20 - 50 Years
Land Improvements	10 - 25 Years
Equipment	5 - 15 Years

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

d. Lease Assets & Lease Liabilities

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles and equipment. In accordance with GASB Statement 87, the District records lease assets and lease liabilities with a capitalization threshold of \$5,000. Lease assets are amortized over the shorter of the useful life of the underlying asset (as defined in capital assets policy) or the lease term. Lease liabilities are reduced as principal payments on the lease are made.

e. SBITA Assets & SBITA Liabilities

A subscription based information technology arrangement (SBITA) is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITAs result in a subscription asset and subscription liability on the date of inception in accordance with GASB Statement 96 which are recorded at present value using an imputed interest rate based on the best available borrowing rate for the District in the year of inception. The District has established a capitalization threshold for SBITA assets and liabilities of \$5,000. The SBITA assets are amortized over the subscription term. The SBITA liabilities are reduced as principal payments on the agreements are paid.

f. Compensated Absences

Employees of the District are granted vacation, sick leave, and other types of compensated absences in accordance with District policy and labor agreements. Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and certain types of sabbatical leave when agreed upon in contracts or labor agreements. Under the District's policies, vacation leave and sick leave may be carried forward from year to year, subject to limits established by policy.

A liability for compensated absences is recognized when earned by employees if (a) the leave is attributable to services already rendered, (b) the leave accumulates and may be carried forward to future periods, and (c) it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. The liability is measured using the pay or salary rates in effect as of the financial statement date, plus salary-related payments that are directly and incrementally associated with payments for compensated absences, as required by GASB Statement No. 101.

In accordance with GASB Statement No. 101, unused sick leave that, upon retirement, is converted to provide or enhance a defined benefit pension is excluded from the compensated absences liability. The value of such converted leave is instead included in the measurement of the District's net pension liability in accordance with applicable GASB standards.

In governmental funds, only the portion of the liability that is expected to be liquidated with expendable available financial resources is reported as a fund liability; the remainder is reported in the government-wide financial statements.

The District measured the liability based on a historic look back period of three years with a last-in-first-out flows assumption for use of accrued balances.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

g. Unearned Revenue

Unearned revenue represents amounts received in advance of the period in which the District is legally entitled to the resources. In the governmental funds, unearned revenue is reported as a liability until the underlying revenue recognition criteria have been met. Typical sources of unearned revenue include advance payments for services and grant proceeds received before all eligibility requirements have been satisfied.

h. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and Transfers out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

i. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact (such as revolving cash accounts or principal of a permanent fund).

Restricted Fund Balance represents amounts that are subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations, or may be imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget or resolution. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

Unassigned Fund Balance represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

j. Minimum Fund Balance Policy

The District is a basic aid district and receives funding computed from local property tax revenue. The Board shall establish and maintain a higher level of reserves in an attempt to close the state aid differential and protect the District during times of economic uncertainty and fluctuations in property tax revenues. The District Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts of not less than 15 percent of general fund operating expenditures and other financing uses.

k. GASB 54 Fund Presentation

GASB Statement No. 54 defines a special revenue fund as a fund that has a special revenue source that is either restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. The Special Reserve Fund for Other Than Capital Outlay (Fund 17) does not have continuing revenue sources that are either restricted or committed in nature. As such this fund does not meet the definition of special revenue funds under the provisions of GASB Statement No. 54. This fund has been combined with the general fund for reporting purposes.

l. Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

m. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources relating to pension, deferred inflows of resources relating to pension, pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan), and additions to/deductions from the CalPERS Plan and CalSTRS Plan fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

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

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

n. Postemployment Benefits Other than Pensions (OPEB)

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

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

Valuation Date	June 30, 2025
Measurement Date	June 30, 2025
Measurement Period	July 1, 2024 to June 30, 2025

9. Property Taxes

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.

10. Use of 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.

11. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

Level 1 Inputs:	Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
Level 2 Inputs:	Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
Level 3 Inputs:	Unobservable inputs to an asset or liability.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

12. New Accounting Pronouncements

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2025. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement No. 99 <i>Omnibus 2022</i> (Portions related to financial guarantees and derivative instruments)	Apr-22
GASB Statement No. 100 <i>Accounting Changes and Error Corrections</i> (Amendment of GASB Statement No. 62)	Jun-22
GASB Statement No. 101 <i>Compensated Absences</i>	Jun-22
GASB Statement No. 102 <i>Certain Risk Disclosures</i>	Dec-23
GASB Implementation Guide No. 2023-1 <i>Implementation Guidance Update 2023</i>	Jun-23
GASB Implementation Guide No. 2025-1 <i>Implementation Guidance Update 2025 (Question 4.16 ONLY)</i>	Jun-25

The adoption of GASB Statement No. 99, GASB Statement No. 102, GASB Implementation Guide No. 2023-1 and GASB Implementation Guide No. 2025-1 did not have a material impact on the District's financial position, results of operations, or disclosures in the financial statements.

The adoption of GASB Statement No. 100 resulted in enhanced note disclosures and financial statement presentation but did not result in a material change to the District's financial position.

The adoption of GASB Statement No. 101 resulted in a material change to the District's net position for inclusion of a portion of sick leave that meets reporting requirements consistent with the requirements of the GASB pronouncement.

13. Accounting Changes and Error Corrections

Effective for the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 requires that changes to or within the financial reporting entity, including changes in fund classification, be reported by adjusting the beginning balances of the affected funds as if the change occurred at the start of the reporting period. The statement also requires enhanced disclosures regarding accounting changes and error corrections.

Error Corrections

No error corrections to prior year balances were identified or recorded during the fiscal year ended June 30, 2025.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

Change in Accounting Principle

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*, which establishes new recognition and measurement criteria for compensated absences. As a result, the District changed its method of accounting for compensated absences to comply with the new standard. The implementation of GASB Statement No. 101 resulted in a restatement of the beginning net position of governmental activities as of July 1, 2024. The affected financial statement line item is "Compensated Absences Payable." The change in accounting principle resulted in the following restatement of beginning net position:

	Government-Wide Financial Statements			Enterprise Fund
	Governmental Activities	Business-Type Activities	Total	Child Care Services Fund
Beginning Net Position as Reported in June 30, 2024	\$ 99,613,778	\$ 762,332	\$ 100,376,110	\$ 762,332
Adjustments to Beginning Balance:				
GASB 101 Implementation	(698,612)	(14,888)	(713,500)	(14,888)
Beginning Net Position, as Restated	<u>\$ 98,915,166</u>	<u>\$ 747,444</u>	<u>\$ 99,662,610</u>	<u>\$ 747,444</u>

Change in Fund Classification

There were no changes in fund classification during the fiscal year ended June 30, 2025.

B. Compliance and Accountability

1. Finance Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions, if any are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None Reported	Not Applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

The following funds are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None	Not Applicable	Not Applicable

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

C. Fair Value Measurements

The District's investments at June 30, 2025, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External investment pools measured at fair value				
San Diego County Treasury	\$ 88,299,095	\$ -	\$ 88,299,095	\$ -
Other investments measured at fair value				
U.S. Government Money Market Funds	277	277	-	-
Total investments measured at fair value	<u>\$ 88,299,372</u>	<u>\$ 277</u>	<u>\$ 88,299,095</u>	<u>\$ -</u>

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code §41001). The fair value of the District's investments in the pool is reported in the accounting financial statements as amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of the 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.

The San Diego County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background in, public finance. In addition, the County Treasury is audited annually by an independent auditor.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

D. Cash and Investments

As of June 30, 2025, the District held the following cash and investments:

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Building Fund	Capital Project Fund for Blended Component Unit		
Cash in County Treasury	\$ 25,032,548	\$ 18,986,296	\$ 19,527,370	\$ 19,798,863	\$ 83,345,077
FMV Adjustment	11,940	9,056	9,315	9,444	39,755
Cash with Fiscal Agent	-	-	277	-	277
Cash in Revolving Fund	25,000	-	-	-	25,000
Total Cash and Cash Equivalents	<u>\$ 25,069,488</u>	<u>\$ 18,995,352</u>	<u>\$ 19,536,962</u>	<u>\$ 19,808,307</u>	<u>\$ 83,410,109</u>
	Child Care Services Enterprise Fund	Foundation Private Purpose Trust Fund			
Cash in County Treasury	\$ 4,878,652	\$ 33,268			
FMV Adjustment	2,327	16			
Total Cash and Cash Equivalents	<u>\$ 4,880,979</u>	<u>\$ 33,284</u>			

1. Cash in County Treasury

In accordance with Education Code §41001, the District maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool (\$88,256,997 as of June 30, 2025). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$88,299,095. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

2. Cash in Revolving Fund

Cash balances in revolving fund (\$25,000 as of June 30, 2025) are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

3. Cash with Fiscal Agents

The District's cash with fiscal agent at June 30, 2025 are shown below:

Account Type	Maturity	Amount Reported	Fair Value
U.S. Government Money Market	<30 Days	\$ 277	\$ 277

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

4. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

5. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county treasury is restricted by Government Code §53635 pursuant to §53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of risk.

At June 30, 2025, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer's Investment Pool	Unrated	Not Applicable	\$ 88,299,095
U.S. Government Money Market	Unrated	Not Applicable	277

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At June 30, 2025, the District's bank balances did not exceed FDIC limitations and as such were not exposed to custodial credit risk. Cash with fiscal agent investment balances of \$277 were not FDIC insured and therefore exposed to custodial credit risk.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in 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 maintains pooled investments with the San Diego County Treasury with a fair value of \$88,299,095. The average weighted maturity for this pool was 562 days at June 30, 2025.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

6. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

E. Accounts Receivable

There are no significant receivables which are not scheduled for collection within one year of year end. Accounts receivable balances as of June 30, 2025, consisted of:

	Major Governmental Funds				
	General Fund	Building Fund	Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	Total Governmental Funds
Federal Government					
Special Education Programs	\$ 672,644	\$ -	\$ -	\$ -	\$ 672,644
Title I	106,663	-	-	-	106,663
Title II	59,786	-	-	-	59,786
Child Nutrition	-	-	-	44,093	44,093
Other Federal Programs	17,531	-	-	-	17,531
State Government					
Principal Apportionment	533,573	-	-	-	533,573
Expanded Learning Opportunities Program	370,392	-	-	-	370,392
Lottery	272,413	-	-	-	272,413
Special Education Apportionment	434,837	-	-	-	434,837
Child Nutrition	-	-	-	198,140	198,140
Other State Programs	36,726	-	-	-	36,726
Local Sources					
Interest	404,990	352,062	263,317	189,604	1,209,973
Other Local Sources	35,157	-	-	5,916	41,073
Total Accounts Receivable	<u>\$ 2,944,712</u>	<u>\$ 352,062</u>	<u>\$ 263,317</u>	<u>\$ 437,753</u>	<u>\$ 3,997,844</u>
	Child Care Services Enterprise Fund		Foundation Trust Fund		
Local Sources					
Interest	\$ 54,224	\$ 479			
Other Local Sources	15,628	-			
Total Accounts Receivable	<u>\$ 69,852</u>	<u>\$ 479</u>			

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

F. Capital Assets and Lease Assets

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

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 47,803,718	\$ -	\$ -	\$ 47,803,718
Work in Progress	80,367,727	29,630,354	77,624,792	32,373,289
Total capital assets not being depreciated	128,171,445	29,630,354	77,624,792	80,177,007
Capital assets being depreciated:				
Improvements	7,636,926	705,597	618,472	7,724,051
Buildings	155,280,450	74,247,550	354,700	229,173,300
Equipment	5,252,498	2,517,487	96,923	7,673,062
Total capital assets being depreciated	168,169,874	77,470,634	1,070,095	244,570,413
Accumulated depreciation for:				
Improvements	(2,349,384)	(349,191)	(338,559)	(2,360,016)
Buildings	(48,731,816)	(4,736,686)	(354,700)	(53,113,802)
Equipment	(2,873,056)	(415,712)	(51,026)	(3,237,742)
Total accumulated depreciation	(53,954,256)	(5,501,589)	(744,285)	(58,711,560)
Government activities capital assets, net	242,387,063	101,599,399	77,950,602	266,035,860
Lease Assets				
Equipment	1,643,848	-	-	1,643,848
Accumulated amortization for lease assets	(1,059,435)	(355,053)	-	(1,414,488)
Lease assets, net	584,413	(355,053)	-	229,360
SBITA Assets				
Information Technology Agreement	345,536	-	5,724	339,812
Accumulated amortization for lease assets	(208,161)	(113,270)	(5,724)	(315,707)
SBITA assets, net	137,375	(113,270)	-	24,105
Governmental activities capital assets and lease assets, net	\$243,108,851	\$ 101,131,076	\$ 77,950,602	\$266,289,325

Business-Type Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Buildings	\$ 1,383,719	\$ -	\$ -	\$ 1,383,719
Total capital assets being depreciated	1,383,719	-	-	1,383,719
Less accumulated depreciation for:				
Buildings	(375,746)	(28,094)	-	(403,840)
Total accumulated depreciation	(375,746)	(28,094)	-	(403,840)
Total capital assets being depreciated, net	1,007,973	(28,094)	-	979,879
Business-Type activities capital assets, net	\$ 1,007,973	\$ (28,094)	\$ -	\$ 979,879

Depreciation and amortization were charged to functions as follows:

	Depreciation Allocated by Function		Amortization Allocated by Function
	Governmental Activities	Business-Type Activities	Governmental Activities
Instruction	\$ 5,269,920	\$ -	\$ 355,053
Instruction-Related Services	-	-	-
Pupil Services	819	-	-
Enterprise - Child Care Services	-	28,094	-
General Administration	80,347	-	113,270
Plant Services	150,503	-	-
Total	\$ 5,501,589	\$ 28,094	\$ 468,323

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

G. Lease Receivable

The District is a lessor in leases as defined by GASB 87. Details of the leases are as follows:

The District holds a Communications Site Lease Agreement with T-Mobile for the placement of cell phone towers on one of the District's buildings. The lease began October 2007 with the previous owners of the District's building and an initial term of September 30, 2012, but contained the right to renew five additional terms of sixty months each, which the lessee is reasonably likely to exercise, making the lease end term September 30, 2037. Under the agreement the District receives payments of \$1,254 per month. Each renewal term the lease is automatically increased by 12%. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.5%, which is an imputed rate.

The District holds a Communications Site Lease Agreement with AT&T for the placement of cell phone towers on one of the District's buildings. The lease began July 2010 with the previous owners of the District's building and an initial term of May 31, 2015 with the right to renew four additional terms of sixty months each, which the lessee is reasonably likely to exercise, making the lease end term May 31, 2035. Under the agreement the District receives payments of \$2,487 per month. Rent automatically increases by 2% each year. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.5%, which is an imputed rate.

The District holds a Facilities Lease Agreement with the Boys and Girls Club of San Dieguito for use of District owned facilities. The lease began July 1, 2021 with a term date of June 30, 2027. The lease calls for annual rent payments of \$1,400 that increase each year by 2%. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 0.90%, which is an imputed rate.

Lease receivable is reduced each year by the principal payments collected on the lease. Deferred inflows of resources relating to leases is amortized over the life of the lease using the straight-line method. The following represents activity for leases receivable and deferred inflows of resources relating to leases during the fiscal year ended June 30, 2025:

	Balance Beginning of Year	Current Year Additions	Current Year Principal Collected	Balance End of Year
Leases Receivable				
AT&T Cell Tower	\$ 352,343	\$ -	\$ 26,617	\$ 325,726
T-Mobile Cell Tower	230,343	-	13,497	216,846
Boys & Girls Club Facility Use	4,546	-	1,445	3,101
Total Leases Receivable	<u>\$ 587,232</u>	<u>\$ -</u>	<u>\$ 41,559</u>	<u>\$ 545,673</u>

	Balance Beginning of Year	Current Year Additions	Current Year Amortization	Balance End of Year
Deferred Inflows of Resources				
AT&T Cell Tower	\$ 334,345	\$ -	\$ 30,627	\$ 303,718
T-Mobile Cell Tower	218,036	-	16,456	201,580
Boys & Girls Club Facility Use	4,315	-	1,439	2,876
Total Deferred Inflows	<u>\$ 556,696</u>	<u>\$ -</u>	<u>\$ 48,522</u>	<u>\$ 508,174</u>

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

H. Accounts Payable

Accounts payable balances in governmental and enterprise funds as of June 30, 2025, consisted of:

	Major Governmental Funds				
	General Fund	Building Fund	Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	Total Governmental Funds
Vendor payables	\$ 1,464,036	\$ 2,493,425	\$ 7,207	\$ 38,122	\$ 4,002,790
Payroll and related benefits	44,822	-	-	3,596	48,418
Total Accounts Payable	<u>\$ 1,508,858</u>	<u>\$ 2,493,425</u>	<u>\$ 7,207</u>	<u>\$ 41,718</u>	<u>\$ 4,051,208</u>
	Child Care Services Enterprise				
Vendor payables	\$ 49,367				
Payroll and related benefits	102,873				
Total Accounts Payable	<u>\$ 152,240</u>				

Accounts payable balances in the government-wide financial statements as of June 30, 2025, consisted of:

	Government-Wide Financial Statements		
	Governmental Activities	Business-Type Activities	Total
Vendor payables	\$ 4,002,790	\$ 49,367	\$ 4,052,157
Payroll and related benefits	48,418	102,873	151,291
Unmatured interest on long-term debt	2,219,449	-	2,219,449
Total Accounts Payable	<u>\$ 6,270,657</u>	<u>\$ 152,240</u>	<u>\$ 6,422,897</u>

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

I. Unearned Revenue

Unearned revenue balances as of June 30, 2025, consisted of:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Federal Government			
Title III	\$ 9,442	\$ -	\$ 9,442
State Government			
Pre-K Planning Grants	381,090	-	381,090
Local Sources			
Prepaid Lunch Accounts	-	42,103	42,103
Total Unearned Revenue	<u>\$ 390,532</u>	<u>\$ 42,103</u>	<u>\$ 432,635</u>

	Child Care Services Enterprise Fund
Local Sources	
Prepaid Childcare Fees	<u>\$ 344,658</u>
Total Unearned Revenue	<u>\$ 344,658</u>

J. Interfund Balances & Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2025 consisted of the following:

Interfund Receivable (Due From Other Funds)	Interfund Payable (Due To Other Funds)	Amount	Purpose
General Fund	Child Care Services Enterprise Fund	\$ 269,966	Direct charges of expenditures
Nonmajor Governmental Funds	General Fund	1,843	Reimburse expenditures
Child Care Services Enterprise Fund	General Fund	260,858	Fund extended day program
	Total	<u>\$ 532,667</u>	

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2025, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
Nonmajor Governmental Funds	Blended Component Unit	\$ 2,954,438	Debt service expenditures
	Total	<u>\$ 2,954,438</u>	

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

K. Short Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as other financing sources. For the year ended June 30, 2025, the District did not issue any short term debt.

L. Fund Balance Classifications of the Governmental Funds

Ending fund balance classifications of the governmental funds for the year ended June 30, 2025, consisted of:

	Major Governmental Funds				
	General Fund	Building Fund	Capital Project Fund for Blended Component Unit	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable Fund Balances					
Revolving Cash	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Inventory	-	-	-	56,830	56,830
Total Nonspendable	25,000	-	-	56,830	81,830
Restricted Fund Balances					
Capital Projects	-	16,853,989	19,793,072	2,351,055	38,998,116
Debt Service	-	-	-	5,872,380	5,872,380
Educational Programs	3,323,761	-	-	-	3,323,761
School Site Fundraising	129,909	-	-	-	129,909
Other Purposes	56,205	-	-	479,238	535,443
Total Restricted	3,509,875	16,853,989	19,793,072	8,702,673	48,859,609
Committed Fund Balances					
Deferred Maintenance	-	-	-	3,427,373	3,427,373
Total Committed	-	-	-	3,427,373	3,427,373
Assigned Fund Balances					
Capital Projects	-	-	-	8,034,036	8,034,036
Curriculum Adoption	750,000	-	-	-	750,000
Child Nutrition Services	2,284,882	-	-	-	2,284,882
Minimum Reserve Policy	11,902,310	-	-	-	11,902,310
Total Assigned	14,937,192	-	-	8,034,036	22,971,228
Unassigned Fund Balances					
For Economic Uncertainty	2,380,462	-	-	-	2,380,462
Other Unassigned	5,307,045	-	-	-	5,307,045
Total Unassigned	7,687,507	-	-	-	7,687,507
Total Fund Balance	\$ 26,159,574	\$ 16,853,989	\$ 19,793,072	\$ 20,220,912	\$ 83,027,547

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

M. Long Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds					
Principal Balance	\$ 103,070,000	\$ 27,000,000	\$ 2,415,000	\$ 127,655,000	\$ 2,645,000
Bond Premium	6,448,626	1,174,320	144,157	7,478,789	158,600
Total General Obligation Bonds	109,518,626	28,174,320	2,559,157	135,133,789	2,803,600
Special Tax Bonds					
Principal Balance	46,325,000	-	1,135,000	45,190,000	1,555,000
Bond Premium	5,067,365	-	121,033	4,946,332	157,881
Total Special Tax Bonds	51,392,365	-	1,256,033	50,136,332	1,712,881
Leases Payable	752,614	-	465,915	286,699	286,699
SBITAs Payable	119,877	-	119,877	-	-
Net OPEB Liability*	8,063,567	277,887	-	8,341,454	-
Net Pension Liability*	61,431,793	-	6,744,148	54,687,645	-
Compensated Absences*	928,180	-	24,434	903,746	551,285
Total Governmental Activities	\$ 232,207,022	\$ 28,452,207	\$ 11,169,564	\$ 249,489,665	\$ 5,354,465
Business Type Activities					
Net OPEB Liability*	\$ 441,489	\$ 15,215	\$ -	\$ 456,704	\$ -
Net Pension Liability*	2,831,919	-	39,822	2,792,097	-
Compensated Absences*	47,368	13,941	-	61,309	37,677
Total Business Type Activities	\$ 3,320,776	\$ 29,156	\$ 39,822	\$ 3,310,110	\$ 37,677

*Other long-term liabilities

- Payments for general obligation bonds are made from the bond interest and redemption fund.
- Payments for special tax bonds are made from the debt service fund for blended component units.
- Payments for leases payable are made from the general fund.
- Payments for SBITAs payable are made from the general fund.
- Payments for pension contributions are made from the general fund and the childcare services enterprise fund.
- Payments for OPEB contributions are made from the general fund and the childcare services enterprise fund.
- Payments for compensated absences are made from the general fund and the childcare services enterprise fund.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

2. General Obligation Bonds

The District's bonded debt consists of various issues of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. The District repays general obligation bonds from voter-approved property taxes.

On November 6, 2018, registered voters authorized the issuance of \$186,000,000 principal amount of general obligation bonds. The bonds were authorized to finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities and pay costs of issuance incurred in connection with the issuance of the Bonds. The Bonds represent a general obligation of the District, payable solely from *ad valorem* taxes for the payment of the principal and interest on the Bonds upon all property subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates). Of the total amount originally authorized, \$39,715,000 remains unissued.

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

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2018 Election, Series A	10/16/2019	1.50 - 4.00%	8/1/2044	\$ 55,285,000
2018 Election, Series B	5/25/2022	4.00 - 5.00%	8/1/2046	64,000,000
2018 Election, Series C	10/31/2024	4.00 - 5.00%	8/1/2047	27,000,000
Total General Obligation Bonds				<u>\$ 146,285,000</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
2018 Election, Series A					
Principal Balance	\$ 43,215,000	\$ -	\$ 540,000	\$ 42,675,000	\$ 640,000
Premium	3,072,248	-	38,390	3,033,858	45,499
2018 Election, Series B					
Principal Balance	59,855,000	-	1,875,000	57,980,000	2,005,000
Premium	3,376,378	-	105,767	3,270,611	113,101
2018 Election, Series C					
Principal Balance	-	27,000,000	-	27,000,000	-
Premium	-	1,174,320	-	1,174,320	-
Total General Obligation Bonds	<u>\$ 109,518,626</u>	<u>\$ 28,174,320</u>	<u>\$ 2,559,157</u>	<u>\$ 135,133,789</u>	<u>\$ 2,803,600</u>

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

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

Year Ended June 30,	Principal	Interest	Total
2026	\$ 2,645,000	\$ 4,975,394	\$ 7,620,394
2027	2,345,000	4,857,569	7,202,569
2028	2,685,000	4,739,844	7,424,844
2029	1,540,000	4,643,419	6,183,419
2030	1,815,000	4,569,994	6,384,994
2031-2035	14,380,000	21,232,369	35,612,369
2036-2040	26,220,000	16,972,644	43,192,644
2041-2045	41,570,000	10,866,834	52,436,834
2046-2050	34,455,000	2,141,700	36,596,700
Total	<u>\$ 127,655,000</u>	<u>\$ 74,999,767</u>	<u>\$ 202,654,767</u>

Bond Premium

Bond premium arises when the market rate of interest is lower than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond.

Premiums issued on general obligation bonds resulted in effective interest rates as follows:

	2018 Series A	2018 Series B	2018 Series C
Total Interest Payments on Bonds	\$ 24,822,440	\$ 44,710,700	\$ 21,028,144
Less Bond Premium	<u>(3,930,330)</u>	<u>(3,610,195)</u>	<u>(1,174,320)</u>
Net Interest Payments	<u>20,892,110</u>	<u>41,100,505</u>	<u>19,853,824</u>
Par Amount of Bonds	55,285,000	64,000,000	27,000,000
Periods	25	25	23
Effective Interest Rate	1.51%	2.57%	3.20%

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

3. Special Tax Bonds

On August 30, 2017 the Community Facilities District No. 95-1 of the District issued refunding bonds in order to refund the 2007 special tax bonds issued under the Mello-Roos Community Facilities Act of 1982. The bonds were issued with maturity dates beginning in September 2018 and extending through September 2036 with coupons varying in interest rates from 2.00% to 5.00%. The principal and interest payments will be made from special taxes assessed on the properties located within the Community Facilities District No. 95-1.

On December 3, 2019 the Community Facilities District No. 99-1 of the District issued bonds under the Mello-Roos Community Facilities Act of 1982 in order to refund special tax bonds issued June 7, 2012 and to fund public works projects within the District's boundaries. The bonds were issued with maturity dates beginning September 2020 and extending through September 2049 with coupons varying in yield from 3.00% to 5.00%. The principal and interest payments will be made from special taxes assessed on the properties located within the Community Facilities District No. 99-1.

Special Tax Bonds as of June 30, 2025 consisted of:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2017 CFD 95-1 Special Tax Bonds	8/30/2017	2.00 - 5.00%	9/1/2036	\$ 14,660,000
2019 CFD 99-1 Special Tax Bonds	12/3/2019	3.00 - 5.00%	9/1/2049	39,075,000
Total Special Tax Bonds				<u>\$ 53,735,000</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
2017 CFD 95-1 Special Tax Bonds					
Principal balance	\$ 10,695,000	\$ -	\$ 350,000	\$ 10,345,000	\$ 735,000
Premium	910,684	-	29,799	880,885	62,579
2019 CFD 99-1 Special Tax Bonds					
Principal balance	35,630,000	-	785,000	34,845,000	820,000
Premium	4,156,681	-	91,234	4,065,447	95,302
Total Special Tax Bonds	<u>\$ 51,392,365</u>	<u>\$ -</u>	<u>\$ 1,256,033</u>	<u>\$ 50,136,332</u>	<u>\$ 1,712,881</u>

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

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

Year Ended June 30,	Principal	Interest	Total
2026	\$ 1,555,000	\$ 1,762,925	\$ 3,317,925
2027	1,625,000	1,691,775	3,316,775
2028	1,695,000	1,613,025	3,308,025
2029	1,780,000	1,526,150	3,306,150
2030	1,870,000	1,443,850	3,313,850
2031-2035	10,340,000	6,136,025	16,476,025
2036-2040	8,250,000	4,354,700	12,604,700
2041-2045	8,215,000	2,819,300	11,034,300
2046-2050	9,860,000	1,006,600	10,866,600
Total	<u>\$ 45,190,000</u>	<u>\$ 22,354,350</u>	<u>\$ 67,544,350</u>

Bond Premium/Discount

Bond premium arises when the market rate of interest is lower than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond.

Premiums and discounts issued on special tax bonds resulted in effective interest rates as follows:

	CFD 95-1 2017 Bonds	CFD 99-1 2019 Bonds
Total Interest Payments on Bonds	\$ 5,702,600	\$ 28,286,646
Less Bond Premium	(1,248,170)	(4,541,376)
Net Interest Payments	<u>4,454,430</u>	<u>23,745,270</u>
Par Amount of Bonds	14,660,000	39,075,000
Periods	19	30
Effective Interest Rate	1.60%	2.03%

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

4. Leases Payable

On August 27, 2019, the District entered into a lease agreement with De Lage Landen Public Finance to purchase copy machines. The lease calls for monthly payments of \$1,973 for 60 months. The payments include principal and interest at a stated rate of 4.251%.

On November 27, 2019, the District entered into a lease agreement with De Lage Landen Public Finance to purchase copy machines. The lease calls for monthly payments of \$254 for 57 months. The payments include principal and interest at a stated rate of 5.85%.

On August 14, 2020, the District entered into a lease agreement with De Lage Landen Public Finance to purchase copy machines. The lease calls for monthly payments of \$888 for 48 months. The payments include principal and interest at a stated rate of 3.8%.

On April 15, 2021, the District entered into a lease agreement with De Lage Landen Public Finance to purchase copy machines. The lease calls for monthly payments of \$2,351 for 40 months. The payments include principal and interest at a stated rate of 3.8%.

On March 1, 2022, the District entered into a lease agreement with Apple Financial to purchase computer equipment. The lease calls for annual payments of \$247,692 for three years, with the first payment on August 1, 2022. The payments include principal and interest at a stated rate of 0.00%.

On March 1, 2022, the District entered into a lease agreement with Apple Financial to purchase computer equipment. The lease calls for annual payments of \$167,591 for three years, with the first payment on August 1, 2022. The payments include principal and interest at a stated rate of 0.00%.

On June 1, 2022, the District entered into a lease agreement with Apple Financial to purchase computer equipment. The lease calls for annual payments of \$39,008 for four years, with the first payment on August 1, 2022. The payments include principal and interest at a stated rate of 0.00%.

Leases payable activity for the fiscal year ended June 30, 2025, was as follows:

Description	Lease Term	Interest Rate	Beginning Balance	Current Year Additions	Current Year Principal Payments	Ending Balance
De Lage Landen #1	60 Months	5.850%	\$ 505	\$ -	\$ 505	\$ -
De Lage Landon #2	57 Months	4.251%	3,925	-	3,925	-
De Lage Landon #3	48 Months	3.800%	2,545	-	2,545	-
De Lage Landon #4	40 Months	3.800%	4,649	-	4,649	-
Apple Financial #1	3 Years	0.000%	495,384	-	247,692	247,692
Apple Financial #2	3 Years	0.000%	167,592	-	167,592	-
Apple Financial #3	5 Years	0.000%	78,015	-	39,008	39,007
Total Leases Payable			<u>\$ 752,615</u>	<u>\$ -</u>	<u>\$ 465,916</u>	<u>\$ 286,699</u>

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

Future payment requirements on leases are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 286,699	\$ -	\$ 286,699

5. SBITAs Payable

The District has four multi-year SBITA agreements which meet the definition under GASB 96 for recognition as an asset and liability. SBITAs payable activity for the fiscal year ended June 30, 2025, was as follows:

Description	Term	Interest Rate	Beginning Balance	Current Year Additions	Current Year Principal Payments	Ending Balance
AMSNET Software #1	36 Months	8.250%	\$ 55,657	\$ -	\$ 55,657	\$ -
AMSNET Software #2	36 Months	8.250%	45,967	-	45,967	-
Vector Software	36 Months	8.250%	18,253	-	18,253	-
Total SBITAs Payable			\$ 119,877	\$ -	\$ 119,877	\$ -

6. Compensated Absences

As of June 30, 2025 compensated absences consisted of the following:

	Balance July 1, 2024	Current Year Changes	Balance June 30, 2025	Amounts Due Within One Year
<i>Governmental Activities</i>				
Vacation Liability	\$ 240,811	\$ 57,467	\$ 298,278	\$ 179,205
Sick Leave	687,368	(81,900)	605,468	372,080
Total Governmental Activities	928,179	(24,433)	903,746	551,285
<i>Business Type Activities</i>				
Vacation Liability	35,155	9,678	44,833	27,552
Sick Leave	12,213	4,263	16,476	10,125
Total Business Type Activities	47,368	13,941	61,309	37,677
Total Compensated Absences	\$ 975,547	\$ (10,492)	\$ 965,055	\$ 588,962

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

N. Pension Plans

1. General Information about the Pension Plans

a. Plan Descriptions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

b. Benefits Paid

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

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

<u>Hire Date</u>	<u>CalSTRS</u>	
	<u>Before</u>	<u>After</u>
Benefit Formula	Jan. 1, 2013 2% at 60	Jan. 1, 2013 2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55 - 60	55 - 62
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.4%*	1.0 - 2.4%*
Required Employee Contribution Rates (2024-25)	10.250%	10.205%
Required Employer Contribution Rates (2024-25)	19.100%	19.100%
Required State Contribution Rates (2024-25)	10.828%	10.828%

*Amounts are limited to 120% of Social Security Wage Base.

**The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

Hire Date	CalPERS	
	Before Jan. 1, 2013	After Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 62	52 - 67
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.5%*	1.0 - 2.5%*
Required Employee Contribution Rates (2024-25)	7.000%	8.000%
Required Employer Contribution Rates (2024-25)	27.050%	27.050%

*Amounts are limited to 120% of Social Security Wage Base

**The rate imposed on CalPERS 2% at 62 members is based on the normal cost of benefits.

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2025, California Education Code §22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS board have been established at 19.10% of creditable compensation for the fiscal year ended June 30, 2025. The CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation.

CalPERS

California Public Employees' Retirement Law §20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2025, the employee contribution rate was 7.00% for employees hired prior to January 1, 2013 and 8.00% for employees hired on or after January 1, 2013, and the employer contribution rate was 27.05% of covered payroll.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

On Behalf Payments

Consistent with California Education Code §22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2025 the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the State's contribution for the fiscal year. Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

CalSTRS			
Year Ended	On Behalf	On Behalf	On Behalf
June 30,	Contribution	Contribution	Pension
	Rate	Amount	Expense
2023	10.828%	\$ 3,675,216	\$ 11,199,345
2024	10.828%	3,117,255	(994,024)
2025	10.828%	3,160,844	(525,668)

d. Contributions Recognized

For the fiscal year ended June 30, 2025 (measurement period June 30, 2024), the contributions recognized for each plan were:

Governmental Fund Financial Statements (Current Financial Resources Measurement Focus)

	CalSTRS	CalPERS	Total
<i>Governmental Funds</i>			
Contributions - Employer	\$ 6,860,156	\$ 2,856,122	\$ 9,716,278
Contributions - State On Behalf Payments	3,146,473	-	3,146,473
Total Governmental Funds	<u>\$ 10,006,629</u>	<u>\$ 2,856,122</u>	<u>\$ 12,862,751</u>

Enterprise Fund Financial Statements (Economic Resources Measurement Focus)

	CalSTRS	CalPERS	Total
<i>Enterprise Funds</i>			
Contributions - Employer	\$ 29,590	\$ 322,035	\$ 351,625
Contributions - State On Behalf Payments	11,838	-	11,838
Total Enterprise Funds	<u>\$ 41,428</u>	<u>\$ 322,035</u>	<u>\$ 363,463</u>

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

	Government-Wide Financial Statements (Economic Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
<i>Governmental Activities</i>			
Contributions - Employer	\$ 6,859,701	\$ 2,711,333	\$ 9,571,034
Contributions - State On Behalf Payments	3,149,006	-	3,149,006
Total Governmental Activities	<u>\$ 10,008,707</u>	<u>\$ 2,711,333</u>	<u>\$ 12,720,040</u>
<i>Business-Type Activities</i>			
Contributions - Employer	\$ 29,590	\$ 322,035	\$ 351,625
Contributions - State On Behalf Payments	11,838	-	11,838
Total Business-Type Activities	<u>\$ 41,428</u>	<u>\$ 322,035</u>	<u>\$ 363,463</u>
Total Government-Wide Financial Statements	<u>\$ 10,050,135</u>	<u>\$ 3,033,368</u>	<u>\$ 13,083,503</u>

2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024 (measurement date) the District reported net pension liabilities for its proportionate share of the net pension liability of each plan as follows:

	Proportionate Share of the Net Pension Liability		
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
CalSTRS	\$ 36,720,319	\$ 158,504	\$ 36,878,823
CalPERS	17,967,326	2,633,593	20,600,919
Total	<u>\$ 54,687,645</u>	<u>\$ 2,792,097</u>	<u>\$ 57,479,742</u>

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to measurement date June 30, 2024 using standard update procedures. 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 plans relative to the projected contributions of all participating employers, as actuarially determined.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

The District's proportionate share of the net pension liability for each Plan as of June 30, 2024 and June 30, 2025 were as follows:

	CalSTRS			CalPERS
		State's Proportionate Share for District Employees*	Total for District Employees	District's Proportionate Share
<i>Governmental Activities</i>				
Proportion June 30, 2024	0.056404%	0.027033%	0.083437%	0.051035%
Proportion June 30, 2025	0.054674%	0.025085%	0.079759%	0.050274%
Change in Proportion	-0.001730%	-0.001948%	-0.003678%	-0.000761%
<i>Business-Type Activities</i>				
Proportion June 30, 2024	0.000233%	0.000112%	0.000345%	0.007333%
Proportion June 30, 2025	0.000236%	0.000108%	0.000344%	0.007369%
Change in Proportion	0.000003%	-0.000004%	-0.000001%	0.000036%

*Represents State's Proportionate Share on behalf of District employees.

a. Pension Expense

	<i>Governmental Activities</i>		
	CalSTRS	CalPERS	Total
Change in Net Pension Liability	\$ (6,237,368)	\$ (506,777)	\$ (6,744,145)
State On Behalf Pension Expense	(523,409)	-	(523,409)
Employer Contributions	6,860,156	2,856,122	9,716,278
Change in Deferrals for:			
Experience Differences	(1,469,138)	(987,268)	(2,456,406)
Changes in Assumptions	88,000	453,955	541,955
Changes in Proportionate Share	1,906,813	343,080	2,249,893
Subsequent Contributions	(197,410)	(188,315)	(385,725)
Earnings Differences	331,760	1,275,369	1,607,129
Total Pension Expense	\$ 759,404	\$ 3,246,166	\$ 4,005,570

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

	<i>Business-Type Activities</i>		
	CalSTRS	CalPERS	Total
Change in Net Pension Liability	\$ (18,950)	\$ (20,872)	\$ (39,822)
State On Behalf Pension Expense	(2,259)	-	(2,259)
Employer Contributions	31,335	467,782	499,117
Change in Deferrals for:			
Experience Differences	(6,544)	(145,838)	(152,382)
Changes in Assumptions	333	64,079	64,412
Changes in Proportionate Share	(26,981)	(787,535)	(814,516)
Subsequent Contributions	(1,745)	(80,003)	(81,748)
Earnings Differences	1,400	181,235	182,635
Total Pension Expense	<u>\$ (23,411)</u>	<u>\$ (321,152)</u>	<u>\$ (344,563)</u>
Total Pension Expense Government-Wide	<u>\$ 735,993</u>	<u>\$ 2,925,014</u>	<u>\$ 3,661,007</u>

b. Deferred Outflows and Inflows of Resources

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>Deferred Outflows of Resources</i>		
	CalSTRS	CalPERS	Total
<i>Governmental Activities</i>			
Subsequent Contributions	\$ 6,860,156	\$ 2,856,122	\$ 9,716,278
Experience Differences	4,154,052	1,506,297	5,660,349
Changes in Assumptions	160,741	397,139	557,880
Changes in Proportionate Share	5,379,447	182,953	5,562,400
Earnings Differences	-	697,928	697,928
Total Governmental Activities	<u>16,554,396</u>	<u>5,640,439</u>	<u>22,194,835</u>
<i>Business-Type Activities</i>			
Subsequent Contributions	31,335	467,782	499,117
Experience Differences	17,931	220,788	238,719
Changes in Assumptions	694	58,212	58,906
Changes in Proportionate Share	116,817	11,377	128,194
Earnings Differences	-	102,300	102,300
Total Business-Type Activities	<u>166,777</u>	<u>860,459</u>	<u>1,027,236</u>
Total Deferred Outflows of Resources	<u>\$ 16,721,173</u>	<u>\$ 6,500,898</u>	<u>\$ 23,222,071</u>

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
<i>Governmental Activities</i>			
Experience Differences	\$ (1,606,792)	\$ (128,592)	\$ (1,735,384)
Changes in Proportionate Share	(3,444,810)	(565,960)	(4,010,770)
Earnings Differences	(150,026)	-	(150,026)
Total Governmental Activities	(5,201,628)	(694,552)	(5,896,180)
<i>Business-Type Activities</i>			
Experience Differences	(6,934)	(18,848)	(25,782)
Changes in Proportionate Share	(111,168)	(249,665)	(360,833)
Earnings Differences	(649)	-	(649)
Total Business-Type Activities	(118,751)	(268,513)	(387,264)
Total Deferred Inflows of Resources	<u>\$ (5,320,379)</u>	<u>\$ (963,065)</u>	<u>\$ (6,283,444)</u>

Pension contributions made subsequent to the measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2026. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a multi-year period.

Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

	<i>Governmental Activities</i>				
	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>		
Year Ended					Net Effect
June 30,	CalSTRS	CalPERS	CalSTRS	CalPERS	on Expenses
2026	\$ 9,019,796	\$ 3,957,512	\$ (3,943,717)	\$ (536,994)	\$ 8,496,597
2027	2,159,639	1,728,017	1,766,069	(82,926)	5,570,799
2028	2,018,241	175,743	(1,365,019)	(74,632)	754,333
2029	1,559,445	(220,833)	(1,269,289)	-	69,323
2030	1,559,444	-	(194,836)	-	1,364,608
Thereafter	237,831	-	(194,836)	-	42,995
Total	\$ 16,554,396	\$ 5,640,439	\$ (5,201,628)	\$ (694,552)	\$ 16,298,655

Business-Type Activities					
Year Ended June 30,	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2026	\$ 61,952	\$ 618,246	\$ (69,741)	\$ (250,943)	\$ 359,514
2027	30,617	245,290	(18,776)	(17,570)	239,561
2028	30,270	29,293	(27,902)	-	31,661
2029	30,268	(32,370)	(2,332)	-	(4,434)
2030	12,336	-	-	-	12,336
Thereafter	1,334	-	-	-	1,334
Total	\$ 166,777	\$ 860,459	\$ (118,751)	\$ (268,513)	\$ 639,972

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2025, were based on actuarial valuations determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	6/30/2025	6/30/2025
Measurement Date	6/30/2024	6/30/2024
Valuation Date	6/30/2023	6/30/2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2007 - 2022	2000 - 2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Wage Growth	3.50%	Varies ⁽³⁾
Payroll Growth	3.25%	Varies ⁽³⁾
Investment Rate of Return	7.10%	6.90%
Post Retirement Benefit Increase	2.00% Simple ⁽¹⁾	2.00% - 2.30% ⁽⁴⁾
Mortality	CalSTRS Data ⁽²⁾	CalPERS Data ⁽⁵⁾

(1) CalSTRS post-retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.

(2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set to equal 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

(3) Varies by entry age and service.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter.

(5) CalPERS mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 6.90% for CalPERS. The projection of cash flows used to determine the discount rates assumed the contributions from the plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate, and the use of the discount bond rate calculations is not necessary for either plan. The stress test results are presented in detailed reports that can be obtained from CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts. Finally, the CalPERS discount rate was decreased from 7.15% to 6.90% at measurement date June 30, 2022 (Fiscal year June 30, 2023) resulting from a new actuarial experience study completed.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. CalPERS completed their ALM in 2021 with new policies in effect on July 1, 2022. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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

In determining the long-term expected rate of return, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

The tables below reflect the long-term expected real rate of return by asset class. The rate of return was calculated using capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

CalSTRS

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return ⁽¹⁾	Long-Term Expected Real Rate of Return ⁽²⁾
Public Equity	38.00%	8.00%	5.25%
Real Estate	15.00%	6.80%	4.05%
Private Equity	14.00%	9.50%	6.75%
Fixed Income	14.00%	5.20%	2.45%
Risk Mitigation Strategies	10.00%	5.00%	2.25%
Inflation Sensitive	7.00%	6.40%	3.65%
Cash/Liquid	2.00%	2.80%	0.05%

⁽¹⁾ 20 to 30 year geometric average.

⁽²⁾ Real rates of return are net of assumed 2.75% inflation

CalPERS

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return ^{(3),(4)}
Global Equity - cap weighted	30.00%	4.54%
Global Equity - non-cap weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

⁽³⁾ An expected price inflation of 2.30% used for this period.

⁽⁴⁾ Figures are based on the 2021-22 Asset Liability Management Study.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

e. Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, 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 or 1 percentage point higher than the current rate:

	CalSTRS		
	Governmental Activities	Business-Type Activities	Total
1% Decrease	6.10%	6.10%	6.10%
Net Pension Liability	\$ 65,314,107	\$ 281,928	\$ 65,596,035
Current Discount Rate	7.10%	7.10%	7.10%
Net Pension Liability	\$ 36,720,319	\$ 158,504	\$ 36,878,823
1% Increase	8.10%	8.10%	8.10%
Net Pension Liability	\$ 12,844,016	\$ 55,441	\$ 12,899,457

	CalPERS		
	Governmental Activities	Business-Type Activities	Total
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$ 26,690,610	\$ 3,912,223	\$ 30,602,833
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$ 17,967,326	\$ 2,633,593	\$ 20,600,919
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$ 10,761,196	\$ 1,577,341	\$ 12,338,537

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

3. Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability

CalSTRS Governmental Activities

	Increase (Decrease)				
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	State's Share of Net Pension Liability	District's Share of Net Pension Liability
	(a)	(b)	(a) - (b)	(c)	(a) - (b) - (c)
Balance at June 30, 2024					
(Previously Reported)	\$ 327,974,156	\$ 264,427,944	\$ 63,546,212	\$ 20,588,525	\$ 42,957,687
Changes for the year					
Change in proportionate share	(14,457,482)	(11,656,291)	(2,801,191)	(1,483,611)	(1,317,580)
Service cost	6,943,819	-	6,943,819	2,183,900	4,759,919
Interest	22,217,667	-	22,217,667	6,987,678	15,229,989
Experience differences	2,428,662	-	2,428,662	763,838	1,664,824
Change in assumptions	(4,267,904)	-	(4,267,904)	(1,342,298)	(2,925,606)
Change in benefits	26,320	-	26,320	8,278	18,042
Contributions:					
Employer	-	6,847,654	(6,847,654)	(2,153,656)	(4,693,998)
Employee	-	3,776,589	(3,776,589)	(1,187,775)	(2,588,814)
State on behalf	-	3,147,269	(3,147,269)	(989,848)	(2,157,421)
Net investment income	-	20,875,323	(20,875,323)	(6,565,497)	(14,309,826)
Other income	-	311,858	(311,858)	(98,082)	(213,776)
Benefit payments ⁽¹⁾	(15,304,157)	(15,304,157)	-	-	-
Administrative expenses	-	(161,911)	161,911	50,923	110,988
Borrowing costs	-	(265,597)	265,597	83,533	182,064
Other expenses	-	(5,583)	5,583	1,756	3,827
Net changes	(2,413,075)	7,565,154	(9,978,229)	(3,740,861)	(6,237,368)
Balance at June 30, 2025	\$ 325,561,081	\$ 271,993,098	\$ 53,567,983	\$ 16,847,664	\$ 36,720,319

CalSTRS Business-Type Activities

	Increase (Decrease)				
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	State's Share of Net Pension Liability	District's Share of Net Pension Liability
	(a)	(b)	(a) - (b)	(c)	(a) - (b) - (c)
Balance at June 30, 2024					
(Previously Reported)	\$ 1,356,126	\$ 1,093,372	\$ 262,754	\$ 85,300	\$ 177,454
Changes for the year					
Change in proportionate share	(3,931)	(3,169)	(762)	(3,046)	2,284
Service cost	29,949	-	29,949	9,402	20,547
Interest	95,825	-	95,825	30,084	65,741
Experience differences	10,475	-	10,475	3,289	7,186
Change in assumptions	(18,407)	-	(18,407)	(5,779)	(12,628)
Change in benefits	114	-	114	36	78
Contributions:					
Employer	-	29,534	(29,534)	(9,272)	(20,262)
Employee	-	16,288	(16,288)	(5,114)	(11,174)
State on behalf	-	13,574	(13,574)	(4,262)	(9,312)
Net investment income	-	90,035	(90,035)	(28,267)	(61,768)
Other income	-	1,345	(1,345)	(422)	(923)
Benefit payments ⁽¹⁾	(66,007)	(66,007)	-	-	-
Administrative expenses	-	(698)	698	219	479
Borrowing costs	-	(1,146)	1,146	360	786
Other expenses	-	(24)	24	8	16
Net changes	48,018	79,732	(31,714)	(12,764)	(18,950)
Balance at June 30, 2025	\$ 1,404,144	\$ 1,173,104	\$ 231,040	\$ 72,536	\$ 158,504

(1) – Includes refunds of employee contributions

Del Mar Union School District

Notes to the Financial Statements, Continued
June 30, 2025

CalPERS Governmental Activities

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2024			
(Previously Reported)	\$ 61,504,090	\$ 43,029,987	\$ 18,474,103
Changes for the year			
Change in proportionate share	(917,108)	(641,635)	(275,473)
Service cost	1,558,070	-	1,558,070
Interest	4,231,476	-	4,231,476
Experience differences	1,456,354	-	1,456,354
Contributions:			
Employer	-	2,699,139	(2,699,139)
Employee	-	771,286	(771,286)
Net investment income	-	4,041,860	(4,041,860)
Benefit payments ⁽¹⁾	(2,993,270)	(2,993,270)	-
Administrative expenses	-	(35,081)	35,081
Net changes	3,335,522	3,842,299	(506,777)
Balance at June 30, 2025	<u>\$ 64,839,612</u>	<u>\$ 46,872,286</u>	<u>\$ 17,967,326</u>

CalPERS Business-Type Activities

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2024			
(Previously Reported)	\$ 8,837,259	\$ 6,182,794	\$ 2,654,465
Changes for the year			
Change in proportionate share	43,385	30,353	13,032
Service cost	228,377	-	228,377
Interest	620,236	-	620,236
Experience differences	213,468	-	213,468
Contributions:			
Employer	-	395,631	(395,631)
Employee	-	113,053	(113,053)
Net investment income	-	592,443	(592,443)
Benefit payments ⁽¹⁾	(438,744)	(438,744)	-
Administrative expenses	-	(5,142)	5,142
Net changes	666,722	687,594	(20,872)
Balance at June 30, 2025	<u>\$ 9,503,981</u>	<u>\$ 6,870,388</u>	<u>\$ 2,633,593</u>

(1) – Includes refunds of employee contributions

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports available on their respective websites.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

O. Alternative Pension Plan

The District participates in one alternative pension plan through the Fringe Benefit Consortium (FBC) Deferred Compensation Program. The FBC was formed in October 1982 as part of a Joint Powers Agreement (JPA) of the San Diego County Office of Education. The FBC provides 401(a), 457(b), and 403(b) investment programs. Under these plans, eligible employees will contribute up to \$23,500 per year of their salary before taxes. The catch-up contribution limit for those age 50 to age 59 or age 64+ is \$7,500 and a special catch-up contribution of \$11,250 is available for employees who are age 60 to age 63. The District does not have any obligation with regards to this voluntary plan offered to employees.

P. Postemployment Benefits Other than Pension Benefits (OPEB)

1. General Information about the OPEB Plan

Plan Description

The California Public Employees Retirement System (CalPERS) administers the Del Mar Union School District Retiree Benefits Plan (Plan) through the California Employers' Retiree Benefit Trust (CERBT). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible employees. Stand alone financial statements can be obtained by contacting the District or CalPERS.

The Plan provides retiree medical (including prescription drug benefits), dental, and vision benefits to eligible retirees and their eligible dependents until the retiree turns age 65. The District's financial obligation is to provide these benefits at the same cost as active employees. The District's contribution is subject to an annual maximum of \$14,500 per eligible employee receiving benefits based on amounts approved by the board and agreed upon with the bargaining units. Additional contributions to the plan can be made upon board approval to fund future liabilities. The annual maximum is subject to periodic changes. Hourly and most part-time employees are not eligible for retiree health benefits.

Plan Eligibility

Eligibility for retiree health coverage requires retirement from CalPERS or CalSTRS on or after age 55 with age plus District years of service greater than or equal to 75. The District does not provide any retiree health benefits after a retiree turns 65. Dependent coverage ceases upon the death of the retiree or when the retiree turns age 65.

Premium Rates

The District currently offers through Self-Insured Schools of California (SISC) a Kaiser HMO Plan, two California Care Plans, an Anthem PPO Plan, an Anthem High Deductible Health Plan, and a Simnsa HMO Plan. The District also offers a Delta Dental Plan and a VSP Vision Plan through the San Diego Fringe Benefits Consortium.

The premiums billed for retiree medical coverage under age 65 are the same as those for active medical coverage. Thus, the District is providing a "rate subsidy" to the retirees based on this blended rate. GASB 75 requires that when an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently. This requires valuing any "rate subsidy" as an additional financial obligation to the District.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

Employees Covered by Benefit Terms

At measurement date, June 30, 2025, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	16
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>350</u>
	<u>366</u>

2. Net OPEB Liability of the District and the Plan

The District's total OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Fiscal Year	July 1 st to June 30 th
Measurement Date	June 30, 2025
Funding Policy	Pay-as-you-go
Discount Rate	6.48% per annum
Inflation	2.50% per annum
Salary Increases	2.75% per annum
Healthcare Cost Trend Rates	4.00%
Retiree's Share of Costs	0.00% of projected premiums

The discount rate is based on assumed long-term return on employer assets utilizing the building block method and the crossover test, assuming the District will continue to make pay-as-you-go payments outside of the Trust and contribute additional amounts to the trust as the board approves them.

Mortality rates are based on the 2020 CalSTRS Mortality Tables and the 2021 CalPERS Mortality Table for Miscellaneous and School Employees.

The actuarial cost method used to determine the allocation of the retiree health actuarial liability to the past (accrued), current and future periods is the Entry Age Normal (EAN) cost method. The EAN cost method is a projected benefit cost method which means the cost is based on the projected benefit expected to be paid at retirement.

The EAN normal cost equals the level of annual amount of contribution from the employee's date of hire (entry date) to their retirement date that is sufficient to fund the projected benefit. As required by GASB Statement No. 75, the normal cost is calculated to remain level as a percentage of pay. The EAN actuarial accrued liability equals the present value of all future benefits for retired and current employees and their beneficiaries less the portion expected to be funded by future normal costs.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

All employees eligible as of the measurement date in accordance with provisions of the Plan were included in the valuation.

Actuarial Value of Assets

Any assets of the plan are valued on a market value basis.

Long-Term Expected Rate of Return

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 OPEB plan 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 class included in the OPEB plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	49%	7.25%
All Fixed Income	23%	4.25%
Real Estate Investment Trusts	20%	7.25%
All Commodities	3%	7.25%
Treasury Inflation Protected Securities (TIPS)	5%	3.00%

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
<i>Governmental Activities</i>	(a)	(b)	(a) - (b)
Balance at June 30, 2024	\$ 9,841,025	\$ 1,777,458	\$ 8,063,567
Change in Proportionate Share	723	384	339
Service Cost	383,124	-	383,124
Interest	631,112	219,361	411,751
Experience Differences	(114,798)	-	(114,798)
Changes in Assumptions	(83,299)	-	(83,299)
Contributions - Employer	-	320,613	(320,613)
Benefit Payments, Including Refunds	(225,920)	(225,920)	-
Administrative Expenses	-	(1,383)	1,383
Net Changes	590,942	313,055	277,887
Balance at June 30, 2025	\$ 10,431,967	\$ 2,090,513	\$ 8,341,454

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

<u>Business-Type Activities</u>	Increase (Decrease)		
	Total OPEB	Plan Fiduciary	Net OPEB
Balance at June 30, 2024	\$ 538,807	\$ 97,318	\$ 441,489
Change in Proportionate Share	(723)	(384)	(339)
Service Cost	21,472	-	21,472
Interest	35,371	12,294	23,077
Experience Differences	(6,434)	-	(6,434)
Changes in Assumptions	(4,669)	-	(4,669)
Contributions - Employer	-	17,969	(17,969)
Benefit Payments, Including Refunds	(12,662)	(12,662)	-
Administrative Expenses	-	(77)	77
Net Changes	32,355	17,140	15,215
Balance at June 30, 2025	\$ 571,162	\$ 114,458	\$ 456,704

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (5.48%)	Current Discount Rate (6.48%)	1% Increase (7.48%)
Net OPEB Liability - Governmental Activities	\$ 9,121,130	\$ 8,341,454	\$ 7,610,817
Net OPEB Liability - Business Type Activities	499,392	456,704	416,701
Total Net OPEB Liability	\$ 9,620,522	\$ 8,798,158	\$ 8,027,518

Sensitivity of the net OPEB liability to changes in the health care cost trend rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (3.00%)	Current (4.00%)	1% Increase (5.00%)
Net OPEB Liability - Governmental Activities	\$ 7,323,616	\$ 8,341,454	\$ 9,506,495
Net OPEB Liability - Business Type Activities	400,976	456,704	520,491
Total Net OPEB Liability	\$ 7,724,592	\$ 8,798,158	\$ 10,026,986

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB Plan's fiduciary net position is available in the stand alone fiduciary fund financial statements which can be obtained by contacting the District or CalPERS.

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$242,235. At June 30, 2025 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
Experience differences	\$ 344,614	\$ 19,314	\$ 363,928
Changes of assumptions	350,552	19,647	370,199
Change in proportionate share	203,005	383,436	586,441
Total Deferred Outflows of Resources	<u>\$ 898,171</u>	<u>\$ 422,397</u>	<u>\$ 1,320,568</u>

	Deferred Inflows of Resources		
	<i>Governmental</i>	<i>Business-Type</i>	<i>Total</i>
Experience differences	\$ 1,098,841	\$ 61,585	\$ 1,160,426
Changes of assumptions	4,676,983	262,122	4,939,105
Change in proportionate share	383,436	203,005	586,441
Earnings differences	52,944	2,969	55,913
Total Deferred Inflows of Resources	<u>\$ 6,212,204</u>	<u>\$ 529,681</u>	<u>\$ 6,741,885</u>

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

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

<i>Governmental Activities</i>			
Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Effect on OPEB Expense
2026	\$ 246,652	\$ (889,163)	\$ (642,511)
2027	246,652	(945,639)	(698,987)
2028	216,581	(903,847)	(687,266)
2029	28,561	(891,323)	(862,762)
2030	28,561	(754,889)	(726,328)
Thereafter	131,164	(1,827,343)	(1,696,179)
Total	<u>\$ 898,171</u>	<u>\$ (6,212,204)</u>	<u>\$ (5,314,033)</u>

<i>Business-Type Activities</i>			
Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Effect on OPEB Expense
2026	\$ 52,596	\$ (65,729)	\$ (13,133)
2027	50,161	(69,031)	(18,870)
2028	48,476	(66,687)	(18,211)
2029	37,938	(65,987)	(28,049)
2030	37,938	(58,342)	(20,404)
Thereafter	195,288	(203,905)	(8,617)
Total	<u>\$ 422,397</u>	<u>\$ (529,681)</u>	<u>\$ (107,284)</u>

Payables to the OPEB Plan

At June 30, 2025, the District did not have any payables to the OPEB plan outstanding.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

Q. Risk Management

The District is exposed to risk of losses due to:

- Torts,
- Theft of, damage to, or destruction of assets,
- Business interruption,
- Errors or omissions,
- Job related illness or injuries to employees,
- Natural disasters,
- Other risks associated with public entity risk pools

Risk management is the process of managing the District's activities to minimize the adverse effects of these risks. The main element of risk management are risk control (to minimize the losses that strike an organization) and risk financing (to obtain finances to provide for or restore the economic damages of those losses). Risk financing techniques include risk retention, risk transfer to and from an insurer, and risk transfer to a non-insurer.

The District has implemented the risk financing technique of risk transfer to an insurer. The District has purchased property & liability insurance as well as workers compensation insurance to cover any losses resulting from the risks identified above.

There have been no significant changes in property and liability or workers compensation coverage during the current fiscal year.

R. Participation in Joint Powers Authorities

The District is a member of two joint powers agreements (JPA) entities, the San Diego County Schools Risk Management (SDCSRM) and the San Diego County Schools Fringe Benefits Consortium (SDCSFBC) for the operation of a common risk management and insurance programs for property and liability coverage, workers compensation, and other employee benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

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

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

S. Commitments and Contingencies

1. State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

2. 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 as of June 30, 2025.

3. Construction Commitments

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

Project Name	Commitment Amount	Expenditures through June 30, 2025	Remaining Commitment as of June 30, 2025	Expected Completion Date
Del Mar Hills Academy Modernization	\$ 26,246,014	\$ 22,705,443	\$ 3,540,571	November 2025
Carmel Del Mar Modernization	1,222,690	298,471	924,219	September 2026
Total	\$ 27,468,704	\$ 23,003,914	\$ 4,464,790	

T. Concentration Risk Related to Collective Bargaining Agreements

As of June 30, 2025 approximately 70% of the District's employees are represented by one union, the Del Mar California Teachers Association (DMCTA). The agreement in effect for the 2024-25 fiscal year expired on June 30, 2025. In February of 2025 the District and the DMCTA signed a new agreement which expires on June 30, 2028.

The District's reliance on a workforce that is predominantly unionized creates a concentration risk. If the District is unable to successfully negotiate new agreements before the expiration date, or if labor actions such as strikes or work stoppages occur, there could be a significant impact on the District's ability to provide essential services at current levels. Additionally, the outcome of future negotiations may result in increased personnel costs, which could affect the District's ability to meet its financial obligations as they come due.

Management has evaluated the financial impact of the new agreement and incorporated these considerations into its long-term financial planning. The District will continue to monitor its obligations under the agreement and assess any emerging risks related to collective bargaining as the agreements progress toward expiration.

Management believes that, with the new agreement in place, the risk of immediate labor disruption has been mitigated. However, the District will continue to assess the potential for future risks as the expiration of the agreement approaches and will update its risk assessment as necessary.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

U. Deferred Outflows of Resources

The District issued refunding special tax bonds and as a result of the calculated gain or loss, a loss on refunding was recognized as a deferred outflow of resources. The loss on refunding will be amortized over the life of the refunding bonds.

The District issued special tax bonds which included prepaid debt insurance which has been recorded as a deferred outflow of resources to be amortized over the life of the bonds.

In accordance with GASB Statement No. 68 & 71, payments made subsequent to the pension plan measurement date and other items as outlined in the GASB pronouncement have been recorded as deferred outflows of resources.

In accordance with GASB Statement No. 75 certain items related to OPEB as identified in the GASB statement are recorded as deferred outflows of resources.

A summary of the deferred outflows of resources as of June 30, 2025, is as follows:

Description	Beginning Balance	Additions/ Adjustments	Amoritzaiton	Ending Balance
<u><i>Governmental Activities:</i></u>				
Refunding Losses	\$ 701,514	\$ -	\$ 51,362	\$ 650,152
Prepaid Debt Insurance	434,489	-	14,439	420,050
Pension Related				
CalSTRS	17,259,124	1,569,322	2,274,050	16,554,396
CalPERS	6,813,560	485,722	1,658,843	5,640,439
OPEB Related	1,232,912	(30,373)	304,368	898,171
Total Governmental Activities	<u>26,441,599</u>	<u>2,024,671</u>	<u>4,303,062</u>	<u>24,163,208</u>
<u><i>Business Type Activities:</i></u>				
Pension Related				
CalSTRS	191,612	10,537	35,372	166,777
CalPERS	890,475	149,391	179,407	860,459
OPEB Related	475,479	(486)	52,596	422,397
Total Business Type Activities	<u>1,557,566</u>	<u>159,442</u>	<u>267,375</u>	<u>1,449,633</u>
Total Deferred Outflows of Resources	<u>\$ 27,999,165</u>	<u>\$ 2,184,113</u>	<u>\$ 4,570,437</u>	<u>\$ 25,612,841</u>

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

Future amortization of deferred outflows is as follows:

Year Ended June 30,	Governmental Activities				
	Refunding Losses	Prepaid Insurance	Pension Related	OPEB Related	Total
2026	\$ 51,362	\$ 14,835	\$ 12,977,308	\$ 246,652	\$ 13,290,157
2027	51,362	15,174	3,887,656	246,652	4,200,844
2028	51,362	15,185	2,193,984	216,581	2,477,112
2029	51,362	10,505	1,338,612	28,561	1,429,040
2030	51,362	11,014	1,559,444	28,561	1,650,381
Thereafter	393,342	353,337	237,831	131,164	1,115,674
Total	<u>\$ 650,152</u>	<u>\$ 420,050</u>	<u>\$ 22,194,835</u>	<u>\$ 898,171</u>	<u>\$ 24,163,208</u>

Year Ended June 30,	Business Type Activities		
	Pension Related	OPEB Related	Total
2026	\$ 680,198	\$ 52,596	\$ 732,794
2027	275,907	50,161	326,068
2028	59,563	48,476	108,039
2029	(2,102)	37,938	35,836
2030	12,336	37,938	50,274
Thereafter	1,334	195,288	196,622
Total	<u>\$ 1,027,236</u>	<u>\$ 422,397</u>	<u>\$ 1,449,633</u>

V. Deferred Inflows of Resources

In accordance with GASB Statement No. 68 & 71, items as outlined in the GASB statement have been recorded as deferred inflows of resources.

In accordance with GASB Statement No. 75 certain items related to OPEB as identified in the GASB statement are recorded as deferred inflows of resources.

In accordance with GASB Statement No. 87 leases receivable are deferred and amortized straight line over the life of the lease as deferred inflows of resources.

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

A summary of the deferred inflows of resources as of June 30, 2025, is as follows:

Description	Beginning Balance	Additons/ Adjustments	Amortization	Ending Balance
<u>Governmental Activities:</u>				
Pension Related				
CalSTRS	\$ 5,246,331	3,164,209	\$ 3,208,912	\$ 5,201,628
CalPERS	970,852	319,178	595,478	694,552
OPEB Related	6,886,764	257,014	931,574	6,212,204
Deferred lease receivable	556,696	-	48,522	508,174
Total Governmental Activities	13,660,643	3,740,401	4,784,486	12,616,558
<u>Business Type Activities:</u>				
Pension Related				
CalSTRS	177,123	15,627	73,999	118,751
CalPERS	1,066,591	(362)	797,716	268,513
OPEB Related	632,393	23,109	125,821	529,681
Total Business Type Activities	1,876,107	38,374	997,536	916,945
Total Deferred Inflows of Resources	\$ 15,536,750	\$ 3,778,775	\$ 5,782,022	\$ 13,533,503

Future amortization of deferred inflows is as follows:

Year Ended June 30,	Governmental Activities			
	Pension Related	OPEB Related	Deferred Lease	Total
2026	\$ 4,480,711	\$ 889,163	\$ 48,522	\$ 5,418,396
2027	(1,683,143)	945,639	48,522	(688,982)
2028	1,439,651	903,847	47,083	2,390,581
2029	1,269,289	891,323	47,083	2,207,695
2030	194,836	754,889	47,083	996,808
Thereafter	194,836	1,827,343	269,881	2,292,060
Total	\$ 5,896,180	\$ 6,212,204	\$ 508,174	\$ 12,616,558

Year Ended June 30,	Business Type Activities		
	Pension Related	OPEB Related	Total
2026	\$ 320,684	\$ 65,729	\$ 386,413
2027	36,346	69,031	105,377
2028	27,902	66,687	94,589
2029	2,332	65,987	68,319
2030	-	58,342	58,342
Thereafter	-	203,905	203,905
Total	\$ 387,264	\$ 529,681	\$ 916,945

Del Mar Union School District

Notes to the Financial Statements, Continued

June 30, 2025

W. Upcoming Accounting Guidance

The Governmental Accounting Standards Board (GASB) issues pronouncements and additional guidance for governmental agencies to establish consistent accounting across all governments in the United States. The following table represents items that have been issued by GASB that will become effective in future periods:

Description	Date Issued	Year Effective
GASB Statement No. 103 <i>Financial Reporting Model Improvements</i>	Apr-24	2025-26
GASB Statement No. 104 <i>Disclosure of Certain Capital Assets</i>	Sep-24	2025-26
GASB Implementation Guide No. 2025-1 <i>Implementation Guidance Update 2025 (Except Question 4.16)</i>	Jun-25	2025-26

The effects of the upcoming guidance and pronouncements on the District's financial statements has not yet been determined.

X. Subsequent Event

The District has evaluated subsequent events through the date the financial statements were available to be issued. The following significant events occurred after June 30, 2025, and prior to the issuance of these financial statements:

1. Personnel Actions and Employment Agreements:

The Board appointed an interim Superintendent effective July 22, 2025, and subsequently ratified a new Superintendent employment agreement effective August 21, 2025. New employment agreements for Assistant Superintendents were also approved for the 2025-2026 school year.

2. Contracts, Agreements, and Major Projects:

The Board approved and ratified various agreements and amendments, including technology upgrades, modernization projects, and significant contracts. Notably, lease-leaseback agreements for the Ashley Falls and Carmel Del Mar School modernization projects were approved, representing significant fiscal commitments.

3. Financial and Budgetary Actions:

The Board approved adjustments in special tax rates and budgets for Community Facilities Districts for the 2025-2026 fiscal year.

The District has determined that these subsequent events do not require adjustment to the June 30, 2025, financial statements but are disclosed herein due to their significance.

Required Supplementary Information

Del Mar Union School District

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Variance Original to Final Budget Positive/ (Negative)	Actual	Variance to Final Budget Positive (Negative)
	Original	Final			
Revenues					
LCFF Sources					
State Apportionment	\$ 1,170,350	\$ 1,170,350	\$ -	\$ 1,170,350	\$ -
Education Protection Account	7,242,884	724,674	(6,518,210)	724,690	16
Property Taxes	57,229,519	64,462,915	7,233,396	64,809,224	346,309
Federal Revenue	1,010,921	1,317,592	306,671	1,163,652	(153,940)
Other State Revenue	6,601,939	6,945,148	343,209	7,432,087	486,939
Investment Income	278,070	900,626	622,556	1,287,906	387,280
Other Local Revenue	4,568,205	4,817,692	249,487	5,127,183	309,491
Total Revenues	<u>78,101,888</u>	<u>80,338,997</u>	<u>2,237,109</u>	<u>81,715,092</u>	<u>1,376,095</u>
Expenditures					
Current Expenditures:					
Certificated Salaries	35,007,448	36,202,788	(1,195,340)	35,891,744	311,044
Classified Salaries	10,753,133	11,043,820	(290,687)	11,184,965	(141,145)
Employee Benefits	19,430,401	20,382,940	(952,539)	19,832,670	550,270
Books and Supplies	3,149,868	3,374,953	(225,085)	2,064,813	1,310,140
Services and Other Operating	9,048,335	10,266,393	(1,218,058)	9,593,136	673,257
Other Outgo	-	64,386	(64,386)	101,367	(36,981)
Capital Outlay	50,000	119,482	(69,482)	94,104	25,378
Debt Service			-		
Principal	520,000	520,000	-	585,792	(65,792)
Interest	-	-	-	160	(160)
Total Expenditures	<u>77,959,185</u>	<u>81,974,762</u>	<u>(4,015,577)</u>	<u>79,348,751</u>	<u>2,626,011</u>
Net Change in Fund Balance	142,703	(1,635,765)	(1,778,468)	2,366,341	4,002,106
Fund Balance - Beginning of Year	<u>21,508,351</u>	<u>21,508,351</u>	<u>-</u>	<u>21,508,351</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 21,651,054</u>	<u>\$ 19,872,586</u>	<u>\$ (1,778,468)</u>	<u>\$ 23,874,692</u>	<u>\$ 4,002,106</u>

Del Mar Union School District

Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.054910%	0.056637%	0.048103%	0.056184%	0.053065%	0.052700%	0.053884%	0.052982%	0.051201%	0.054155%
District's proportionate share of the net pension liability (asset)	\$ 36,878,823	\$ 43,135,143	\$ 33,424,711	\$ 25,567,772	\$ 51,424,787	\$ 47,597,365	\$ 49,523,165	\$ 48,997,884	\$ 41,411,776	\$ 36,459,211
State's proportionate share of the net pension liability (asset) associated with the District	16,847,664	20,673,824	20,325,960	18,905,061	34,479,629	27,669,694	28,636,508	28,636,508	25,447,653	19,718,501
Total	<u>\$ 53,726,487</u>	<u>\$ 63,808,967</u>	<u>\$ 53,750,671</u>	<u>\$ 44,472,833</u>	<u>\$ 85,904,416</u>	<u>\$ 75,267,059</u>	<u>\$ 78,159,673</u>	<u>\$ 77,634,392</u>	<u>\$ 66,859,429</u>	<u>\$ 56,177,712</u>
District's covered payroll*	36,069,586	34,052,393	30,707,926	33,011,437	32,666,930	28,318,219	28,385,842	27,803,148	25,125,079	24,745,763
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	102.24%	126.67%	108.85%	77.45%	157.42%	168.08%	174.46%	176.23%	164.82%	147.34%
Plan fiduciary net position as a percentage of the total pension liability	83.55%	81.20%	81.20%	79.33%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%

*Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

Del Mar Union School District

Schedule of the District's Contributions - CalSTRS

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 6,891,491	\$ 6,889,291	\$ 6,504,007	\$ 5,180,735	\$ 5,331,347	\$ 5,586,045	\$ 4,610,206	\$ 4,129,320	\$ 3,524,138	\$ 2,729,535
Contributions in relation to the contractually required contribution	<u>(6,891,491)</u>	<u>(6,889,291)</u>	<u>(6,504,007)</u>	<u>(5,180,735)</u>	<u>(5,331,347)</u>	<u>(5,586,045)</u>	<u>(4,610,206)</u>	<u>(4,129,320)</u>	<u>(3,524,138)</u>	<u>(2,729,535)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll*	\$ 36,081,105	\$ 36,069,586	\$ 34,052,393	\$ 33,011,437	\$ 33,011,437	\$ 32,666,930	\$ 28,318,219	\$ 28,385,842	\$ 27,803,148	\$ 25,125,079
Contributions as a percentage of covered payroll	19.10%	19.10%	19.10%	15.69%	16.15%	17.10%	16.28%	14.55%	12.68%	10.86%

*Covered payroll on this schedule is based on the fiscal year.

Del Mar Union School District

Schedule of the District's Proportionate Share of the Net Pension Liability – CalPERS

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0576%	0.0584%	0.0576%	0.0690%	0.0715%	0.0687%	0.0704%	0.0701%	0.0731%	0.0697%
District's proportionate share of the net pension liability (asset)	\$ 20,600,919	\$ 21,128,569	\$ 19,825,483	\$ 14,037,062	\$ 21,931,342	\$ 20,013,358	\$ 18,762,857	\$ 16,740,449	\$ 14,430,024	\$ 10,273,359
District's covered payroll*	\$ 11,369,445	\$ 10,104,123	\$ 7,755,120	\$ 8,186,290	\$ 7,603,930	\$ 7,156,799	\$ 9,382,821	\$ 9,006,444	\$ 8,847,708	\$ 7,750,726
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	181.20%	209.11%	255.64%	171.47%	288.42%	279.64%	199.97%	185.87%	163.09%	132.55%
Plan fiduciary net position as a percentage of the total pension liability	72.29%	69.69%	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%

*Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

Del Mar Union School District

Schedule of the District's Contributions - CalPERS

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 3,323,904	\$ 3,033,368	\$ 2,563,416	\$ 1,781,280	\$ 1,694,562	\$ 1,499,571	\$ 1,292,661	\$ 1,172,352	\$ 988,879	\$ 795,099
Contributions in relation to the contractually required contribution	(3,323,904)	(3,033,368)	(2,563,416)	(1,781,280)	(1,694,562)	(1,499,571)	(1,292,661)	(1,172,352)	(988,879)	(795,099)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll*	\$ 12,288,000	\$ 11,369,445	\$ 10,104,123	\$ 7,775,120	\$ 8,186,290	\$ 7,603,930	\$ 7,156,799	\$ 9,382,821	\$ 9,006,444	\$ 8,847,708
Contributions as a percentage of covered payroll	27.050%	26.680%	25.370%	22.910%	20.700%	19.721%	18.062%	12.495%	10.980%	8.986%

*Covered payroll on this schedule is based on the fiscal year.

Del Mar Union School District

Schedule of Changes in the District's Net OPEB Liability and Related Ratios – DMUSD Retiree Health Benefit Plan Last Ten Fiscal Years*

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB liability:										
Service cost	\$ 404,596	\$ 420,212	\$ 437,368	\$ 1,048,674	\$ 958,817	\$ 779,577	\$ 750,495	\$ 701,951	N/A	N/A
Interest	666,483	599,842	607,356	419,508	427,942	430,732	433,844	368,638	N/A	N/A
Changes of benefit terms	-	-	-	-	-	-	-	-	N/A	N/A
Experience differences	(121,232)	-	(613,663)	119,025	(1,087,796)	866,973	(410,554)	-	N/A	N/A
Changes of assumptions	(87,968)	(300,115)	(92,983)	(7,179,185)	(25,779)	920,121	285,723	-	N/A	N/A
Benefit payments	(238,582)	(188,315)	(325,985)	(241,377)	(333,380)	(237,845)	(198,030)	(147,494)	N/A	N/A
Net change in total OPEB liability	623,297	531,624	12,093	(5,833,355)	(60,196)	2,759,558	861,478	923,095	N/A	N/A
Total OPEB liability - beginning	10,379,832	9,848,208	9,836,115	15,669,470	15,729,666	12,970,108	12,108,630	11,185,535	N/A	N/A
Total OPEB liability - ending	<u>\$ 11,003,129</u>	<u>\$ 10,379,832</u>	<u>\$ 9,848,208</u>	<u>\$ 9,836,115</u>	<u>\$ 15,669,470</u>	<u>\$ 15,729,666</u>	<u>\$ 12,970,108</u>	<u>\$ 12,108,630</u>	<u>N/A</u>	<u>N/A</u>
Plan fiduciary net position:										
Contributions - employer	\$ 338,582	\$ 288,315	\$ 425,985	\$ 341,377	\$ 433,380	\$ 837,845	\$ 698,030	\$ -	N/A	N/A
Contributions - employee	-	-	-	-	-	-	-	-	N/A	N/A
Net investment income	231,655	177,357	91,017	(201,761)	304,926	8,804	-	-	N/A	N/A
Benefit payments	(238,582)	(188,315)	(325,985)	(241,377)	(333,380)	(237,845)	(198,030)	-	N/A	N/A
Administrative expenses	(1,460)	(1,406)	(1,218)	(1,272)	(1,080)	(591)	-	-	N/A	N/A
Other expenses	-	-	-	-	-	-	-	-	N/A	N/A
Net change in plan fiduciary net position	330,195	275,951	189,799	(103,033)	403,846	608,213	500,000	-	N/A	N/A
Plan fiduciary net position - beginning	1,874,776	1,598,825	1,409,026	1,512,059	1,108,213	500,000	-	-	N/A	N/A
Plan fiduciary net position - ending	<u>\$ 2,204,971</u>	<u>\$ 1,874,776</u>	<u>\$ 1,598,825</u>	<u>\$ 1,409,026</u>	<u>\$ 1,512,059</u>	<u>\$ 1,108,213</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>N/A</u>	<u>N/A</u>
Net OPEB liability	<u>\$ 8,798,158</u>	<u>\$ 8,505,056</u>	<u>\$ 8,249,383</u>	<u>\$ 8,427,089</u>	<u>\$ 14,157,411</u>	<u>\$ 14,621,453</u>	<u>\$ 12,470,108</u>	<u>\$ 12,108,630</u>	<u>N/A</u>	<u>N/A</u>
Plan fiduciary net position as a percentage of total OPEB liability	20.04%	18.06%	16.23%	14.33%	9.65%	7.05%	3.86%	0.00%	N/A	N/A
Covered payroll	48,369,105	47,439,031	44,156,516	43,219,434	36,473,748	35,411,406	31,724,000	31,724,000	N/A	N/A
Net OPEB liability as a percentage of covered payroll	18.19%	17.93%	18.68%	19.50%	38.82%	41.29%	39.31%	38.17%	N/A	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Del Mar Union School District

Schedule of District Contributions – DMUSD Retiree Health Benefit Plan

Last Ten Fiscal Years*

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarial determined contributions (ADC)**	\$ -	\$ -	\$ -	\$ 1,362,107	\$ 1,176,253	\$ -	\$ -	\$ -	N/A	N/A
Contributions in relation to the ADC	(338,582)	(288,315)	(425,985)	(341,377)	(433,380)	(837,845)	(198,030)	(147,494)	N/A	N/A
Contribution deficiency (excess)	<u>\$ (338,582)</u>	<u>\$ (288,315)</u>	<u>\$ (425,985)</u>	<u>\$ 1,020,730</u>	<u>\$ 742,873</u>	<u>\$ (837,845)</u>	<u>\$ (198,030)</u>	<u>\$ (147,494)</u>	<u>N/A</u>	<u>N/A</u>
District's covered payroll	48,369,105	47,439,031	44,156,516	43,219,434	36,473,748	35,411,406	31,724,000	31,724,000	N/A	N/A
Contributions as a percentage of covered payroll	0.700%	0.608%	0.965%	0.790%	1.188%	2.366%	0.624%	0.465%	N/A	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**The District obtained ADC for fiscal years ended June 30, 2020 and June 30, 2021 but did not obtain ADC for other years presented.

Del Mar Union School District

Notes to Required Supplementary Information
For the Year Ended June 30, 2025

A. Budgetary Comparison Schedule – General Fund

As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District's Special Reserve Fund for Other than Capital Outlay (Fund 17) was included with the General Fund. The Budgetary Comparison Schedule included in the Required Supplementary Information is based on the legally adopted budget for the General Fund only.

General Fund - Basic Financial Statements Ending Fund Balance	\$ 26,159,574
Less Fund 17 Fund Balance	<u>(2,284,882)</u>
General Fund - Budgetary Comparison Schedule Ending Fund Balance	<u>\$ 23,874,692</u>
General Fund - Basic Financial Statements Net Change in Fund Balance	\$ 2,505,432
Less Fund 17 Net Change in Fund Balance	<u>(139,091)</u>
General Fund - Budgetary Comparison Schedule Net Change in Fund Balance	<u>\$ 2,366,341</u>

B. Excess of Expenditures Over Appropriations

As of June 30, 2025, the District's expenditures which exceeded appropriations in the following categories:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>	<u>Reason for Excess Expenditures</u>
General Fund:		
Classified Salaries	\$ 141,145	The District underestimated costs for classified salaries.
Other Outgo	36,981	The District underestimated the costs of transfers of services to county offices of education.
Debt Service	65,952	The District budgeted for lease and SBITA payments in services and other instead of debt service.

Amounts in excess of appropriations were not considered a violation of any laws, regulations, contracts or grant agreements and did not have a direct or material effect on the financial statements.

Del Mar Union School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2025

C. Schedule of District's Proportionate Share – CalSTRS

1. Benefit Changes: Changes in benefits reflect changes enacted by law for benefits offered and eligibility criteria.
2. Changes in Assumptions: Assumptions used in determining the total pension liability of the CalSTRS Plan changed due to actuarial experience studies performed by CalSTRS.

D. Schedule of District's Contributions – CalSTRS

The total pension liability for California State Teachers' Retirement System (CalSTRS) for measurement date June 30, 2024, was determined with a valuation completed June 30, 2023. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Valuation Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Experience Study	2006 - 2010	2006 - 2010	2010 - 2015	2010 - 2015	2010 - 2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return ⁽¹⁾	7.60%	7.60%	7.10%	7.10%	7.10%
Consumer Price Inflation	3.00%	3.00%	2.75%	2.75%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.50%	3.50%	3.50%
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Experience Study	2010 - 2015	2015 - 2018	2015 - 2018	2015 - 2018	2007 - 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return ⁽¹⁾	7.10%	7.10%	7.10%	7.10%	7.10%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Wage Growth (Average)	3.50%	3.50%	3.50%	3.50%	3.50%
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

(1) – Net of investment expenses but gross of administrative expenses.

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

Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on the CalSTRS website.

Del Mar Union School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2025

E. Schedule of District's Proportionate Share – CalPERS

1. Benefit Changes: Changes in benefits reflect changes enacted by law for benefits offered and eligibility criteria.
2. Changes in Assumptions: Assumptions used in determining the total pension liability of the CalPERS Plan changed due to actuarial experience studies performed by CalPERS.

F. Schedule of District's Contributions – CalPERS

The total pension liability for California Public Employees Retirement System – School Pool (CalPERS) for measurement date June 30, 2024, was determined with a valuation completed June 30, 2023. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Valuation Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Experience Study	1997 - 2011	1997 - 2011	1997 - 2011	1997 - 2015	1997 - 2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return ⁽¹⁾	7.65%	7.65%	7.15%	7.15%	7.15%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.50%	2.50%
Wage Growth (Average)	3.00%	3.00%	3.00%	3.00%	3.00%
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Experience Study	1997 - 2015	1997 - 2015	2000 - 2019	2000 - 2019	2000 - 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return ⁽¹⁾	7.15%	7.15%	6.90%	6.90%	6.90%
Consumer Price Inflation	2.50%	2.50%	2.50%	2.50%	2.30%
Wage Growth (Average)	2.75%	2.75%	2.75%	2.75%	Varies by Age
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00 - 2.30%

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the December 2021 experience study report (based on demographic data from 2000 to 2019) available on the CalPERS website.

Del Mar Union School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2025

G. Schedule of Changes in the District's Net OPEB Liability and Related Ratios

- 1) Benefit Changes: The District made changes to benefit terms consistent with bargaining agreements.
- 2) Changes in Assumptions: Assumptions were updated based on changes in the discount rate and updated experience studies provided by CalSTRS and CalPERS.
- 3) The following are the discount rates used for each period:

<u>Year</u>	<u>Discount Rate</u>
2018	3.40%
2019	3.16%
2020	2.59%
2021	2.61%
2022	6.14%
2023	6.02%
2024	6.37%
2025	6.48%

Additional information can be obtained by requesting a copy of the OPEB Valuation from the District.

H. Schedule of District's Contributions to OPEB Plan

The District is funding OPEB contributions on a pay-as-you-go basis plus an amount determined by the board based on budgetary considerations through the OPEB Trust administered by CalPERS.

Combining Statements as Supplementary Information

Del Mar Union School District

Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2025

	Special Revenue Funds		Capital Projects Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Bond Interest and Redemption Fund	
Assets							
Cash and Cash Equivalents	\$ 307,628	\$ 3,384,121	\$ 2,321,105	\$ 487	\$ 7,922,586	\$ 5,872,380	\$ 19,808,307
Accounts Receivable	245,360	43,252	37,684	7	111,450	-	437,753
Due from Other Funds	1,843	-	-	-	-	-	1,843
Inventory	56,830	-	-	-	-	-	56,830
Total Assets	<u>\$ 611,661</u>	<u>\$ 3,427,373</u>	<u>\$ 2,358,789</u>	<u>\$ 494</u>	<u>\$ 8,034,036</u>	<u>\$ 5,872,380</u>	<u>\$ 20,304,733</u>
Liabilities and Fund Balance							
Liabilities:							
Accounts Payable	\$ 33,490	\$ -	\$ 8,228	\$ -	\$ -	\$ -	\$ 41,718
Due to Other Funds	-	-	-	-	-	-	-
Unearned Revenue	42,103	-	-	-	-	-	42,103
Total Liabilities	<u>75,593</u>	<u>-</u>	<u>8,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,821</u>
Fund Balance:							
Nonspendable Fund Balances	56,830	-	-	-	-	-	56,830
Restricted Fund Balances	479,238	-	2,350,561	494	-	5,872,380	8,702,673
Committed Fund Balances	-	3,427,373	-	-	-	-	3,427,373
Assigned Fund Balances	-	-	-	-	8,034,036	-	8,034,036
Total Fund Balance	<u>536,068</u>	<u>3,427,373</u>	<u>2,350,561</u>	<u>494</u>	<u>8,034,036</u>	<u>5,872,380</u>	<u>20,220,912</u>
Total Liabilities and Fund Balance	<u>\$ 611,661</u>	<u>\$ 3,427,373</u>	<u>\$ 2,358,789</u>	<u>\$ 494</u>	<u>\$ 8,034,036</u>	<u>\$ 5,872,380</u>	<u>\$ 20,304,733</u>

Del Mar Union School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds

June 30, 2025

	Special Revenue Funds		Capital Projects Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Bond Interest and Redemption Fund	
Revenues							
Local Property Taxes	\$ -	\$ 324,244	\$ -	\$ -	\$ -	\$ 6,401,202	\$ 6,725,446
Federal Revenue	535,867	-	-	-	-	-	535,867
Other State Revenue	1,751,408	-	-	-	-	-	1,751,408
Interest & Investment Income/(Loss)	23,919	144,190	115,590	25	414,934	199,653	898,311
Other Local Revenue	109,406	-	144,903	-	-	-	254,309
Total Revenues	2,420,600	468,434	260,493	25	414,934	6,600,855	10,165,341
Expenditures							
Current Expenditures:							
Pupil Services	2,130,646	-	-	-	-	-	2,130,646
General Administration	-	-	5,499	-	-	-	5,499
Plant Services	57,835	-	-	-	20,220	-	78,055
Capital Outlay	-	-	-	-	8,301	-	8,301
Debt Service:							
Principal	-	-	-	-	-	2,415,000	2,415,000
Interest	-	-	-	-	-	4,237,188	4,237,188
Total Expenditures	2,188,481	-	5,499	-	28,521	6,652,188	8,874,689
Excess (Deficiency) of Revenues Over (Under) Expenditures	232,119	468,434	254,994	25	386,413	(51,333)	1,290,652
Other Financing Sources (Uses):							
Proceeds from Sale of Bonds	-	-	-	-	-	1,094,670	1,094,670
Total Other Financing Sources (Uses)	-	-	-	-	-	1,094,670	1,094,670
Net Change in Fund Balance	232,119	468,434	254,994	25	386,413	1,043,337	2,385,322
Fund Balance, Beginning of Year	303,949	2,958,939	2,095,567	469	7,647,623	4,829,043	17,835,590
Fund Balance, End of Year	\$ 536,068	\$ 3,427,373	\$ 2,350,561	\$ 494	\$ 8,034,036	\$ 5,872,380	\$ 20,220,912

Other Supplementary Information

Del Mar Union School District

Schedule of Average Daily Attendance Year Ended June 30, 2025

	Second Period Report		Annual Report	
	Original 6BA9DA08	Revised	Original 6AEFE208	Revised
Grades K-3:				
Regular ADA	1,695.16	N/A	1,701.76	N/A
Extended Year Special Education	6.31	N/A	6.31	N/A
Total Grades K-3	1,701.47	N/A	1,708.07	N/A
Grades 4-6:				
Regular ADA	1,639.63	N/A	1,638.23	N/A
Extended Year Special Education	6.57	N/A	6.57	N/A
Nonpublic, Nonsectarian Schools	0.97	N/A	0.98	N/A
Total Grades 4-6	1,647.17	N/A	1,645.78	N/A
Total ADA	3,348.64	N/A	3,353.85	N/A

N/A – There were no audit findings which resulted in revisions to average daily attendance (ADA).

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts and charter schools. This schedule provides information regarding the attendance of students by grade span and adjustments to the attendance as a result of an audit finding when applicable.

Del Mar Union School District

Schedule of Instructional Time

Year Ended June 30, 2025

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Kindergarten	36,000	52,040	0	52,040	180	0	180	Complied
1st Grade	50,400	54,570	0	54,570	180	0	180	Complied
2nd Grade	50,400	54,570	0	54,570	180	0	180	Complied
3rd Grade	50,400	54,570	0	54,570	180	0	180	Complied
4th Grade	54,000	54,570	0	54,570	180	0	180	Complied
5th Grade	54,000	54,570	0	54,570	180	0	180	Complied
6th Grade	54,000	54,570	0	54,570	180	0	180	Complied

The District did not request a J-13A waiver of minutes or days during the 2024-25 fiscal year.

This schedule provides the information necessary to determine if the District has complied with Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 of the Education Code. The requirements are as follows:

1) EC §46207: As a condition of apportionment the following annual instructional minutes must be offered:

- To pupils in Kindergarten 36,000 minutes
- To pupils in grades 1 to 3 50,400 minutes
- To pupils in grades 4 to 8 54,000 minutes
- To pupils in grades 9 to 12 64,800 minutes

2) EC §46208: As a condition of apportionment 180 school days must be offered for traditional calendars. In order to qualify as a school day the following minimum daily minutes must be met:

- EC §46112: Grades 1 to 3 230 minutes
- EC §46113: Grades 4 to 8 240 minutes
- EC §46114: Kindergarten 180 minutes
- EC §46141: Grades 9 to 12 240 minutes

Del Mar Union School District

Schedule of Financial Trends and Analysis Year Ended June 30, 2025

<u>General Fund</u>	<u>Budget 2026 (See Note 1)</u>	<u>2025</u>	<u>2024 (See Note 1)</u>	<u>2023 (See Note 1)</u>
Revenues and Other Financing Sources	\$ 81,052,990	\$ 81,715,092	\$ 76,605,096	\$ 77,838,007
Expenditures and Other Financing Uses	<u>80,782,638</u>	<u>79,348,751</u>	<u>78,478,438</u>	<u>74,161,994</u>
Net Change in Fund Balance	<u>270,352</u>	<u>2,366,341</u>	<u>(1,873,342)</u>	<u>3,676,013</u>
Ending Fund Balance	<u>\$ 24,145,044</u>	<u>\$ 23,874,692</u>	<u>\$ 21,508,351</u>	<u>\$ 23,381,693</u>
Available Reserves (See Note 2)	<u>\$ 20,067,935</u>	<u>\$ 20,339,817</u>	<u>\$ 17,033,904</u>	<u>\$ 17,954,318</u>
Available Reserves as a Percentage of Total Outgo	<u>24.84%</u>	<u>25.63%</u>	<u>21.71%</u>	<u>24.21%</u>
Long Term Debt (See Note 3)	<u>\$ 180,753,640</u>	<u>\$ 185,556,820</u>	<u>\$ 161,783,482</u>	<u>\$ 168,883,680</u>
Average Daily Attendance at P2	<u>3,322</u>	<u>3,349</u>	<u>3,502</u>	<u>3,649</u>

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.

The general fund balance has increased by \$492,999 (2.11%) over the past two years. The fiscal year 2024-25 budget projects an increase of \$270,352 (1.13%). For a district of this size, the State recommends available reserves of 3% of total general fund expenditures and other financing uses (total outgo).

Total long-term debt has increased by \$16,673,140 over the past two years.

Average daily attendance (ADA) has decreased by 300 over the past two years.

Del Mar Union School District

Schedule of Financial Trends & Analysis, Continued

For the Year Ended June 30, 2025

Notes:

1. AU-C §725.05 requires the following conditions be met to provide an opinion on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole:
 - a) The supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.
 - b) The supplementary information relates to the same period as the financial statements.
 - c) The auditor issued an audit report on the financial statements that contained neither an adverse opinion nor a disclaimer of opinion.
 - d) The supplementary information will accompany the audited financial statements or such audited financial statements will be made readily available by the District.

Three of the above columns are not related to the same period as the financial statements and as such we do not provide an opinion on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. Additionally, the analysis presented utilizes information from periods outside the period of the financial statements and as such we do not provide an opinion on whether the analysis is fairly stated, in all material respects, to the financial statements as a whole. The information has been presented for analysis only and has not been audited.

2. Available reserves consist of all unassigned fund balances contained within the general fund and amounts committed to stabilization of educational programs contained in the Special Reserve Fund for Other Than Capital Outlay.
3. Long term debt consists of general obligation bonds, special tax bonds, leases payable, and subscription liabilities.
4. GASB Statement No. 54 requires the inclusion of the Special Reserve Fund for Other Than Capital Outlay (Fund 17) with the General Fund for reporting purposes only. This schedule has been prepared without the inclusion of Fund 17.

Del Mar Union School District

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements Year Ended June 30, 2025

	General Fund (Fund 01)	Special Reserve Fund for Other Than Capital Outlay (Fund 17)
June 30, 2025, annual financial and budget report fund balances	\$ 23,737,820	\$ 2,284,882
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
GASB 54 Fund Presentation	2,284,882	(2,284,882)
Overstatement of Lease Receivable	(41,559)	-
Overstatement of Unearned Revenue	129,909	-
Overstatement of Deferred Inflows of Resources	48,522	-
Net adjustments and reclassifications	2,421,754	(2,284,882)
June 30, 2025, audited financial statement fund balances	\$ 26,159,574	\$ -

	Child Care Services Enterprise Fund (Fund 63)
June 30, 2025, annual financial and budget report net position	\$ 1,828,369
Adjustments and reclassifications:	
Increasing (decreasing) the net position:	
Understatement of Accumulated Depreciation	(28,094)
Overstatement of Deferred Outflows of Resources	(107,933)
Overstatement of Net Pension Liability	39,822
Understatement of Net OPEB Liability	(15,215)
Understatement of Compensated Absences Payable	(28,828)
Overstatement of Deferred Inflows of Resources	959,161
Net adjustments and reclassifications	818,913
June 30, 2025, audited financial statement net position	\$ 2,647,282

Note 1: The Special Reserve Fund for Other Than Capital Outlay (Fund 17) does not meet the definition of a special revenue fund under the provisions of GASB Statement No. 54. As a result, the fund is being combined with the General Fund for presentation in the basic financial statements.

Note 2: The General Fund contained audit adjustments voluntarily recorded by the District. These adjustments were individually and in the aggregate immaterial to the financial statements as a whole. The District believes that the posting of these adjustments enhances the accuracy and transparency of the financial statements.

Note 3: The Child Care Services Enterprise Fund contained audit adjustments that were material to the fund. See Finding 2025-001 for additional information.

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the SACS Annual Financial and Budget Report with the audited financial statements. Funds that required no adjustment are not presented.

Del Mar Union School District

Schedule of Charter Schools

Year Ended June 30, 2025

The Del Mar Union School District has not authorized any charter schools.

This schedule is provided to list 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.

Del Mar Union School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Total Federal Expenditures
CHILD NUTRITION CLUSTER:				
<u>U.S. Department of Agriculture</u>				
Passed through California Department of Education				
School Breakfast Program	10.553	13525	\$ -	\$ 68,726
National School Lunch Program	10.555	13396	-	297,060
National School Lunch Program - Noncash Commodities	10.555	13396	-	166,251
Local Food for Schools	10.555	15708	-	3,830
Total Child Nutrition Cluster			-	535,867
SPECIAL EDUCATION (IDEA) CLUSTER:				
<u>U.S. Department of Education</u>				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	-	582,900
IDEA Local Assistance, Private Schools	84.027	10115	-	20,085
IDEA Mental Health	84.027	15197	-	44,278
IDEA Preschool Grants (Ages 3-5)	84.173	13430	-	24,878
IDEA Preschool Grants, Private Schools	84.173	10116	-	335
IDEA Preschool Grants, Staff Development	84.173	13431	-	168
Total Special Education (IDEA) Cluster			-	672,644
OTHER PROGRAMS:				
<u>U.S. Department of Education</u>				
Passed through California Department of Education				
ESSA Title I Basic	84.010	14329	-	264,639
ESSA Title I School Improvement	84.010	15438	-	27,776
Subtotal ESSA Title I Program			-	292,415
Title III English Learner Program	84.365	14346	-	72,383
Title II Supporting Effective Instruction	84.367	14341	-	126,210
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 1,699,519

Del Mar Union School District

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2025

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of 2 CFR §200.502 *Basis for Determining Federal Awards Expended* and 2CFR §200.510(b) *Schedule of Expenditures of Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Summary of Significant Accounting Policies

The expenditures reported on the schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

Indirect costs were calculated in accordance with 2 CFR §200.412 *Direct and Indirect Costs*. The District used an indirect cost rate of 8.26% based on the rate approved by the California Department of Education for each program which did not have a pre-defined allowable indirect cost rate. The District did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 *Indirect Costs*. The District charged different indirect costs to the following programs due to budget or program constraints:

Program	AL #	Indirect Cost Rate
IDEA Basic Local Assistance	84.027	8.21%
ESSA Title I School Improvement	84.010	2.00%
Title III English Learner Program	84.365	6.87%
Child Nutrition Cluster	10.553, 10.555	0.00%

Schoolwide Programs

The District does not operate a school-wide program at any school site.

Other Information

Del Mar Union School District

Local Education Agency Organization Structure

June 30, 2025

The Del Mar Union School District was established in 1906 and became a Union District in 1949. There were no changes in the boundaries of the district during the current fiscal year. The district is currently operating eight elementary schools.

GOVERNING BOARD

Name	Office	Term and Term Expiration
Gee Wah Mok, Esq.	President	Four Year Term Expires December 2028
Alan Kholos	Clerk	Two Year Term Expires December 2026
Katherine Fitzpatrick	Member	Four Year Term Expires December 2026
Doug Rafner, Esq.	Member	Four Year Term Expires December 2026
Bill Porter, Ed.D.	Member	Four Year Term Expires December 2028

ADMINISTRATION

Holly McClurg, Ph.D.
Superintendent

Alison Fieberg
Assistant Superintendent
Instructional Services

Ryan Stanley
Assistant Superintendent
Human Resources

Christopher Delehanty
Assistant Superintendent
Business Services

Other Independent Auditors' Reports

Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Education
Del Mar Union School District

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, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the Del Mar Union School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 16, 2026.

Report on Internal Control over Financial Reporting

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

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

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

We identified certain deficiencies in internal control that we consider to be significant deficiencies, described in the accompanying schedule of findings and questioned costs as item 2025-001.

Report on Compliance and Other Matters

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

District's Response to Findings

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

Purpose of this Report

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

A handwritten signature in blue ink, reading "William H. Kelly, CPA".

El Cajon, California
January 16, 2026

Independent Auditor's Report on Compliance for Each Major Federal Program and on
Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Education
Del Mar Union School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion the District complied, in all material respects, with the 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 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

William H. Kelly & Co. LLP

El Cajon, California
January 16, 2026

Independent Auditor's Report on State Compliance and on
Internal Control Over State Compliance

To the Board of Education
Del Mar Union School District

Report on Compliance for Applicable State Programs

Opinion on Each Applicable State Program

We have audited the Del Mar Union School District's (the District) compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 identified below for the year ended June 30, 2025.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above on each of its applicable state programs for the year ended June 30, 2025.

Basis for Opinion on Each Applicable State 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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 (the Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each applicable state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over state 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 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following programs:

		Procedures Performed
<u>Local Education Agencies Other than Charter Schools</u>		
A.	Attendance.....	Yes
B.	Teacher Certification and Misassignments.....	Yes
C.	(Reserved).....	N/A
D.	Independent Study.....	N/A
E.	Continuation Education.....	N/A
F.	Instructional Time.....	Yes
G.	Instructional Materials.....	Yes
H.	Ratio of Administrative Employees to Teachers.....	Yes
I.	Classroom Teacher Salaries.....	Yes
J.	Early Retirement Incentive.....	N/A
K.	Gann Limit Calculation.....	Yes
L.	School Accountability Report Card.....	Yes
M.	Juvenile Court Schools.....	N/A
N.	Middle or Early College High Schools.....	N/A
O.	K-3 Grade Span Adjustment.....	Yes
P.	(Reserved).....	N/A
Q.	Apprenticeship: Related and Supplemental Instruction.....	N/A
R.	Comprehensive School Safety Plan.....	Yes
S.	District of Choice.....	N/A
TT.	Home to School Transportation Reimbursement.....	Yes

School Districts, County Offices of Education, and Charter Schools		Procedures Performed
T.	Proposition 28 Arts & Music in Schools.....	Yes
U.	After/Before School Education and Safety Program.....	N/A
V.	Proper Expenditure of Education Protection Account Funds.....	Yes
W.	Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
X.	Local Control and Accountability Plan.....	Yes
Y.	Independent Study - Course Based.....	N/A
Z.	Immunizations.....	No
AZ.	Educator Effectiveness.....	Yes
BZ.	Expanded Learning Opportunities Grant (ELO-G).....	Yes
CZ.	Career Technical Education Incentive Grant.....	N/A
DZ.	Expanded Learning Opportunities Program (ELO-P).....	Yes
EZ.	Transitional Kindergarten.....	Yes
FZ.	Kindergarten Continuance.....	Yes

N/A – The School District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform procedures for Immunizations because the school sites for the District did not appear on the California Department of Public Health list of LEAs that are subject to the audit of immunizations.

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 State 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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over state compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over state 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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Accordingly, this report is not suitable for any other purpose.

William H. Kelly, CPA

El Cajon, California
January 16, 2026

Auditor's Results, Findings & Recommendations

Del Mar Union School District

Schedule of Auditor's Results

Year Ended June 30, 2025

FINANCIAL STATEMENTS

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

One or more material weakness(es) identified?

_____ Yes X No

One or more significant deficiencies identified that are
not considered material weakness(es)?

 X Yes _____ No

Noncompliance material to financial statements noted?

_____ Yes X No

FEDERAL AWARDS

Internal control over major programs:

One or more material weakness(es) identified?

_____ Yes X No

One or more significant deficiencies identified that are
not considered material weakness(es)?

_____ Yes X No

Type of auditor's report issued on compliance for major programs:

Unmodified

Compliance supplement utilized for single audit

November 2025

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

_____ Yes X No

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
84.027, 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A
and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Del Mar Union School District
Schedule of Auditor's Results
Year Ended June 30, 2025

STATE AWARDS

Type of auditor's report issued on compliance for state programs: Unmodified

Internal control over applicable state programs:

One or more material weakness(es) identified? Yes X No

One or more significant deficiencies identified that are
not considered material weakness(es)? Yes X No

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 X No

Del Mar Union School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), or the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

Five Digit Code	AB 3627 Finding Type
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

A. Financial Statement Findings

Finding Number: 2025-001
Repeat Finding: No
Description: Misstatements in Financial Statements
Type of Finding: Internal Control – Significant Deficiency (30000)

Criteria or Specific Requirement

Generally accepted accounting principles (GAAP) require that all material transactions and balances be accurately recorded in the financial statements to ensure fair presentation in accordance with the applicable financial reporting framework.

Condition

In our review of the financial statements we noted material misstatements in the childcare services enterprise fund for entries relating to pension liability, OPEB liability, capital assets, and compensated absences. The net impact of the adjustments were an increase to net position of \$818,913 as detailed in the Reconciliation of the Annual Financial and Budget Report to the Audited Financial Statements found in the Other Supplementary Information section of this audit report.

Cause

Some of the information necessary to post the entries is reliant upon actuarial reports which were submitted to the District by the actuary after the District's closing deadline. Additionally, the year-end closing checklist was missing some items that require entry prior to close.

Del Mar Union School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Effect

The childcare services enterprise fund required audit adjustments increasing the net position by \$818,913 to meet reporting requirements.

Recommendation

We recommend that management update and strengthen the closing checklist to ensure all entries are posted prior to closing deadlines. Additionally, we recommend that information reliant upon third parties be requested early to ensure it is received in time to post required entries.

Views of Responsible Officials

See Corrective Action Plan

B. Federal Award Findings

None

C. State Award Findings

None

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Superintendent
Marisa Janicek

Board of Trustees
Alan Kholos, Esq., President
Bill Porter, EdD, Clerk
Katherine Fitzpatrick, Member
Gee Wah Mok, Esq., Member
Doug Rafner, Esq., Member

January 16, 2026

To Whom it May Concern:

The accompanying Corrective Action Plan has been prepared as required by the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the Education Audit Appeals Panel. The name of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

Because there are no Prior Audit Findings, the district did not prepare a Summary Schedule of Prior Audit Findings.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Delehanty", with a long horizontal flourish extending to the right.

Christopher Delehanty
Assistant Superintendent, Business Services
Del Mar Union School District

Del Mar Union School District

Corrective Action Plan

For the Year Ended June 30, 2025

Financial Statement Finding

Finding Number: 2025-001
Program Name: Misstatements in Financial Statements
Contact Person: Sarah Smart, Director of Fiscal Services
Anticipated Completion Date: June 30, 2026

Planned Corrective Action: The district will work with the Actuarial Firm to ensure the Liability Reports are finalized by July 31st of each year.

Due to the implementation of GASB 100 and GASB 101, the district has already updated its closing checklist to ensure the corresponding entries are recorded prior to submitting the Unaudited Actuals to the Board for approval.

The district will work with their external auditors to ensure timely and proper recording in the year-end district financial statements.

Del Mar Union School District
Schedule of Prior Year Audit Findings
Year Ended June 30, 2025

Finding/Recommendation	Status	Explanation if Not Implemented
There were no audit findings reported for the fiscal year ended June 30, 2024.		

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APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF DEL MAR AND SAN DIEGO COUNTY

The Bonds are not a debt of the City of Del Mar (the “City”) or San Diego County (the “County”). The County, including its Board of Supervisors, officers, officials, agents and other employees, are required, only to the extent required by law, to: (i) levy and collect ad valorem taxes for payment of the Bonds in accordance with the law; and (ii) transmit the proceeds of such taxes to the paying agent for the payment of the principal of and interest on the Bonds at the time such payment is due.

General Information

The City of Del Mar. The City is a coastal charter City incorporated in 1959. Its charter permits it to collect admission taxes on events but it is a general law city in every other respect. It borders the City of San Diego on the south and the City of Solana Beach on the north. The City is governed by a five-member City Council under the Council/Manager form of government. The City Council is elected at large with staggered four-year terms and the position of Mayor is rotated amongst Council members annually.

Del Mar is a small community, with a total area of 1.8 square miles and noted for its beautiful beaches, bordered to the south by Los Peñasquitos Lagoon, San Dieguito Lagoon to the north and the Pacific Ocean to the West. The City of San Diego lies to the east. The City is primarily a residential community with substantial tourist appeal. The City is predominantly built-out; however, redevelopment and revitalization opportunities exist in its commercial areas, and replacement of existing houses with larger and more elaborate dwellings is commonplace in its residential areas.

San Diego County. The County is the southernmost major metropolitan area in the State of California (the “State”). The County covers 4,255 square miles, extending 70 miles along the Pacific Coast from the border with Mexico to Orange County, and inland 75 miles to Imperial County. The County is approximately the size of the State of Connecticut.

The County possesses a diverse economic base consisting of electronics manufacturing and shipbuilding, tourism, biotech and software development, and defense-related industries. The County is also growing as a center for culture and education. Over 30 recognized art organizations including the San Diego Opera, the Old Globe Theater productions, the La Jolla Chamber Orchestra, as well as museums and art galleries, are located in the County.

The County was incorporated on February 18, 1850 and functions under a charter adopted in 1933, and is amended from time to time. The County is governed by a five-member Board of Supervisors elected to four-year terms in district nonpartisan elections. The Board of Supervisors appoints the Chief Administrative Officer and the County Counsel. Elected officials include the Assessor/County Clerk/Recorder, District Attorney, Sheriff and Treasurer/Tax Collector.

Population

The following sets forth population estimates for the County and the cities in the County, as of January 1, for the years 2022 to 2026.

CITY OF DEL MAR AND SAN DIEGO COUNTY Estimated Population (As of January 1)

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Carlsbad	115,780	115,699	115,898	116,022	115,867
Chula Vista	277,043	278,322	280,742	281,850	282,999
Coronado	22,167	22,352	21,822	22,687	23,796
Del Mar	3,907	3,909	3,928	3,937	3,917
El Cajon	105,913	105,451	105,606	105,449	104,932
Encinitas	61,771	61,724	62,042	62,392	62,193
Escondido	151,637	151,694	152,358	151,932	152,196
Imperial Beach	26,266	26,195	26,372	26,362	26,066
La Mesa	60,976	61,326	61,768	61,863	61,707
Lemon Grove	27,355	27,762	28,068	28,445	28,233
National City	57,926	57,726	58,388	58,649	58,701
Oceanside	173,456	173,177	174,008	175,193	174,027
Poway	48,900	48,993	50,077	50,699	50,263
San Diego	1,377,336	1,384,174	1,394,421	1,409,429	1,419,531
San Marcos	94,442	95,379	97,408	97,647	97,554
Santee	59,443	60,117	60,201	60,044	59,812
Solana Beach	12,870	12,907	13,078	13,060	12,941
Vista	100,799	100,918	101,696	101,934	101,365
Balance Of County	508,323	508,272	510,767	511,798	508,222
County Total	3,286,310	3,296,097	3,318,648	3,339,392	3,344,322

Source: State of California Department of Finance, Demographic Research Unit.

Employment and Industry

The District is included in the San Diego-Chula Vista-Carlsbad Metropolitan Statistical Area (“**MSA**”), which includes all of the County. The unemployment rate in the County was 4.7% in July 2026, up from a revised 4.5% in June 2026, and below the year-ago estimate of 5.0%. This compares with an unadjusted unemployment rate of 5.3% for the State and 4.4% for the nation during the same period.

Set forth below is data from 2021 through 2025, reflecting the County's civilian labor force, employment and unemployment.

**SAN DIEGO-CHULA VISTA-CARLSBAD MSA
(San Diego County)
Annual Average Civilian Labor Force, Employment and Unemployment,
Employment by Industry
(March 2025 Benchmark)**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Civilian Labor Force ⁽¹⁾	1,575,400	1,613,900	1,642,500	1,660,700	1,671,100
Employment	1,475,200	1,558,800	1,581,500	1,589,700	1,594,300
Unemployment	100,200	55,100	61,000	71,000	76,800
Unemployment Rate	6.4%	3.4%	3.7%	4.3%	4.6%
<u>Wage and Salary Employment: ⁽²⁾</u>					
Agriculture	9,000	9,600	9,400	9,100	8,700
Mining and Logging	300	400	300	300	300
Construction	83,800	87,400	89,300	90,500	88,700
Manufacturing	114,400	116,900	115,500	112,900	110,400
Wholesale Trade	42,100	43,700	43,500	43,000	41,200
Retail Trade	137,600	138,600	138,800	137,300	135,700
Transportation, Warehousing and Utilities	37,100	40,100	41,300	42,300	42,100
Information	21,500	22,100	22,000	20,400	18,100
Finance and Insurance	46,800	46,100	42,900	42,400	43,000
Professional and Business Services	265,300	282,500	275,600	267,000	263,100
Educational and Health Services	216,700	228,700	246,600	261,800	273,100
Leisure and Hospitality	161,600	193,100	200,900	202,300	203,200
Other Services	47,500	54,400	56,800	57,600	58,000
Federal Government	47,700	47,000	47,600	48,100	46,000
State Government	51,000	55,700	58,000	61,900	62,200
Local Government	139,200	143,900	144,600	148,400	149,100
Total, All Industries ⁽³⁾	1,451,100	1,541,000	1,563,100	1,575,700	1,573,100

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Largest Employers

The following table lists the major employers within the County, listed in alphabetical order without regard to the number of employees, as of September 2026.

SAN DIEGO COUNTY Major Employers As of September 2026

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Boot Camp Challenge	San Diego	Camps
Collins Aerospace	Chula Vista	Aircraft Components-Manufacturers
General Dynamics Nassco	San Diego	Ship Builders & Repairers (mfrs)
Illumina Inc	San Diego	Biotechnology Products & Services
Jennifer Moreno Dept-Veterans	San Diego	Hospitals
Kaiser Permanente Vandever Med	San Diego	Physicians & Surgeons
Marine Corps Recruit Depot	San Diego	Military Bases
MCCS MCRD SN DIEGO-MRNE CORPS	San Diego	Military Bases
Merchants Building Maintenance	San Diego	Janitor Service
Naval Medical Ctr San Diego	San Diego	Hospitals
Navwar	San Diego	Business Services NEC
Page One Seo	San Diego	Mental Health Services
San Diego Community College	San Diego	Junior-Community College-Tech Institutes
San Diego County Sheriff	Santee	Police Departments
Scripps Mercy Hosp Sn Diego	San Diego	Hospitals
Seaworld San Diego	San Diego	Amusement & Theme Parks
Sharp Grossmont Hospital	La Mesa	Hospitals
Sharp Grossmont Rehab Ctr	La Mesa	Vocational Rehabilitation Services
Solar Turbines Inc	San Diego	Turbines-Manufacturers
Sony Electronics Inc	San Diego	Electronic Equipment & Supplies-Retail
Sycuan Casino Resort	El Cajon	Casinos
UC San Diego Health	San Diego	Health Care Management
UCSD-Neural Computation	La Jolla	University-College Dept/Facility/Office
University-California San Diego	La Jolla	Schools-Universities & Colleges Academic

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2026 2nd Edition.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and non-tax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the estimated median household effective buying income for the City, the County, the State and the United States for the period 2023 through 2027.

**CITY OF DEL MAR, SAN DIEGO COUNTY,
STATE OF CALIFORNIA, AND UNITED STATES
Estimated Median Household Effective Buying Income
Calendar Years 2023 through 2027**

	2023	2024	2025	2026	2027
City of Del Mar	\$128,289	\$133,152	\$147,727	\$168,198	\$172,164
San Diego County	80,101	84,854	88,519	97,796	99,229
California	77,175	80,973	82,725	90,403	91,733
United States	65,326	67,876	69,687	75,433	76,807

Source: Claritas, LLC.

Commercial Activity

Summaries of historic taxable sales within the City and the County during the past five years for which data are available are shown in the following tables.

Total taxable sales during the first quarter of calendar year 2026 in the City were reported to be \$33,549,902, a 15.2% increase over the total taxable sales of \$29,119,754 reported during the first quarter of calendar year 2025.

CITY OF DEL MAR
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2021 through 2025
(Dollars in Thousands)

Year	Retail Stores		Total Outlets	
	Permits on July 1	Taxable Transactions	Permits on July 1	Taxable Transactions
2021	845	\$114,909	1,192	\$136,554
2022	778	151,755	1,116	177,503
2023	751	153,797	1,079	178,625
2024	710	164,392	1,024	187,696
2025	769	159,137	1,128	191,779

Source: State Department of Tax and Fee Administration.

Total taxable sales during the first quarter of calendar year 2026 in the County were reported to be \$19,263,779,089, a 1.8% increase over the total taxable sales of \$18,916,913,251 reported during the first quarter of calendar year 2025.

SAN DIEGO COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2021 through 2025
(Dollars in Thousands)

Year	Retail Stores		Total Outlets	
	Permits on July 1	Taxable Transactions	Permits on July 1	Taxable Transactions
2021	55,683	\$49,891,084	98,392	\$71,714,655
2022	56,988	55,405,594	101,259	80,699,961
2023	55,609	55,099,628	99,265	80,817,754
2024	56,094	55,448,487	100,138	80,999,172
2025	57,045	56,735,748	102,242	82,169,272

Source: State Department of Tax and Fee Administration.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Bonds, Atkinson, Andelson, Loya, Ruud & Romo, A Professional Law Corporation, Irvine, California, Bond Counsel to the Del Mar Union School District, proposes to render their final approving opinion with respect to the Bonds in substantially the following form:

[Closing Date]

Governing Board of Trustees of the
Del Mar Union School District
11232 El Camino Real, Suite 100
San Diego, CA 92130

Re: \$ _____ Del Mar Union School District General Obligation Bonds,
2018 Election, Series 2026 D
Final Opinion

Ladies and Gentlemen:

We have acted as Bond Counsel for the Del Mar Union School District (“District”) in connection with the proceedings for the issuance and sale by the District of \$ _____ principal amount of Del Mar Union School District General Obligation Bonds, 2018 Election, Series 2026 D (“Bonds”). The Bonds are being issued pursuant to the Resolution of the Governing Board of Trustees of the District, adopted on September 9, 2026 (Resolution No. 2026-20) (“Bond Resolution”), as authorized by a resolution adopted by the Board of Supervisors of the County of San Diego (“County”), adopted on June 8, 2021 (“County Resolution”), which Bond Resolution was adopted in accordance with the provisions of the California Constitution, the statutory authority set forth in Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the State of California Government Code, commencing with Section 53506 and, as applicable, the statutory authority set forth in California Education Code Sections 15264, 15266(b), and the provisions of Title 1, Division 1, Part 10, Chapters 1 and 2 of the California Education Code, commencing with Section 15100, and related California law.

As Bond Counsel, we have examined copies certified to us as being true and complete copies of the proceedings in connection with the issuance of the Bonds. In this connection, we have also examined such certificates of public officials and officers of the District, the County and the purchaser of the Bonds, including certificates as to factual matters, including, but not limited to, the Tax and Non-Arbitrage Certificate, as we have deemed necessary to render this opinion letter.

Attention is called to the fact that we have not been requested to examine, and have not examined, any documents or information relating to the District or the County, other than the

record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been, or may be supplied to any purchaser of the Bonds.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto (excepting only matters set forth as our opinion in the Official Statement).

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 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 the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their execution and delivery, and we disclaim any obligation to update this letter. As to questions of fact material to our opinions, we have relied upon the documents and matters referred to above, and we have not undertaken by independent investigation to verify the authenticity of signatures or the accuracy of the factual matters represented, warranted or certified therein. Furthermore, we have assumed compliance with all covenants contained in the Bond Resolution, the Tax Certificate and in certain other documents, including, without limitation, covenants compliance with which is necessary to assure that future actions or events will not cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of original issuance of the Bonds.

The Bond Resolution and other related documents refer to certain requirements and procedures which may be changed and certain actions which may be taken, in circumstances and subject to terms and conditions set forth in such documents, upon the advice or with an approving opinion of nationally recognized bond counsel. No opinion is expressed herein as to the effect on any Bond or the interest thereon if any such change occurs or action is taken upon the advice or approval of counsel other than ourselves.

Based on the foregoing, we are of the following opinions:

1. The Bonds are valid and binding general obligations of the District.
2. All taxable property within the District is subject to *ad valorem* property taxation without limitation as to rate or amount (except as to certain classes of personal property which is taxable at limited rates) to pay the Bonds. The County is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent necessary funds are not provided from other sources.
3. Interest on the Bonds (including any original issue discount properly allocable to the owner thereof) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative

minimum tax imposed on individuals. Interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. In addition, interest on the Bonds is exempt from personal income taxation imposed by the State of California (“State”). We express no opinion regarding other tax consequences related to the Bonds or to the accrual or receipt of the interest on the Bonds.

We express no opinion(s) as to any matter other than as expressly set forth above. We specifically express no opinion with regard to “Blue Sky” laws in connection with the Bonds.

It is understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights and remedies, to the application of equitable principles heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to exercise of judicial discretion in appropriate cases and to limitations on legal remedies against school districts in the State of California.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD
& ROMO

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
DEL MAR UNION SCHOOL DISTRICT
(San Diego County, California)
General Obligation Bonds, 2018 Election, Series 2026 D

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the Del Mar Union School District (the “**District**”) in connection with the execution and delivery of the above-captioned bonds (the “**Bonds**”). The Bonds are being issued and delivered pursuant to a resolution adopted by the Board of Trustees of the District on September 9, 2026 (the “**Resolution**”). U.S. Bank Trust Company, National Association is initially acting as paying agent for the Bonds (the “**Paying Agent**”).

The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

“*Annual Report Date*” means the date not later than nine months after the end of each fiscal year of the District, currently March 31 based on a fiscal year ending June 30.

“*Dissemination Agent*” means, initially, Fieldman, Rolapp & Associates, Inc., doing business as Applied Best Practices, or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a).

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

“Official Statement” means the final official statement executed by the District in connection with the issuance of the Bonds.

“Paying Agent” means U.S. Bank Trust Company, National Association or any successor thereto.

“Participating Underwriter” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2027, with the report for the 2025-26 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 business days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) notice to the MSRB in a timely manner, in an electronic format, as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to

apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

1. State funding received by the District for the last completed fiscal year;
2. average daily attendance of the District for the last completed fiscal year;
3. outstanding District indebtedness;
4. summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;
5. assessed valuation of property within the District for the current fiscal year;
6. top twenty property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable assessed value, and their percentage of total secured assessed value, if material; and
7. secured *ad valorem* property tax levies and delinquencies for taxable property within the District for the last completed fiscal year, to the extent San Diego County no longer implements the Teeter Plan (as such term is defined in the Official Statement) as to secured *ad valorem* property tax levies for general obligation bonded debt of the District.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB through the EMMA System or the Securities and Exchange Commission. 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. The Annual Report shall be filed in an electronic format, and accompanied by identifying information, as prescribed by the MSRB.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.

- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect

to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Fieldman, Rolapp & Associates, Inc., doing business as Applied Best Practices. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with

the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolution for amendments to the Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2026

DEL MAR UNION SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

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APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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APPENDIX G

SAN DIEGO COUNTY INVESTMENT POLICY AND INVESTMENT REPORT

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TREASURER-TAX COLLECTOR SAN DIEGO COUNTY

sdttc.com



SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND INVESTMENT POLICY

January 1, 2026

The Investment Policy and practices of the County Treasurer are based on prudent money management principles and California State Law, specifically Government Code Sections 27000.1 - 27000.5, 27130 - 27137, and 53600 - 53686. Section 53635 shall apply to a local agency that is a county or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. However, Section 53601 shall apply to all local agencies that pool money in deposits or investments exclusively with local agencies that have the same governing body.

The practices of this office will always comply with the legal authority and limitations placed on it by the governing legislative bodies. The implementation of these laws, allowing for the dynamics of the money markets, will be the focus of this policy statement. All matters contained in this policy are to be read and applied pursuant to and consistent with state law. Where this Investment Policy specifies a percentage limitation, compliance will be measured as of the date of purchase. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Pooled Money Fund (the "Fund") the objectives of this office shall be as follows.

- 1. The primary objective shall be to safeguard the principal of the funds under the County Treasurer's control.**
- 2. The secondary objective shall be to meet the liquidity needs of the participants.**
- 3. The third objective shall be to achieve an investment return on the funds under control of the County Treasurer within the parameters of prudent risk management.**

The Fund is an actively managed portfolio. By this, it is meant that the County Treasurer and staff will observe, review, and adjust to changing conditions that affect the Fund. This shall be viewed as a full-time responsibility by the County Treasurer and staff. The authority to execute investment transactions that will affect the Fund will be limited to:

**County Treasurer-Tax Collector
Assistant Treasurer-Tax Collector
Chief Deputy Treasurer
Chief Investment Officer
Investment Officers**

The County Treasurer-Tax Collector (the "County Treasurer") and the above staff will meet on a regular basis to discuss current market conditions and future trends and how each of these affects the Fund.

Government Code Sections 27000.3 and Section 53600.3 provide that the "prudent investor" standard is to be used by the County Treasurer as a fiduciary of public funds. This standard provides that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the County Treasurer and their staff shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the County and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the County and the other depositors. Within the limitations of this policy and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law. The County Treasurer and their staff shall act in accordance with written procedures and the Investment Policy, exercise due diligence, report in a timely fashion, and implement appropriate controls to mitigate adverse developments.

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**2026 SAN DIEGO COUNTY TREASURER'S
POOLED MONEY FUND INVESTMENT POLICY**

The purpose of the County Treasurer's Investment Policy is to implement the legislated parameters of the investment authority of the Fund. As an elected official of the County of San Diego, the County Treasurer must manage public monies in a way that is consistent with its objectives, investment oversight, and sound investment practices and not solely to maximize returns. The basic concept of investment return is based on a risk/reward relationship: the higher the risk, the higher the expected return. Risk management must be an integral part of any investment policy. Risk management must include adequate internal controls so that Fund depositors and the public have confidence that public monies are secure. The policy stated below will concern itself with risk management.

1. **SECURITY OF PRINCIPAL POLICY** - The policy issues directed to protecting the principal entrusted to this office are:
 - A. Limiting the Fund's exposure to each type of security.
 - B. Limiting the Fund's exposure to each issuer of debt.
 - C. Determining the minimum credit requirement for each type of security.
2. **LIQUIDITY POLICY** - The policy issues directed to provide the necessary liquidity to the participants are:
 - A. Limiting the length of maturity for securities in the Fund.
 - B. Limiting the Fund's exposure to Moderately Liquid and Illiquid securities.
3. **RETURN POLICY** - The policy issues directed to achieving a return are:
 - A. Attaining a market rate of return, while considering the investment risk constraints and liquidity needs.
 - B. Limiting most of the investments to low-risk securities in anticipation of earning a fair return relative to the risk being taken.
4. **MATURITY POLICY**
 - A. The maximum maturity allowed by the California Government Code is 5 years, with shorter limitations specified for certain types of securities. The guidelines for maturities of investments and duration of the Fund, as established under this Policy, shall be:
 - At least 35% of the Fund maturing within 1 year
 - At least 15% of the Fund maturing within 90 days, and
 - A maximum effective duration of 2.0 years

- B. The Fund will be considered in compliance with the maturity policy if it meets the maturity targets above. If the Fund distribution does not comply with the table above, until such time as the Fund is within maturity targets, all securities purchased shall be of a maturity or duration that will lower the maturity and or duration of the Fund. In the event a compliance violation has occurred, a variance report shall be made to the County Treasury Oversight Committee as part of the normal public monthly reporting.

5. **GENERAL STRATEGY**

The County Treasurer will generally use a buy and hold investment strategy, where securities are purchased with the intent of holding them to maturity. The investment staff will update the County Treasury Oversight Committee on its asset allocation and investment strategy at its regularly scheduled public meetings. Securities may be sold prior to maturity when deemed prudent. Reasons for selling include, but are not limited to:

- Disposing of a security with declining credit quality
- A financially advantageous sale and replacement of a security that improves the quality, yield, or target duration of the portfolio
- Meeting the liquidity needs of the portfolio
- Portfolio rebalancing to bring the portfolio back into compliance

6. **ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) CONSIDERATIONS**

While Safety, Liquidity, and Yield remain the Fund's primary investment objectives, all else being equal and acting under statutory investment limitations, the County Treasurer affirms their commitment to the consideration of ESG criteria in evaluating securities. Investments in entities that promote environmental stewardship by considering climate change, carbon emissions, pollution, biodiversity, deforestation, and food and water waste are encouraged. The County Treasurer also advocates investments in entities that support labor fairness and equality while opposing discrimination related to sex, race, age, disability, sexual orientation, color, religion, veteran status, genetic information, and other protected classes. Additionally, the County shall not purchase any investments issued directly by a corporation, classified under the Standard Industrial Classification (SIC) codes listed in Appendix C, that engages in the exploration, production, drilling, or refining of coal, petroleum, or natural gas.

7. **PROHIBITED SECURITIES**

The California Government Code prohibits a local agency from investing in any of the following derivative notes:

- Inverse Floaters
- Range Notes
- Interest-only strips derived from a pool of mortgages
Any security that could result in zero interest accrual, except for securities issued by, or backed by, the United States government that could result in zero or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

8. CREDIT RATING POLICY

- A.** This Investment Policy sets forth minimum credit ratings for each type of security. These credit limits apply to the initial purchase of a security and do not automatically force the sale of a security if the credit ratings of the security fall below the policy limits.
- B.** Minimum credit ratings:
- a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "-") by at least one nationally recognized statistical rating organization (the "NRSRO").
 - b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.

The monitoring of credit ratings consists of the following procedures:

1. When a credit rating downgrade occurs which results in a rating below the minimum credit requirement, the County Treasurer and staff will analyze and evaluate the credit to determine whether to hold or sell the security.
2. In the event a security in the Fund receives a credit rating downgrade which results in a rating below the minimum credit requirement, the County Treasurer will report the rating change to the County Treasury Oversight Committee in the monthly public report. In the same manner, the County Treasury Oversight Committee will be informed on the decision to hold or sell a downgraded security.
3. The Investment Group shall meet at least quarterly to review and update the approved list of securities and establish credit criteria for each category of security.

To ensure that the Fund maintains the highest overall credit rating with the contracted NRSRO, the asset allocation and portfolio holdings will be provided to the contracted NRSRO on a monthly basis.

9. INTERNAL CONTROLS

- A.** The Chief Deputy Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that:
1. The cost of a control should not exceed the benefits likely to be derived; and
 2. The valuation of costs and benefits requires estimates and judgments by management.
- B.** Accordingly, the Chief Deputy Treasurer shall establish and maintain internal controls that shall address the following points:
1. Control of Collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer. To achieve a segregation of duties, individuals who authorize investment transactions shall not also record or reconcile said transactions.
 2. Clear Delegation of Authority to Subordinate Staff Members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
 3. Delivery-Versus-Payment (DVP) - All investment transactions shall be conducted on a delivery-versus-payment basis.
 4. Safekeeping and Custody - Securities purchased from any bank or dealer, including appropriate collateral (as defined by California Government Code), that are not insured by the FDIC, shall be placed with an independent third party for custodial safekeeping. To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the County's portfolio shall be held in safekeeping in the County's name by a third-party custodian, acting as agent for the County under the terms of a custody agreement executed by the bank and the County. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the County from the custodian listing all securities held in safekeeping with current market data and other information. The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, (iii) Local Agency Investment Fund, and (iv) mutual funds and money market mutual funds, since these securities are not deliverable.

5. Avoidance of Physical Delivered Bearer Securities - Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Bearer securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with such securities.
 6. Written Confirmation of Telephone Wire Transfers - Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written or electronic communications and approved by the appropriate person.
 7. Development of a Wire Transfer Agreement with the Lead Bank or Third-Party Custodian - This agreement should outline the various controls, security provisions, and responsibilities of each party making and receiving wire transfers.
 8. A treasury operations manual, as overseen by the Chief Deputy Treasurer, will be reviewed and updated by the treasury staff every two years or on an as needed basis.
-
10. **ANNUAL AUDIT** - The County Treasury Oversight Committee shall cause an independent audit to be conducted annually on a fiscal year basis by an external auditor to determine if the County Treasury is in compliance with the Investment Policy, other internal policies and procedures, and the California Government Code.
 11. **PERMISSIBLE INVESTMENTS** - Government Codes 53601, 53601.1, 53601.2, 53601.8, 53635, 53635.8, 53637, 53638, 53651, 53652, and 53653 address permissible investments. These investment categories are addressed individually in sections 12-29 below.
 12. **GOVERNMENT OBLIGATIONS** - The Fund invests in two categories of Government Obligations: U.S. Treasury and Agency obligations. Both are issued at the Federal level. U.S. Treasury obligations are bills, notes, and bonds issued by the Treasury and are direct obligations of the Federal Government. Agency obligations are notes and bonds of federal agencies and government sponsored enterprises, including:
 - Federal Agricultural Mortgage Corporation (Farmer Mac)
 - Federal National Mortgage Association (FNMA, or Fannie Mae)
 - Federal Home Loan Bank (FHLB)
 - Federal Farm Credit Bank (FFCB)
 - Federal Home Loan Mortgage Corporation (FHLMC, or Freddie Mac)
 - Government National Mortgage Corporation (GNMA, or Ginnie Mae)
 - Tennessee Valley Authority (TVA)
-
- A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category is unlimited.

- C. Maximum Exposure Per Issuer - The maximum exposure to the Fund for an individual issuer shall be:
 - 1. Treasury - Unlimited
 - 2. Agency - No more than 35% of the Fund value shall be invested in any single issuer.
 - D. Minimum Credit Requirement - None
 - E. Liquidity Category - Liquid
13. **LOCAL AGENCY AND STATE OBLIGATIONS** -These include registered state warrants or treasury notes or bonds of the state of California and registered bonds of any of the other 49 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state and bonds, notes, warrants, or other evidences of indebtedness of a local agency within the state of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value.
 - D. Minimum Credit Requirement - Issuers must be at or above the following ratings:
 - a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.
 - b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.
 - E. Liquidity Category - Moderately Liquid

14. **BANKER'S ACCEPTANCES** - This is a draft or bill of exchange accepted by a bank or trust company and brokered to investors in a secondary market. The purpose of the Banker's Acceptance (BA) is to facilitate trade and provide liquidity to the import-export markets. Acceptances are collateralized by the pledge of documents such as invoices, trust receipts, and other documents evidencing ownership and insurance of the goods financed. Since their inception in 1914, there has been no known loss of principal to investors holding Banker's Acceptances.
- A. Maximum Maturity - The maximum maturity of a security shall be 180 days from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.
 - D. Minimum Credit Requirement – The rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as “+” or “-”) by at least one NRSRO.
 - E. Liquidity Category – Liquid
15. **COMMERCIAL PAPER** - These are short-term, unsecured or secured, promissory notes issued by firms in the open market. Commercial paper (CP) is generally backed by a bank credit facility, guarantee/bond of indemnity, some other support agreement, or collateralized by other financial assets.
- A. Maximum Maturity - The maximum maturity of a security shall be 397 days from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-CP investments with said issuer.
 - D. Minimum Credit Requirements - The Rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as “+” or “-”) by at least one NRSRO.
 - E. Liquidity Category - Liquid

16. **MEDIUM-TERM NOTES ("MTN")** - These are corporate notes, deposit notes, and bank notes sold by an agent in the open market on a continually offered basis. Issuers include well-recognized banks and bank holding companies, thrifts, finance companies, insurance companies, and industrial corporations. These medium-term notes are generally unsecured debt obligations, although some issues come to market on a collateralized or secured basis.
- A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-MTN investments with said issuer.
 - D. Minimum Credit Requirements - Issuers must be at or above the following ratings:
 - a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.
 - b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.
 - E. Liquidity Category - Liquid
17. **NEGOTIABLE CERTIFICATES OF DEPOSIT** - These are issued by commercial banks and thrift institutions against funds deposited for specified periods of time, and they earn specified or variable rates of interest. Negotiable certificates of deposit ("NCD") differ from other certificates of deposit by their liquidity. NCD's are traded actively in secondary markets.
- A. Maximum Maturity
 - 1. The maximum maturity of an NCD security shall be 5 years from the settlement date.
 - 2. The maximum maturity of any FDIC insured CDs, whether directly placed or placed through a private sector entity, shall be 13 months.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.
 - C. Maximum Exposure per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-NCD investments with said issuer

- D. Minimum Credit Requirement – Issuers must be at or above the following ratings:
- a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as “+” or “-”) by at least one NRSRO.
 - b. For securities with maturities greater than 13 months, the rating must be “A” or higher by at least one NRSRO.
- E. Liquidity Category - Liquid
18. **REPURCHASE AGREEMENTS** - A repurchase agreement (RP) consists of two simultaneous transactions. One is the purchase of securities by an investor (the Fund); the other is the commitment by the seller (i.e., a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed-upon future date.
- A. Maximum Maturity - The maximum maturity of repurchase agreements shall be one year.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.
 - C. Maximum Exposure Per Broker/Dealer - The maximum exposure to a single broker/dealer shall be 10% of the Fund when the dollar-weighted average maturity is greater than 5 days or 15% of the Fund when the dollar-weighted average maturity is 5 days or less.
 - D. Eligible Broker/Dealers - Broker/Dealers shall sign a PSA Master Repurchase Agreement or a Tri-Party Repurchase Agreement. The Agreement must specify a minimum margin percentage of 102% and also provide for daily mark-to-market of the collateral by the custodian bank.
 - E. Eligible Collateral - The securities eligible for repurchase agreement transactions shall be securities authorized in Section 53601 of the California Government Code. Collateral eligible for repurchase agreements maturing from 7 days to 1 year shall be Treasury and Agency obligations.
 - F. Delivery of Collateral - Broker/Dealers shall deliver the underlying securities to the County’s safekeeping bank, a mutually agreed-upon third party custodian bank, or a counterparty bank’s customer book-entry account. When a third-party custodian is used, it will be the custodian’s responsibility to transfer funds and securities between the broker/dealer and the Fund in accordance with the terms of the repurchase agreement.
 - G. Liquidity Category - Liquid

19. **REVERSE REPURCHASE AGREEMENTS** - Reverse repurchase agreements (RRPs) are essentially the mirror image of RPs. In this instance, the Fund is the seller of securities, and the broker or bank is the investor.

Due to the nature of RRP, the policy regarding this instrument is different from the above RP policy.

- A. **Maximum Maturity** - The maximum maturity of a securities lending loan shall be 92 days unless the agreement includes a written guarantee of a minimum earning or spread for the entire period of the RRP.
 - B. **Maximum Exposure of Fund** - No more than 20% of the Fund shall be exposed to RRP and/or securities lending at any one time.
 - C. **Maximum Exposure Per Broker/Dealer** – No more than 10% of the Fund shall be invested in RRP with any one broker/dealer at any one time.
 - D. **Purpose of RRP** - The uses of RRP shall be to invest the proceeds from the agreement into permissible securities that are in the highest short-term rating category; to supplement the yield on securities owned; or to provide funds for the immediate payment of an obligation. The maturity of the RRP and the maturity of the security purchased shall be the same.
 - E. **Eligible Securities** - A RRP may only be entered into with a security authorized in California Government Code 53601 which has been owned and paid for 30 days prior to the settlement of the RRP.
 - F. **Eligible Broker/Dealer** - Broker/Dealers shall be primary broker/dealers of the Federal Reserve Bank of New York.
 - G. **Liquidity Category** - Liquid
20. **SECURITIES LENDING** - This is a program conducted by an agent authorized to execute securities lending under the guidelines listed under RRP and as detailed in the "Services for Securities Lending Agreement." A securities lending transaction is when the Fund transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future. The loans must be secured continuously by cash collateral or securities and maintained at a value of at least equal to 102 % of the market value of the securities loaned. During the term of the loan, the Fund will continue to receive the equivalent of the interest paid by the issuer of the securities loaned. The Fund will have the right to call the loan and receive the securities loaned at any time with one day's notice.

- A. Maximum Maturity - The maximum maturity of a securities lending loan shall be 92 days.
 - B. Maximum Exposure of Fund - No more than 20% of the Fund shall be exposed to securities lending and/or RRP's at any one time.
 - C. Maximum Exposure Per Counterparty - No more than 10% of the Fund shall be on loan with any single counterparty at any one time.
 - D. Proceeds shall be invested in securities authorized by California Government Code and this Investment Policy.
21. **COLLATERALIZED CERTIFICATES OF DEPOSIT** - This is the deposit of funds in state or national banks, state or federal savings and loan associations, federal credit unions, or FDIC-insured industrial loan companies in California per California Government Code Section 53652. The deposit of the funds will be made under the following conditions:
- A. The deposit may not exceed the total of the paid-in capital and surplus of a depository.
 - B. The depository must maintain securities with a market value of at least 10% in excess of the total amount of the Fund's deposits. These securities will be placed in the institution's pooled collateral account and monitored by the State Treasurer of California or a mutually agreed-upon third party custodian bank.
 - C. The County Treasurer may waive the first \$250,000 of collateral for each depository, so long as that amount is insured by an agency of the Federal Government. The documents listed below in D will not be required for deposits of \$250,000 or less.
 - D. Each institution that receives Fund deposits must provide the County Treasurer with an up-to-date Contract, Annual Report, Affirmative Action Policy, Community Reinvestment Act Statement, and EEO-1 Form.
 - E. Maximum Maturity – The maximum maturity of a collateralized CD shall be 13 months.
 - F. Maximum Exposure of Fund – The maximum exposure to the Fund for this category shall be 5%.
 - G. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.
 - H. Institutions at or above the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "-") by at least one NRSRO may pledge mortgage-based collateral for County deposits.

I. Liquidity Category - Illiquid

22. FDIC & NCUA INSURED DEPOSIT ACCOUNTS – This is the deposit of funds in a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state per California Government Code Section 53635.8. The deposit of funds will be made under the following conditions:

- A.** The deposit of funds may be placed directly with a selected depository institution, not to exceed the issuance limit from the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).
- B.** A selected depository may use a private sector entity to help place deposits with one or more commercial bank, savings bank, savings and loan association, or credit union located in the United States.
- C.** The full amount of each deposit and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).
- D.** Maximum Maturity - The maximum maturity of an FDIC or NCUA Insured Deposit Account shall be 13 months.
- E.** Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 5%.
- F.** Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.
- G.** Minimum Credit Requirement - There is no minimum credit requirement for FDIC or NCUA insured deposit accounts whether directly placed or placed through a private sector entity.

H. Liquidity Category - Illiquid

23. COVERED CALL OPTION/PUT OPTION - An option is the right to buy or sell a specific security within a specific time period at a specific price.

- A.** A covered call is when the County Treasurer sells the option to another party giving them the right to buy an existing security in the Fund at a specific price within a specific time period.
- B.** A put option is when the County Treasurer sells the option to another party giving them the right to sell to the County Treasurer a security at a specific price within a specific time period.

- C. The seller of a covered call option/put option is paid at the time of the sale of the option. At the end of the option period, if the option is not exercised, the right to buy or sell the security is canceled.
 - D. The County Treasurer will act only as a seller of covered call and put options with the following exception: County Treasurer may buy an option to offset an existing open option position.
 - E. Securities subject to covered calls shall not be used for Reverse Repurchase Agreements.
 - F. Cash sufficient to pay for outstanding puts shall be invested in securities maturing on or before the expiration date of the options.
 - G. Maximum Maturity - The maximum maturity of a covered call option/put option shall be 90 days.
 - H. Maximum Exposure of Fund - No more than 10% of the Fund may have options written against it at any given time.
 - I. Counterparty Risk - Options shall only be written with primary broker/dealers of the Federal Reserve Bank of New York.
 - J. Liquidity Category - Liquid
24. **MONEY MARKET MUTUAL FUND** – These investments consist of shares of beneficial interest issued by management companies. Such shares represent ownership of a diversified portfolio of securities, which are redeemable at their net asset value. The Government Code allows for purchases of many types of mutual funds, but the Fund will limit use to money market mutual funds managed to maintain a stable NAV.
- A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 20%.
 - B. Maximum Exposure Per Fund - The maximum exposure to a single mutual fund shall be 10% of the Fund value.
 - C. Purchase Price - The purchase price of the mutual fund shall not include any commission.
 - D. Minimum Credit Requirement - Mutual fund ratings must be in the highest rating category by at least two NRSROs or retain an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience in managing money market mutual funds and with assets under management in excess of five hundred million dollars.
 - E. Liquidity Category - Liquid

25. **LOCAL GOVERNMENT INVESTMENT POOLS (LGIPs)** – These investments consist of shares of beneficial interest issued by a joint powers authority (JPA) organized pursuant to Government Code Section 6509.7 and authorized by Government Code Section 53601(p). The Fund shall only invest in LGIPs that comply with the California Government Code and all relevant sections of this Investment Policy and are managed to maintain a stable NAV.
- A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 5%.
 - B. Minimum Credit Requirement – LGIP ratings must be in the highest rating category by at least one NRSRO.
 - C. Liquidity Category – Liquid
26. **LOCAL AGENCY INVESTMENT FUND (LAIF)** – This fund was established by Government Code Section 16429.1 for use by local agencies in California and operates similarly to a LGIP. It is managed by the Treasurer of the State of California, who may invest money in the fund in securities prescribed in Government Code Section 16430 or elect to have the money of the fund invested through the State's Surplus Money Investment Fund.
- A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 5%.
 - B. Minimum Credit Requirement – LAIF is an unrated fund.
 - C. Liquidity Category – Liquid
27. **PASS-THROUGH SECURITIES** - These will be limited to equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds.
- A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.
 - B. Maximum Exposure - The maximum exposure to the Fund for this category shall be 20%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value.
 - D. Minimum Credit Requirement - The security must be rated "AA" or higher by at least one NRSRO.
 - E. Liquidity Category - Liquid

28. **WHEN-ISSUED SECURITIES** - The Fund may invest in new issues of Government Obligations offered on a when-issued basis; that is, delivery and payment take place after the date of the commitment to purchase, normally within 15 days. Both price and interest rate are fixed at the time of commitment. This allows the Fund to lock in an interest rate that may not be available on the issue date. The Fund does not earn interest on the securities until settlement, and the market value of the securities may fluctuate between purchase and settlement. Such securities can be sold before settlement.
29. **SUPRANATIONALS** – The fund may invest in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by multi-national organizations, including:
- Inter-American Development Bank (IADB)
 - International Bank for Reconstruction and Development (IBRD)
 - International Finance Corporation (IFC)
- A. **Maximum Maturity** - The maximum maturity of a security shall be 5 years from the settlement date.
- B. **Maximum Exposure of Fund** - The maximum exposure to the Fund for this category shall be 30%.
- C. **Maximum Exposure Per Issuer** - The maximum exposure to a single issuer shall be 10% of the Fund value.
- D. **Minimum Credit Requirement** - The issuer must be rated “AA” or higher by at least one NRSRO.
- E. **Liquidity Category** - Liquid
30. **QUALIFIED BROKERS AND DEALERS** - In order to minimize risk in executing security transactions under this Investment Policy, all transactions will be made only through qualified dealers.
- A. A qualified dealer must be a bank, savings and loan association, or an investment securities dealer. Commercial Paper and Certificate of Deposit issuers may be considered qualified dealers for direct issuance of their paper.
- B. Any dealer entering into a new business relationship to conduct security transactions with the County Treasurer is required to make application to the County Treasurer.
- C. The dealer must ensure that its staff is aware of the County Treasurer's Investment Policy and the California Government Code Sections 53601 and 53635.
- D. Investment securities dealers for Reverse Repurchase Agreements must be primary dealers regularly reporting to the Federal Reserve Bank.

- E. The dealer is required to have net capital in excess of \$10 million with liquidity lines of \$50 million or more.
 - F. The dealer is required to maintain an active secondary market for securities sold to the County and must be competitive in price for bids and offers.
 - G. The dealer will be monitored by the Chief Investment Officer and staff to ensure the services the County requires are delivered in a timely and efficient manner.
 - H. The primary account representative must be in the institutional or middle market fixed income division with 5 years or more experience covering large municipalities.
 - I. A qualified dealer must not have made any political contributions to the County Treasurer, any member of the Board of Supervisors, or any candidate for these offices within any consecutive 48-month period following January 1996. The exception is if the broker/dealer is entitled to vote for any of these offices, in which case the contributions shall not be in excess of \$250 to each official per election.
 - J. Each dealer, at minimum every three years, or more frequently if requested, will be required to respond to the County's Request for Information (RFI) providing the County with up-to-date financial and investment experience information in order to continue in its role.
31. **DELEGATION OF INVESTMENT AUTHORITY TO THE COUNTY TREASURER** - The State of California gives the Board of Supervisors the ability to delegate investment authority to the County Treasurer for a one-year period in accordance with Section 53607 of the California Government Code. The delegation will require renewal each year.
32. **SAFEKEEPING AUTHORITY**
- A. The State of California gives the Board of Supervisors the ability to delegate the deposit for safekeeping authority to the County Treasurer in accordance with Section 53608 of the California Government Code. Board Resolution 109 adopted September 29, 1959 delegated this authority to the County Treasurer.
 - B. In exercising this safekeeping function, the County Treasurer will require depositories to provide evidence that they are taking reasonable measures to prevent unauthorized access to the depository's electronic data files.
 - C. The County Treasurer's Continuity of Operations Plan (COOP) addresses contingency plans in the event that a disaster, natural or otherwise, disrupts normal operations. Contingency plans vary depending upon the severity and expected longevity of the disruption.

33. **EXTERNAL OVERSIGHT** - The County Treasurer shall retain an independent third-party investment advisor to provide oversight and compliance monitoring.

The County Treasurer will also retain an NRSRO to provide a rating for the Fund and will have in place an internal system to provide credit and compliance monitoring.

34. **COUNTY TREASURY OVERSIGHT COMMITTEE** - The Board of Supervisors has established a County Treasury Oversight Committee pursuant to Sections 27130-27137 of the California Government Code. The County Treasurer shall annually prepare an investment policy that will be reviewed and monitored by the County Treasury Oversight Committee and shall be reviewed and approved at a public hearing by the Board of Supervisors.

35. **RULES GOVERNING THE ACCEPTANCE OF HONORARIA, GIFTS, AND GRATUITIES:**

A. The County Treasury Oversight Committee:

1. Gifts and Gratuity Limits: - Members may not accept a gift or gifts aggregating more than the Fair Political Practices Commission (FPPC) guidelines in a calendar year from an advisor, broker, dealer, banker, or other persons with whom the County Treasurer conducts business.
2. Honorarium Limits - Members may not accept any honorarium from advisors, brokers, dealers, bankers, or other persons with whom the County Treasurer conducts business.
3. Employment - A member may not be employed by an entity that has contributed to the campaign of a candidate for the office of the County Treasurer or a candidate for a legislative body of a local agency that has deposited funds in the County Treasury in the previous three years or during the period the employee is a member of the County Treasury Oversight Committee. A member may not secure employment with bond underwriters, bond counsel, security brokers or dealers, or financial services firms during the period that the person is a member of the Committee or for one year after leaving the County Treasury Oversight Committee.
4. Contributions - A member may not directly or indirectly raise money for a candidate for County Treasurer or a member of the governing board of any local agency that has deposited funds in the County Treasury while a member of the County Treasury Oversight Committee.

B. The County Treasurer and Designated Employees:

1. Gifts and Gratuity Limits - The County Treasurer and designated employees may not accept a gift or gifts aggregating more than the Fair Political Practices Commission (FPPC) guidelines in a calendar year from a single source that does business with the County Treasurer's Office.

2. Honorarium Limits - The County Treasurer and designated employees may not accept any honorarium.
 3. Form 700 "Statement of Economic Interests" - The County Treasurer and designated employees are required to file a Form 700 annually.
36. **REPORTING** - The County Treasurer shall prepare an investment report monthly to be posted on the County Treasurer Tax-Collector's public website.
- A.** The report will be available to the following officials:
1. Board of Supervisors
 2. County Treasury Oversight Committee
 3. Chief Administrative Officer
 4. Auditor & Controller
 5. Pool Participants
- B.** The report will include the following:
1. A summary of Fund statistics
 2. The type of investment, issuer, maturity date, par value, and dollar amount invested for all securities, investments, and monies held by the Fund
 3. A description of any of the Fund's investments or programs that are under management of contracted parties, including the securities lending program
 4. Current market value and the source of the valuation as of the date of the report for all securities held by the Fund
 5. Securities lending portfolio, if applicable
 6. Pool purchases, sales, and maturities
 7. Statement denoting the Fund's ability to meet expenditure requirements for the next six months
 8. Statement of compliance with the Investment Policy

37. COSTS AND EARNINGS APPORTIONMENT

- A.** Prior to quarterly interest apportionment, investment costs incurred by the County Treasurer will be deducted from the interest earnings of the pool and Dedicated Portfolios based on an equitable distribution formula. The costs, which are authorized by Government Code Section 27013, are made up of direct costs (salaries, banking services, computer services, and supplies) and indirect costs (department overhead and external overhead).
- B.** The Pool earnings distributed to each participant are proportionate to the average daily balance of the amounts on deposit by the participant. The County Auditor & Controller conducts the apportionment process based on the net earnings of the Fund each quarter.
- C.** In the event there is a negative balance in a participant's fund at any time, it shall reduce the average daily balance for the fund. If at month-end there is a negative average daily balance in a participant's fund, that fund will be charged the higher of the pool's earning rate for the month or a proxy TRANS cost.
- D.** The apportionment rate is set approximately ten business days after each calendar quarter end. Apportionments are not paid out by warrants; all earnings are credited to the participant's fund balance.

38. TERMS AND CONDITIONS FOR DEPOSITING FUNDS BY VOLUNTARY PARTICIPANTS -
California Government Code Section 53684 allows local agencies, upon adoption of a resolution by the governing body of the agency, the option of depositing excess funds in the County Treasury for the purpose of investment by the County Treasurer.

- A.** The County, in its regional role to assist and aid other local agencies, adopted Board Resolution 11 on March 24, 1987, to allow agencies to deposit excess funds with the County Treasurer for investment. The limitation on acceptance of voluntary deposits and this Investment Policy are structured to help to ensure that, pursuant to Section 27133 of the California Government Code, the County Treasurer shall be able to find that all proposed deposits/withdrawals will not adversely affect the interests of the other depositors in the Fund.
- B.** The policy for the acceptance of local agency deposits is:
 - 1. The local agency must sign an Investment Management Agreement.
 - 2. The local agency may be asked to provide cash flows on a quarterly basis indicating projected withdrawals from the Fund.
- C.** Before any deposits for new accounts from Voluntary Participants can be accepted by the County Treasurer, the local agency must perform the following:

1. Provide a resolution adopted by the Board or governing body that authorizes the local agency to deposit excess funds in the County Treasury for the purpose of investment by the County Treasurer. The resolution must:
 - a. be signed by an authorized official,
 - b. indicate the resolution number and date passed by the Board or governing body,
 - c. indicate the persons authorized to initiate deposits to and instruct withdrawals from the Fund and,
 - d. bear the seal of the local agency, if the local agency has a seal.
2. Provide wire/ACH transfer instructions for withdrawals from the Fund. All withdrawals will be paid by electronic funds transfer.
3. Establish a trust account through the County Auditor & Controller's General Accounting Division.

39. **CRITERIA FOR WITHDRAWAL OF MONIES FROM THE FUND BY VOLUNTARY PARTICIPANTS**

- A. Before a local agency withdraws monies from the Fund, it must submit a withdrawal request a minimum of 2 working days prior to the desired withdrawal date. Although not encouraged, shorter notice may be honored at the discretion of the County Treasurer's Office if the withdrawal does not cause the Fund to fall out of compliance with its maturity policy or jeopardize its ability to meet cash flow requirements.
- B. When monies are requested for withdrawal, the County Treasurer's Office must find that the withdrawal will not adversely affect the interests of all other depositors in the Fund.

40. **GRANDFATHERED AGENCIES**

- A. Grandfathered agencies that use the services of the County to keep their records and/or issue warrants/wires for the agency can continue to function in this manner and will be treated as a mandatory participant (assuming the agency continues to make deposits into the Fund).
- B. These agencies can also opt to be treated as Voluntary Participants and elect to withdraw funds in the same fashion as the other Voluntary Participants. However, any agency so opting shall be subject to all restrictions placed upon the other Voluntary Participants.

GLOSSARY OF TERMS

BID - The price offered by a buyer of securities.

CREDIT RATING - The alphanumeric score which provides an assessment of the credit opinion of one of the Nationally Recognized Statistical Rating Organizations for a particular investment or issuing entity.

DEDICATED PORTFOLIO - Any assets, besides those held in the Fund, invested by the County Treasurer on behalf of any San Diego County agency.

DOLLAR-WEIGHTED AVERAGE MATURITY - The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

DURATION - A measure of the price volatility of a portfolio that reflects an estimate of the projected increase or decrease in the value of a portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every 1.0 percent increase in interest rates, the market value of a portfolio would decrease by 1.0 percent.

EARNINGS APPORTIONMENT - The quarterly interest distribution to the Pool Participants after the actual investment costs incurred by the County Treasurer are deducted from the interest earnings of the Fund.

EFFECTIVE DURATION OR OPTION-ADJUSTED DURATION - The approximate percentage price change of a bond for a 100 basis point parallel shift in the yield curve, allowing for the cash flow to change as a result of the change in yield.

GRANDFATHERED AGENCIES- Some fire districts and other agencies that use the County's banking and accounting services.

ILLIQUID – Investments for which 1) the secondary market is non-existent or thinly traded, 2) it is not possible to access funds prior to maturity, or 3) One cannot liquidate at the cost of principal.

ISSUER - The entity identified as the counterparty or obligator related to a security trade.

INVESTMENT GROUP - Group consisting of the County Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, Chief Deputy Treasurer, Chief Investment Officer, and Investment Officers.

INVESTMENT MANAGEMENT AGREEMENT - An agreement between a voluntary participant and the San Diego County Treasurer-Tax Collector. The agreement addresses the terms and conditions of local agencies' deposits of funds for investment into the Fund.

LIQUID – Term for securities that can be converted to cash quickly.

MODERATELY LIQUID - Securities that can be converted to cash quickly with the potential for minimum loss of principal.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO) - A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

OFFER - The price at which a holder of a security would be willing to sell the security.

PORTFOLIO VALUE - The total book value of all the securities held in the Fund.

PRUDENT RISK - An investment system in which the investor will invest conservatively to receive a stable income with little risk.

SAFEKEEPING - A custodian bank's action to store and protect an investor's securities by segregating and identifying the securities.

SELECTED DEPOSITORY INSTITUTION - A nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in the state of California.

SHORT-TERM - The term used to describe a security when the maturity is one year or less.

VOLUNTARY PARTICIPANTS - Local agencies that are not required to deposit their funds with the County Treasurer.

WHEN-ISSUED SECURITIES - A security traded before it receives final trading authorization, with the investor receiving the certificate/security only after the final approval is granted.

APPENDIX B - POLICY GUIDELINES

Investment Type	Maximum Maturity	Maximum % of Portfolio	Maximum % With One Issuer	Minimum Rating
US Treasury Obligations	5 years	No Limit	No Limit	No Limit
Agency Obligations	5 years	No Limit	35%	No Limit
Local Agency Obligations	5 years	30%	10%	A
Banker's Acceptances	180 days	40%	5%	A-1
Commercial Paper (1)	397 days	40%	10% (2)	A-1
Medium Term Notes	5 years	30%	10% (2)	A
Negotiable Certificate of Deposits	5 years	30%	10% (2)	A-1/A
Repurchase Agreements	1 year	40%	Note (3)	No Limit
Reverse Repurchase Agreements	92 days	20%	10%	No Limit
Collateralized Certificates of Deposit	13 months	5%	5%	No Limit
FDIC & NCUA Insured Deposit Accounts	13 months	5%	5%	No Limit
Money Market Funds	N/A	20%	10%	AAAm
Local Government Investment Pools (LGIPs)	N/A	5%	5%	AAAm
Local Agency Investment Fund (LAIF)	N/A	5%	N/A	N/A
Pass-Through Securities	5 years	20%	10%	AA
Supranationals	5 years	30%	10%	AA

(1) Government Code Section 53635(a) (1-2) specifies percentage limitations for this security type for county investment pools.

(2) 10% issuer limit includes CP, MTN, and NCD exposure combined, if applicable.

(3) Maximum exposure per issue – The maximum exposure to a single Repurchase Agreement (RP) issue shall be 10% of the portfolio value for RPs with maturities greater than 5 days and 15% of the portfolio for RPs maturing in 5 days or less. The maximum exposure to a single broker/dealer of RPs shall be 10% of the portfolio value for maturities greater than 5 days and 15% of the portfolio value for maturities of 5 days or less.

APPENDIX C – STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES

CATEGORIES	
GENERAL SPECIFIC	
3-DIGITS	4-DIGITS
131 - Crude Petroleum and Natural Gas >	1311 - Crude Petroleum and Natural Gas >
132 - Natural Gas Liquids >	1321 - Natural Gas Liquids >
138 - Oil and Gas Field Services >	1381 - Drilling Oil and Gas Wells >
	1382 - Oil and Gas Field Exploration Services >
	1389 - Oil and Gas Field Services, Not Elsewhere Classified >
122 - Bituminous Coal and Lignite Mining >	1221 - Bituminous Coal and Lignite Surface Mining >
	1222 - Bituminous Coal Underground Mining >
123 - Anthracite Mining >	1231 - Anthracite Mining >
124 - Coal Mining Services >	1241 - Coal Mining Services >
291 - Petroleum Refining >	2911 - Petroleum Refining >
295 - Asphalt Paving and Roofing Materials >	2951 - Asphalt Paving Mixtures and Blocks >
	2952 - Asphalt Felts and Coatings >
299 - Miscellaneous Products of Petroleum and Coal >	2992 - Lubricating Oils and Greases >
	2999 - Products of Petroleum and Coal, Not Elsewhere Classified >
492 - Gas Production and Distribution >	4922 - Natural Gas Transmission >
	4923 - Natural Gas Transmission and Distribution >
	4924 - Natural Gas Distribution >
	4925 - Mixed, Manufactured, or Liquefied Petroleum Gas Production and/or Distribution >



COUNTY OF SAN DIEGO INVESTMENT POOL TREASURY INVESTMENT RESULTS

July
2026

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Note: The Information provided, including all charts, tables, graphs and numerical representations, are provided to readers solely as a general overview of the economic and market conditions which the Treasurer utilizes in making investment decisions.

SUMMARY PORTFOLIO STATISTICS

County of San Diego Pooled Money Fund

As of July 31, 2026

Investment Type	Par Value	Book Value	Market Value	% of Portfolio	Market Price	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss
ABS	364,466,024	364,436,453	365,716,902	2.50%	100.34	883	4.97%	733,807	1,280,449
Agency	1,772,840,000	1,771,823,016	1,761,129,152	12.06%	99.34	697	3.64%	12,529,050	(10,693,864)
Bank Deposit	668,492,334	668,492,334	668,492,334	4.58%	100.00	0	3.25%	-	-
Commercial Paper	2,544,000,000	2,512,420,565	2,512,199,249	17.19%	98.75	113	4.00%	-	(221,316)
Corporate	125,000,000	124,680,725	123,897,505	0.85%	99.12	602	4.28%	1,456,042	(783,220)
Local Gov Investment Pool	387,480,130	387,480,130	387,480,130	2.65%	100.00	0	3.80%	-	-
Money Market Fund FI	333,400,000	333,400,000	333,400,000	2.28%	100.00	0	3.60%	-	-
Municipal Bonds	386,145,000	388,526,888	387,545,034	2.65%	100.36	683	4.40%	6,425,971	(981,854)
Negotiable CD	2,935,000,000	2,935,000,000	2,934,562,748	20.08%	99.99	124	3.99%	29,135,371	(437,253)
Supranationals	2,062,080,000	2,051,963,006	2,043,575,798	13.99%	99.10	891	4.39%	15,495,259	(8,387,208)
US Treasury	3,125,000,000	3,126,036,192	3,093,182,420	21.17%	98.98	982	3.89%	13,445,559	(32,853,772)
Receivables/Payables	272,149	272,149	272,149	0.00%	0.00	0	0.00%	-	-
Total for July 2026	14,704,175,637	14,664,531,457	14,611,453,421	100%	99.37	507	3.98%	79,221,059	(53,078,037)
Total for June 2026	16,707,560,387	16,664,730,040	16,631,996,416	100%	99.55	464	3.93%	125,267,229	(32,733,624)
Change from Prior Month	(2,003,384,750)	(2,000,198,583)	(2,020,542,995)		(0.18)	43	0.05%	(46,046,170)	(20,344,413)

Portfolio Effective Duration 1.16

Return Information	Monthly Return	Annualized	Fiscal Year To Date Return	Annualized	Calendar YTD Return	Annualized
Book Value	0.33%	3.98%	0.33%	3.98%	2.26%	3.92%

Notes

Yield to maturity (YTM) is the estimated rate of return on a bond given its purchase price, assuming all coupon payments are made on a timely basis and reinvested at this same rate of return to the maturity date. Weighted Days to Maturity is average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Yields for the portfolio are aggregated based on the book value of each security.

All Investments held during the month of July 2026 were in compliance with the Investment Policy dated January 1, 2026. The County Treasurer believes the Treasury Investment Pool contains sufficient cash flow from liquid and maturing securities, bank deposits, and incoming cash to meet the next six months of expected expenditures. Bank Deposit may include restricted funds held in trust at US Bank for school district debt service payments.

Sustainalytics, a Morningstar Company, provides high-quality, analytical environmental, social and governance (ESG) research, ratings and data to institutional investors and companies. Using Sustainalytics scoring, which is available on Bloomberg, the Pool had a weighted average MTN/CP/CD score of 17.00 as of 07/31/26, placing it in the "Low Risk" category. Sustainalytics' ratings categories are: negligible (0-9.99), low (10-19.99), medium (20-29.99), high (30-39.99) and severe (40+).

PARTICIPANT CASH BALANCES

County of San Diego Pooled Money Fund

As of July 31, 2026

(\$000)

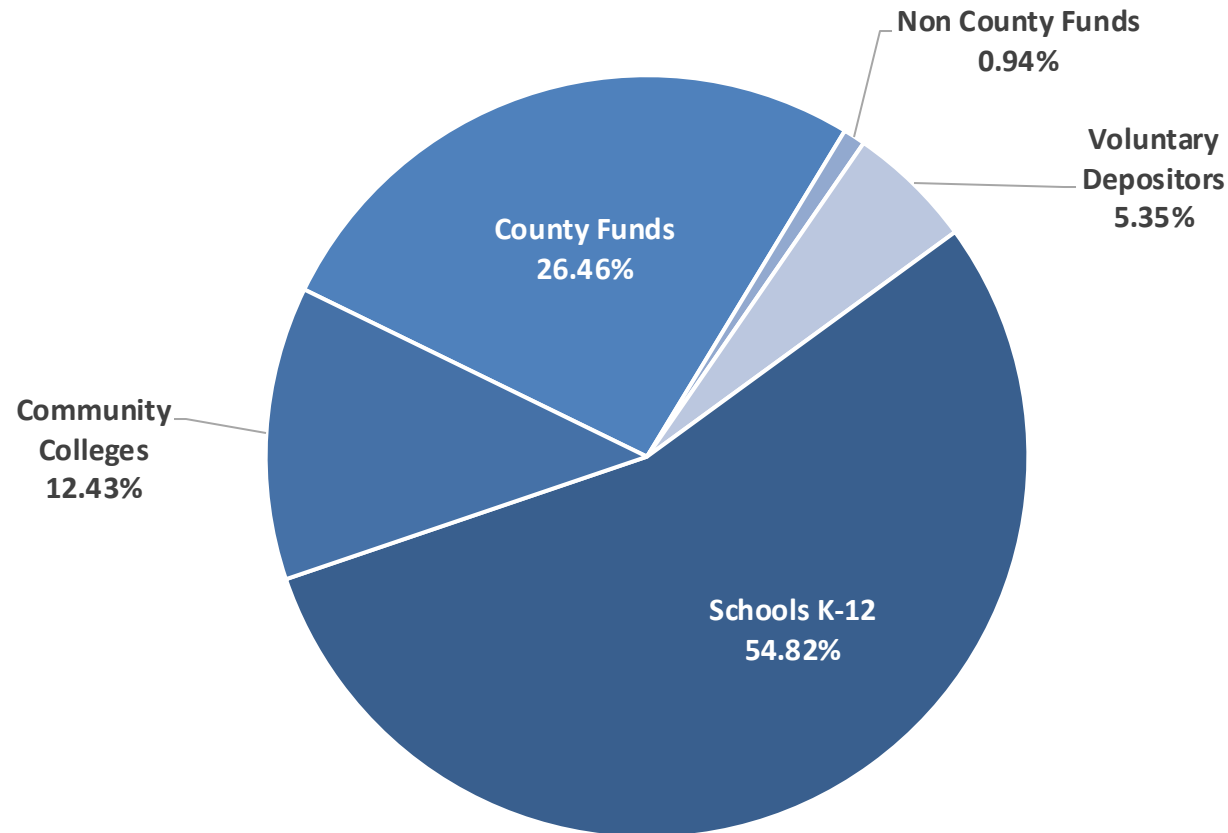
PARTICIPANT	FMV 05/31/26	FMV 06/30/26	FMV 07/31/26	% of Total	PARTICIPANT	FMV 05/31/26	FMV 06/30/26	FMV 07/31/26	% of Total
COUNTY	2,025,584	1,477,985	1,512,775	10.81%	Lakeside FPD	1,778	2,466	2,664	0.02%
COUNTY - SPECIAL TRUST FUNDS	3,263,070	3,424,460	2,189,581	15.65%	Leucadia Wastewater District ¹	0	0	0	0.00%
NON-COUNTY INVESTMENT FUNDS	134,380	112,588	131,183	0.94%	Lower Sweetwater FPD	753	768	769	0.01%
SCHOOLS - (K THRU 12)	9,073,529	8,371,415	7,670,510	54.82%	Metropolitan Transit System	301,710	292,399	294,392	2.10%
COMMUNITY COLLEGES					Mission Resource Conservation District	37	39	39	0.00%
Grossmont-Cuyamaca	267,783	268,739	243,208	1.74%	North County Transit District	40,860	40,826	41,056	0.29%
MiraCosta	203,781	190,111	164,550	1.18%	North County Cemetery District	12,196	11,782	12,054	0.09%
Palomar	234,112	245,247	202,827	1.45%	North County Dispatch	8,988	8,639	8,941	0.06%
San Diego	1,080,372	1,054,043	880,114	6.30%	North County FPD	3,775	2,648	1,745	0.01%
Southwestern	264,396	271,900	248,290	1.77%	Otay Water District	15,967	15,953	16,026	0.11%
Total Community Colleges	2,050,443	2,030,039	1,738,988	12.43%	Palomar Health ¹	0	0	0	0.00%
FIRST 5 COMMISSION	19,882	24,648	18,197	0.13%	Pomerado Cemetery District	2,998	3,157	3,171	0.02%
SDCERA	9,238	1,203	9,912	0.07%	Public Agencies Self-Insurance System ¹	0	0	0	0.00%
CITIES					Ramona Cemetery District	1,847	1,869	1,852	0.01%
Chula Vista	5,983	5,978	6,012	0.04%	Rancho Santa Fe FPD	14,613	14,237	10,494	0.08%
Coronado	26,542	27,923	27,985	0.20%	Resource Conservation District of Greater SD ¹	0	0	0	0.00%
Del Mar	118	118	119	0.00%	Rincon del Diablo Municipal Water District	2,169	2,168	2,179	0.02%
Encinitas	1,398	1,397	11	0.00%	SANDAG	11,197	11,187	11,258	0.08%
National City	41,704	41,669	41,904	0.30%	SD County Regional Airport Authority	72,149	72,087	61,001	0.44%
Oceanside ¹	0	0	0	0.00%	San Diego Housing Commission	8,958	8,950	9,001	0.06%
Solana Beach ¹	0	0	0	0.00%	San Diego Geographic Information Source	882	1,119	1,039	0.01%
Vista	1	1	2	0.00%	San Diego Law Library	9,934	10,091	9,999	0.07%
INDEPENDENT AGENCIES					San Diego Local Agency Formation Comm	1,553	1,370	2,304	0.02%
Air Pollution Control District	120,453	120,222	118,281	0.85%	San Diego Regional Training Center	1,553	1,674	1,637	0.01%
Alpine FPD	621	577	417	0.00%	San Dieguito River Park	1,562	1,407	1,367	0.01%
Bonita-Sunnyside FPD	3,753	3,886	2,963	0.02%	San Marcos FPD	1	1	1	0.00%
Borrego Springs FPD	15	15	15	0.00%	San Miguel Consolidated FPD	16,681	15,580	8,060	0.06%
Canebrake County Water District ¹	0	0	1	0.00%	Santa Fe Irrigation District	112	112	113	0.00%
Deer Springs FPD	14,129	13,028	13,134	0.09%	Upper San Luis Rey Resource Conserv Dist	40	40	40	0.00%
Grossmont Healthcare District	2	2	2	0.00%	Vallecitos Water District	1,059	1,058	1,064	0.01%
Julian-Cuyamaca FPD ¹	0	0	0	0.00%	Valley Center FPD	3,674	3,466	2,848	0.02%
Lake Cuyamaca Rec & Park District	23	23	23	0.00%	Valley Center Cemetery District	611	612	616	0.00%
					Valley Center Water District	2,821	2,819	2,835	0.02%
					Vista FPD	903	913	789	0.01%
					Whispering Palms Community Services District ¹	0	0	0	0.00%
					Total Voluntary Participants	785,245	770,126	748,329	5.35%
					Pooled Money Fund Total ²	\$ 17,332,251	\$ 16,186,613	\$ 13,991,366	100.00%

1. For these Pool participants, ending balances are less than \$500. Due to rounding, the FMV may display as zero, even though abalance exists.

2. Excludes any (1) restricted funds held in trust at U.S. Bank for school district debt service payments and (2) receivables/payables.

INVESTMENT FUND PARTICIPANTS

County of San Diego Pooled Money Fund
As of July 31, 2026

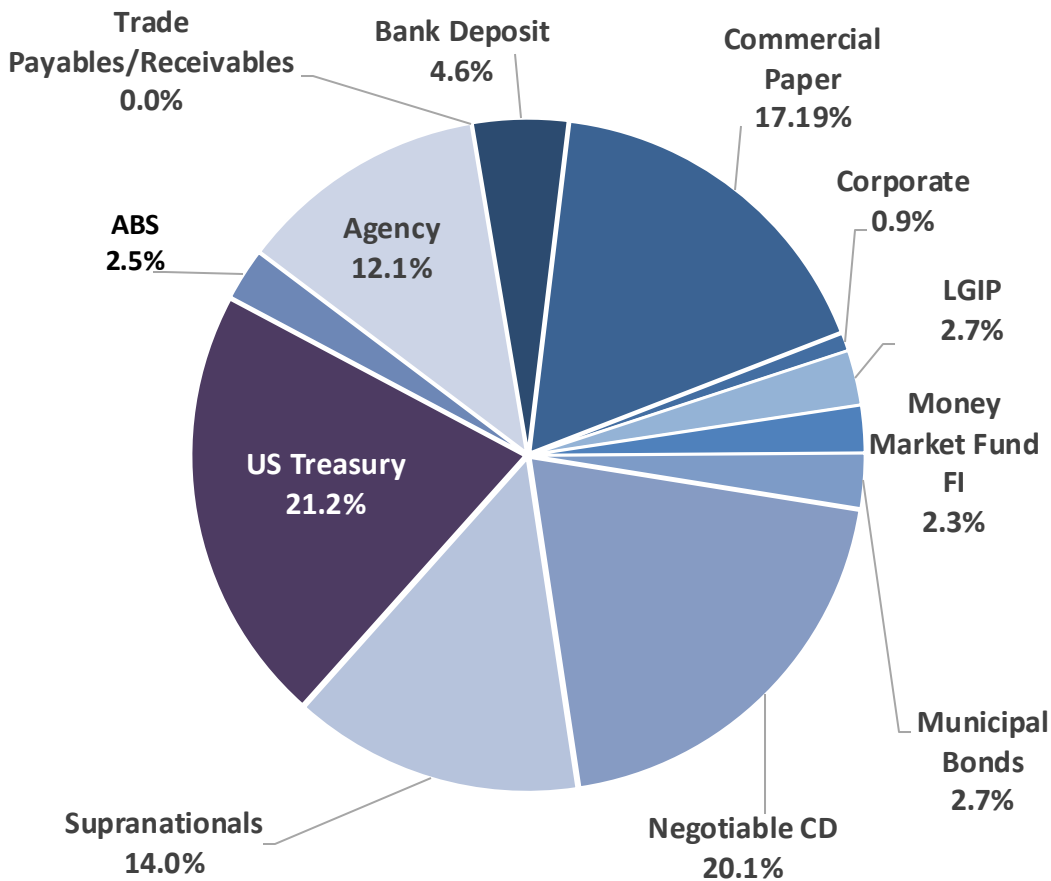


*Totals may not add to 100% due to rounding

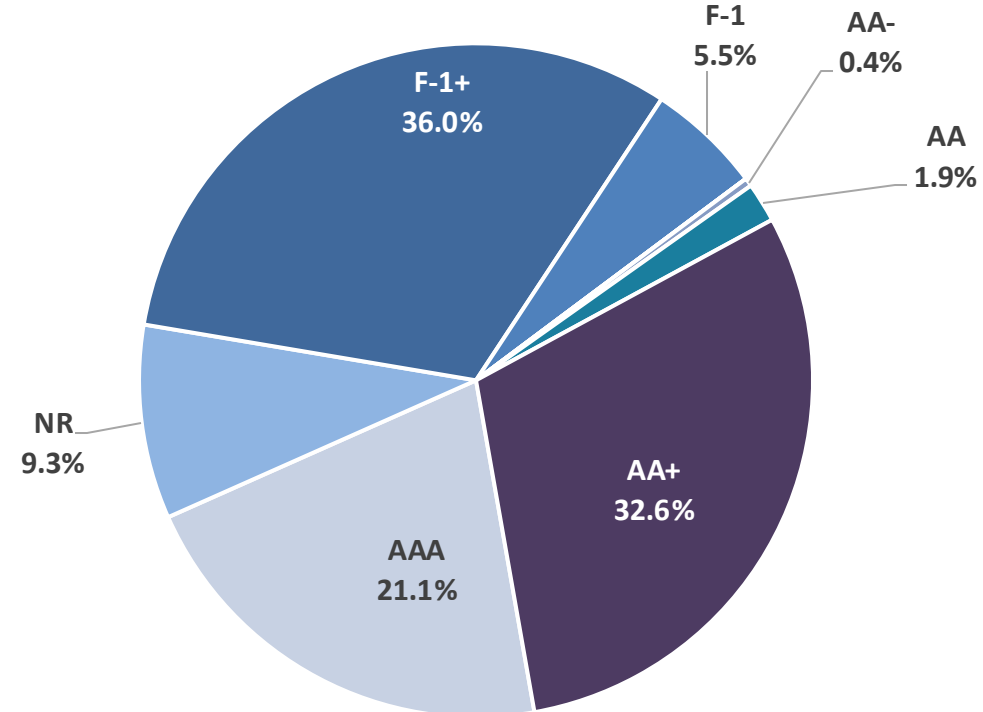
INVESTMENT FUND OVERVIEW

County of San Diego Pooled Money Fund As of July 31, 2026

ASSET ALLOCATION



CREDIT QUALITY**



Note: Totals in both charts may not add to 100% due to rounding.

** If a security is not rated by Fitch, the report uses the lowest rating provided by either Moody's or Standard and Poor's using the Fitch scale.



APPENDIX



INVESTMENT POLICY COMPLIANCE REPORT

County of San Diego Pooled Money Fund As of July 31, 2026

Category	Standard	Comment
U.S. Treasury Issues	No limitations; Issued at the Federal level; Obligations are bills, notes, and bonds issued by the Treasury and are direct obligations of the Federal Government	Complies
Federal Agencies	35% max per Agency issuer; Issued at the Federal level; Agency obligations are notes and bonds of the federal agencies and government sponsored enterprise, including: FNMA, FHLB, FFCB, FHLMC, GNMA, TVA	Complies
Supranational Obligations	30% max; 10% max per issuer; "AA" rated or higher by at least one NRSRO; USD denominated senior unsecured unsubordinated obligations; Issued or unconditionally guaranteed by IBRD, IFC, or IADB	Complies
Municipal Securities (Local Agency & State Obligations)	30% max; 10% max per issuer; Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO	Complies
Corporate Medium Term Notes	30% max; 10% max per issuer (inclusive of any other non-MTN investments with said issuer); Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO	Complies
Pass-Through Securities	20% max; 10% max per issuer; "AA" rated or higher by at least one NRSRO; Limited to equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds	Complies
Negotiable Certificates of Deposit (NCD)	30% max; 10% max per issuer (inclusive of any other non-NCD investments with said issuer); Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO; 5 years max maturity of an NCD Security; 13 months max maturity of any FDIC insured CDs	Complies
FDIC & NCUA Insured Deposits	5% max; 5 max per issuer; 13 months max maturity; There is no minimum credit requirement of FDIC or NCUA insured deposit accounts whether directly placed or placed through a private sector entity; The full amount of deposit and the interest that may accrue on each deposit shall at all times be insured by the FDIC or NCUA	Complies
Collateralized Certificates of Deposit	5% max; 5 max per issuer; 13 months max maturity; Deposit may not exceed the total of the paid-in capital and surplus of a depository; The depository must maintain securities with a market value of at least 10% in excess of the total amount of the Fund's deposits; The County Treasurer may waive the first \$250,000 of collateral for each depository, so long as the amount is insured by an agency of the Federal Government; Institutions at or above the highest short-term rating category by at least one NRSRO may pledge mortgage-based collateral for County deposits	Complies
Banker's Acceptances	40% max; 5% max per issuer; 180 days max maturity; Highest short-term rating category by at least one NRSRO	Complies
Commercial Paper	40% max; 10% max per issuer (inclusive of any other non-CP investments with said issuer); 270 days max maturity; Highest short-term rating category by at least one NRSRO	Complies
Money Market Mutual Funds	20% max; 10% max per fund; Highest rating category by at least two NRSROs; or Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM >\$500 million; The purchase price of the mutual fund shall not include any commission	Complies
Local Government Investment Pool (LGIP)	5% max; Highest rating category by at least one NRSRO; Investments consist of (i) shares of beneficial interest issued by a joint powers authority (JPA) or (ii) the Local Agency investment Fund (LAIF); Invest in LGIPs that comply with California Government Code and all relevant sections of the Investment Policy and are managed to maintain a stable NAV.	Complies
Repurchase Agreements	40% max; 10% max exposure per broker-dealer when the dollar-weighted average maturity is >5 days or 15% of the fund when the dollar-weighted average maturity is 5 days or less; 1 year max maturity; Collateral eligible for repurchase agreements maturing from 7 days to 1 year shall be Treasury and Agency Obligations	Complies
Reverse Repurchase Agreements	20% max; 10% max per broker/dealer; 92 days max maturity if a securities lending loan, unless the agreement includes a written guarantee of a minimum earning or spread for the entire period of the RRA	Complies
Securities Lending	20% max exposed to securities lending and/or Reverse Repurchase Agreements; 10% max per loan with a single counterparty at any one time; 92 days max maturity; Loans must be secured by cash collateral or securities and maintained at a value of at least equal to 102% of the market value of the securities loan	Complies
Covered Call Option/Put Option	10% max; 90 days max maturity	Complies
Prohibited	Inverse floaters; Ranges notes, Interest-only strips from pool of mortgages; Any security that could result in zero interest accrual	Complies
Credit Rating Policy	For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO	Complies
Duration	2 years maximum effective duration	Complies
Maturity	5 years maximum maturity with shorter limitations specified for certain types of securities; At least 35% of the Fund maturing within 1 year; At least 15% of the Fund maturing within 90 days	Complies

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
89239HAD0	TAOT 2022-D A3 5.3 09/15/2027	3,446,728.05	11/01/2022 5.36%	3,446,387.86 3,446,650.84	100.11 4.12%	3,450,491.88 8,118.96	0.02% 3,841.03	Aaa/NA AAA	1.13 0.09
437927AC0	HAROT 2023-2 A3 4.93 11/15/2027	2,199,208.63	05/23/2023 3.45%	2,198,852.36 2,199,105.68	100.15 4.08%	2,202,599.81 4,818.71	0.02% 3,494.13	Aaa/AAA NA	1.29 0.16
362583AD8	GMCAR 2023-2 A3 4.47 02/16/2028	1,614,250.75	04/04/2023 4.51%	1,614,206.36 1,614,236.61	100.05 4.11%	1,615,051.42 3,006.54	0.01% 814.81	Aaa/AAA NA	1.55 0.12
43815QAC1	HAROT 2023-3 A3 5.41 02/18/2028	4,033,796.83	08/15/2023 5.48%	4,032,965.06 4,033,509.95	100.37 4.05%	4,048,681.54 7,880.47	0.03% 15,171.60	NA/AAA AAA	1.55 0.25
477920AC6	JDOT 2023-B A3 5.18 03/15/2028	2,577,741.37	06/21/2023 5.51%	2,577,311.40 2,577,593.55	100.31 4.24%	2,585,858.68 5,934.53	0.02% 8,265.12	Aaa/NA AAA	1.62 0.31
44933XAD9	HART 2023-B A3 5.48 04/17/2028	1,425,222.72	07/11/2023 5.77%	1,425,160.86 1,425,200.42	100.29 4.17%	1,429,335.91 3,471.21	0.01% 4,135.49	NA/AAA AAA	1.71 0.21
90291VAC4	USAOT 2023-A A3 5.58 05/15/2028	3,129,651.01	09/07/2023 5.58%	3,129,103.32 3,129,441.13	100.25 3.99%	3,137,594.07 7,761.53	0.02% 8,152.94	Aaa/AAA NA	1.79 0.15
438123AC5	HAROT 2023-4 A3 5.67 06/21/2028	2,036,624.00	11/01/2023 5.74%	2,036,265.35 2,036,477.31	100.59 4.41%	2,048,674.71 3,207.68	0.01% 12,197.40	Aaa/NA AAA	1.89 0.39
437918AC9	HAROT 2024-1 A3 5.21 08/15/2028	14,561,801.79	02/13/2024 5.27%	14,561,168.36 14,561,513.52	100.44 4.24%	14,625,931.97 33,718.66	0.10% 64,418.45	Aaa/AAA NA	2.04 0.42
379930AD2	GMCAR 2023-4 A3 5.78 08/16/2028	4,456,501.95	10/03/2023 5.86%	4,455,586.59 4,456,116.37	100.56 4.27%	4,481,560.86 10,732.74	0.03% 25,444.49	Aaa/AAA NA	2.04 0.36
44918CAD4	HART 2023-C A3 5.54 10/16/2028	2,841,697.57	11/03/2023 5.61%	2,841,323.88 2,841,529.94	100.54 4.14%	2,857,119.46 6,996.89	0.02% 15,589.52	NA/AAA AAA	2.21 0.37
89238DAD0	TAOT 2024-A A3 4.83 10/16/2028	11,598,094.00	01/23/2024 4.89%	11,595,773.22 11,597,005.76	100.30 4.26%	11,632,725.91 24,897.24	0.08% 35,720.15	Aaa/AAA NA	2.21 0.48
47800RAD5	JDOT 2024 A3 4.96 11/15/2028	4,562,836.62	03/11/2024 5.12%	4,562,581.11 4,562,710.97	100.40 4.36%	4,581,233.98 10,058.52	0.03% 18,523.02	Aaa/NA AAA	2.29 0.61
437930AC4	HAROT 2024-2 A3 5.27 11/20/2028	22,752,315.65	05/14/2024 5.27%	22,749,551.24 22,750,899.82	100.56 4.25%	22,880,775.23 43,298.92	0.16% 129,875.41	NA/AAA AAA	2.31 0.52
47787DAB7	JDOT 2026 A2A 3.85 12/15/2028	5,000,000.00	03/10/2026 3.88%	4,999,837.00 4,999,859.10	99.64 4.34%	4,982,115.00 8,555.56	0.03% (17,744.10)	Aaa/NA AAA	2.38 0.77
36268GAD7	GMCAR 2024-1 A3 4.85 12/18/2028	2,688,444.22	01/09/2024 4.91%	2,687,903.57 2,688,182.47	100.26 4.25%	2,695,536.34 5,432.90	0.02% 7,353.86	Aaa/NA AAA	2.38 0.41

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
161571HV9	CHAIT 241 A 4.6 01/16/2029	43,000,000.00	01/24/2024 4.61%	42,993,451.10 42,996,750.85	100.20 4.19%	43,085,742.00 87,911.11	0.29% 88,991.15	NA/AAA AAA	2.46 0.44
89237NAD9	TAOT 2024-B A3 5.33 01/16/2029	21,043,625.83	04/23/2024 5.33%	21,040,625.01 21,042,059.20	100.62 4.25%	21,173,086.22 49,850.01	0.14% 131,027.02	Aaa/AAA NA	2.46 0.54
448973AD9	HART 2024-A A3 4.99 02/15/2029	6,163,827.18	03/11/2024 5.05%	6,162,468.05 6,163,122.98	100.39 4.23%	6,187,594.89 13,670.00	0.04% 24,471.92	NA/AAA AAA	2.54 0.47
096919AD7	BMWOT 2024-A A3 5.18 02/26/2029	10,100,045.07	06/04/2024 5.18%	10,098,510.86 10,099,207.09	100.50 4.29%	10,150,474.60 8,719.71	0.07% 51,267.50	Aaa/AAA NA	2.57 0.53
47786WAD2	JDOT 2024-B A3 5.2 03/15/2029	19,272,898.67	06/11/2024 5.81%	19,269,130.82 19,270,815.58	100.59 4.49%	19,385,664.40 44,541.81	0.13% 114,848.82	Aaa/NA AAA	2.62 0.76
44934QAD3	HART 2024-B A3 4.84 03/15/2029	14,525,242.95	07/16/2024 5.45%	14,523,051.09 14,524,005.42	100.34 4.29%	14,575,079.06 31,245.41	0.10% 51,073.64	NA/AAA AAA	2.62 0.57
379931AD0	GMCAR 2024-2 A3 5.1 03/16/2029	8,049,358.33	04/04/2024 5.10%	8,047,800.78 8,048,529.83	100.37 4.32%	8,078,738.49 17,104.89	0.06% 30,208.66	Aaa/AAA AAA	2.62 0.44
43813YAC6	HAROT 2024-3 A3 4.57 03/21/2029	17,269,821.98	08/09/2024 4.66%	17,267,109.08 17,268,260.40	100.20 4.28%	17,304,966.07 21,923.08	0.12% 36,705.67	Aaa/NA AAA	2.64 0.60
47800VAB0	JDOT 26B A2A 4.64 04/16/2029	6,250,000.00	07/14/2026 4.35%	6,249,439.38 6,249,444.99	99.95 4.38%	6,246,950.00 7,250.00	0.04% (2,494.99)	Aaa/NA AAA	2.71 1.06
02582JKH2	AMXCA 2024-1 A 5.23 04/16/2029	45,000,000.00	04/16/2024 5.30%	44,990,775.00 44,994,984.32	100.71 4.23%	45,320,805.00 104,600.00	0.31% 325,820.68	NA/AAA AAA	2.71 0.67
38013KAD2	GMCAR 2024-3 A3 5.13 04/16/2029	12,728,567.19	07/02/2024 5.13%	12,726,608.26 12,727,454.39	100.47 4.23%	12,788,213.26 27,207.31	0.09% 60,758.86	Aaa/AAA NA	2.71 0.49
89231DAB1	TAOT 2026-C A2A 4.29 06/15/2029	9,000,000.00	07/14/2026 4.34%	8,999,132.40 8,999,141.40	99.96 4.37%	8,996,319.00 10,725.00	0.06% (2,822.40)	NA/AAA AAA	2.87 1.00
448976AD2	HART 2024-C A3 4.41 05/15/2029	15,354,071.81	10/08/2024 4.46%	15,352,947.89 15,353,387.51	100.10 4.30%	15,369,241.63 30,093.98	0.11% 15,854.12	NA/AAA AAA	2.79 0.64
477911AD3	JDOT 2024-C A3 4.06 06/15/2029	29,283,649.86	09/10/2024 4.10%	29,276,838.48 29,279,524.49	99.83 4.29%	29,233,750.52 52,840.72	0.20% (45,773.97)	Aaa/NA AAA	2.87 0.88
02589BAE0	AMXCA 2024-3 A 4.65 07/15/2027	18,500,000.00	07/16/2024 4.70%	18,499,160.10 18,499,731.11	100.35 4.31%	18,564,990.50 38,233.33	0.13% 65,259.39	NA/AAA AAA	0.96 0.91
Total ABS		364,466,024.04	4.97%	364,411,025.85 364,436,453.01	100.34 4.27%	365,716,902.38 733,807.43	2.50% 1,280,449.37		2.42 0.60

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
AGENCY									
313385B62	FEDERAL HOME LOAN BANKS 08/12/2026	50,000,000.00	04/09/2026 3.64%	49,375,868.06 49,945,076.39	99.88 3.60%	49,940,100.00 0.00	0.34% (4,976.39)	P-1/A-1+ F1+	0.03 0.02
3130ANLZ1	FEDERAL HOME LOAN BANKS 0.9 08/26/2026	25,000,000.00	08/26/2021 0.90%	25,000,000.00 25,000,000.00	99.81 3.87%	24,952,425.00 96,875.00	0.17% (47,575.00)	Aa1/AA+ AA+	0.07 0.06
3130ANV64	FEDERAL HOME LOAN BANKS 0.96 09/16/2026	25,000,000.00	09/16/2021 0.96%	25,000,000.00 25,000,000.00	99.64 3.94%	24,910,925.00 90,000.00	0.17% (89,075.00)	Aa1/AA+ AA+	0.13 0.12
3133EM6E7	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.94 09/28/2026	50,000,000.00	09/28/2021 0.94%	50,000,000.00 50,000,000.00	99.52 4.07%	49,761,050.00 160,583.33	0.34% (238,950.00)	Aa1/AA+ AA+	0.16 0.15
3130APM28	FEDERAL HOME LOAN BANKS 1.32 10/28/2026	25,000,000.00	10/28/2021 1.32%	25,000,000.00 25,000,000.00	99.40 3.88%	24,849,675.00 85,250.00	0.17% (150,325.00)	Aa1/AA+ AA+	0.24 0.23
3133ENCQ1	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.27 11/02/2026	25,000,000.00	11/02/2021 1.27%	25,000,000.00 25,000,000.00	99.34 3.94%	24,835,725.00 78,493.06	0.17% (164,275.00)	Aa1/AA+ AA+	0.26 0.24
3130APN92	FEDERAL HOME LOAN BANKS 1.34 11/09/2026	25,000,000.00	11/09/2021 1.34%	25,000,000.00 25,000,000.00	99.29 4.02%	24,822,175.00 76,305.56	0.17% (177,825.00)	Aa1/AA+ AA+	0.28 0.26
3133ENEM8	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.43 11/23/2026	25,000,000.00	11/23/2021 1.43%	25,000,000.00 25,000,000.00	99.23 3.97%	24,807,650.00 67,527.78	0.17% (192,350.00)	Aa1/AA+ AA+	0.31 0.30
3133ENHA1	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.5 12/14/2026	25,000,000.00	12/14/2021 1.50%	25,000,000.00 25,000,000.00	99.13 3.92%	24,781,800.00 48,958.33	0.17% (218,200.00)	Aa1/AA+ AA+	0.37 0.36
3130AQU8	FEDERAL HOME LOAN BANKS 2.01 02/17/2027	39,580,000.00	12/28/2023 4.23%	37,023,923.60 39,133,913.37	98.90 4.09%	39,145,015.80 362,420.87	0.27% 11,102.43	Aa1/AA+ AA+	0.55 0.52
3130AL5A8	FEDERAL HOME LOAN BANKS 0.9 02/26/2027	25,000,000.00	06/24/2022 3.38%	22,312,675.00 24,671,164.56	98.26 4.06%	24,564,175.00 96,875.00	0.17% (106,989.56)	Aa1/AA+ AA+	0.57 0.55
3133ENQD5	FEDERAL FARM CREDIT BANKS FUNDING CORP 2.17 03/01/2027	25,000,000.00	03/01/2022 2.17%	25,000,000.00 25,000,000.00	98.93 4.06%	24,732,775.00 226,041.67	0.17% (267,225.00)	Aa1/AA+ AA+	0.58 0.56
3130ARGC9	FEDERAL HOME LOAN BANKS 2.55 03/25/2027	25,000,000.00	03/25/2022 2.55%	25,000,000.00 25,000,000.00	99.03 4.08%	24,758,300.00 223,125.00	0.17% (241,700.00)	Aa1/AA+ AA+	0.65 0.63
3130ARJZ5	FEDERAL HOME LOAN BANKS 2.95 04/19/2027	25,000,000.00	04/19/2022 2.95%	25,000,000.00 25,000,000.00	99.20 4.10%	24,799,125.00 208,958.33	0.17% (200,875.00)	Aa1/AA+ AA+	0.72 0.69
3130ARQV6	FEDERAL HOME LOAN BANKS 3.15 04/26/2027	25,000,000.00	04/26/2022 3.15%	25,000,000.00 25,000,000.00	99.31 4.11%	24,827,475.00 207,812.50	0.17% (172,525.00)	Aa1/AA+ AA+	0.74 0.71
3133ENXL9	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.53 05/24/2027	25,000,000.00	05/24/2022 3.53%	25,000,000.00 25,000,000.00	99.64 3.99%	24,909,175.00 164,243.06	0.17% (90,825.00)	Aa1/AA+ AA+	0.81 0.78

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3130ASER6	FEDERAL HOME LOAN BANKS 3.64 06/16/2027	40,000,000.00	06/16/2022 3.64%	40,000,000.00 40,000,000.00	99.45 4.29%	39,778,160.00 182,000.00	0.27% (221,840.00)	Aa1/AA+ AA+	0.88 0.84
3130ASES4	FEDERAL HOME LOAN BANKS 3.39 06/28/2027	45,000,000.00	06/28/2022 3.39%	45,000,000.00 45,000,000.00	99.36 4.12%	44,710,065.00 139,837.50	0.31% (289,935.00)	Aa1/AA+ AA+	0.91 0.88
3133EPES0	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.65 06/30/2027	50,000,000.00	03/24/2023 3.68%	49,943,500.00 49,987,885.06	99.59 4.11%	49,793,600.00 157,152.78	0.34% (194,285.06)	Aa1/AA+ AA+	0.91 0.88
31422XV90	FEDERAL AGRICULTURAL MORTGAGE CORP 3.77 07/30/2027	100,000,000.00	01/25/2023 3.77%	100,000,000.00 100,000,000.00	99.65 4.14%	99,648,400.00 1,874,527.78	0.68% (351,600.00)	NA/NA NA	1.00 0.96
31422X2T8	FEDERAL AGRICULTURAL MORTGAGE CORP 3.865 07/30/2027	25,000,000.00	04/21/2023 3.87%	25,000,000.00 25,000,000.00	99.74 4.13%	24,935,125.00 241,562.50	0.17% (64,875.00)	NA/NA NA	1.00 0.95
3133ERN31	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.34 12/23/2027	25,000,000.00	12/20/2024 4.42%	24,943,750.00 24,973,852.74	99.90 4.41%	24,974,525.00 114,527.78	0.17% 672.26	Aa1/AA+ AA+	1.40 1.33
31424WTB8	FEDERAL AGRICULTURAL MORTGAGE CORP 4.28 01/07/2028	13,681,000.00	01/31/2025 4.28%	13,681,000.00 13,681,000.00	100.03 4.26%	13,684,420.25 39,036.45	0.09% 3,420.25	NA/NA NA	1.44 1.37
3133ETCQ8	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.75 01/10/2028	48,500,000.00	04/07/2025 3.81%	48,426,765.00 48,461,597.17	99.21 4.32%	48,115,201.00 106,093.75	0.33% (346,396.17)	Aa1/AA+ AA+	1.45 1.38
3133EPGF6	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.64 01/28/2028	50,000,000.00	04/13/2023 3.64%	50,000,000.00 50,000,000.00	99.09 4.28%	49,545,650.00 15,166.67	0.34% (454,350.00)	Aa1/AA+ AA+	1.50 1.43
31422XZ88	FEDERAL AGRICULTURAL MORTGAGE CORP 3.87 01/28/2028	50,000,000.00	03/28/2023 3.87%	50,000,000.00 50,000,000.00	99.42 4.28%	49,709,600.00 16,125.00	0.34% (290,400.00)	NA/NA NA	1.50 1.43
880591EZ1	TENNESSEE VALLEY AUTHORITY 3.875 03/15/2028	25,000,000.00	03/27/2023 4.06%	24,796,750.00 24,933,596.03	99.19 4.39%	24,798,325.00 365,972.22	0.17% (135,271.03)	Aa1/AA+ AA+	1.62 1.53
31424WXE7	FEDERAL AGRICULTURAL MORTGAGE CORP 3.96 03/27/2028	25,000,000.00	03/20/2025 3.96%	25,000,000.00 25,000,000.00	99.46 4.30%	24,864,600.00 341,000.00	0.17% (135,400.00)	NA/NA NA	1.66 1.56
31422X3J9	FEDERAL AGRICULTURAL MORTGAGE CORP 4.04 05/26/2028	25,000,000.00	05/25/2023 4.04%	25,000,000.00 25,000,000.00	99.49 4.33%	24,872,525.00 182,361.11	0.17% (127,475.00)	NA/NA NA	1.82 1.72
3133EPLD5	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 05/30/2028	25,000,000.00	05/23/2023 3.94%	24,932,500.00 24,975,320.20	99.34 4.25%	24,835,975.00 164,149.31	0.17% (139,345.20)	Aa1/AA+ AA+	1.83 1.73

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
31422X4T6	FEDERAL AGRICULTURAL MORTGAGE CORP 4.34 06/30/2028	25,000,000.00	07/05/2023 4.34%	25,000,000.00 25,000,000.00	99.97 4.35%	24,993,150.00 93,430.56	0.17% (6,850.00)	NA/NA NA	1.92 1.81
31422X6E7	FEDERAL AGRICULTURAL MORTGAGE CORP 4.475 07/28/2028	50,000,000.00	08/15/2023 4.48%	50,000,000.00 50,000,000.00	100.21 4.37%	50,103,000.00 18,645.83	0.34% 103,000.00	NA/NA NA	1.99 1.88
31422X5V0	FEDERAL AGRICULTURAL MORTGAGE CORP 4.43 08/07/2028	25,000,000.00	08/03/2023 4.43%	25,000,000.00 25,000,000.00	100.11 4.37%	25,026,825.00 535,291.67	0.17% 26,825.00	NA/NA NA	2.02 1.86
3130B0LA5	FEDERAL HOME LOAN BANKS 4.0 09/22/2028	25,000,000.00	03/19/2024 4.57%	24,430,000.00 24,728,686.93	99.06 4.46%	24,765,450.00 358,333.33	0.17% 36,763.07	Aa1/AA+ AA+	2.15 1.99
31424W3N0	FEDERAL AGRICULTURAL MORTGAGE CORP 3.88 11/24/2028	18,950,000.00	12/03/2025 3.91%	18,935,787.50 18,938,928.38	98.68 4.49%	18,700,163.20 136,840.06	0.13% (238,765.18)	NA/NA NA	2.32 2.17
3130AYHF6	FEDERAL HOME LOAN BANKS 4.3 01/12/2029	25,000,000.00	01/11/2024 4.30%	25,000,000.00 25,000,000.00	99.36 4.58%	24,839,150.00 56,736.11	0.17% (160,850.00)	Aa1/AA+ AA+	2.45 2.29
3130ARBZ3	FEDERAL HOME LOAN BANKS 2.7 03/28/2029	22,500,000.00	06/24/2024 4.42%	20,856,082.50 21,581,980.44	95.71 4.43%	21,533,962.50 207,562.50	0.15% (48,017.94)	Aa1/AA+ AA+	2.66 2.50
3130B0YH6	FEDERAL HOME LOAN BANKS 5.01 04/19/2029	25,000,000.00	04/16/2024 5.01%	25,000,000.00 25,000,000.00	100.12 4.96%	25,030,900.00 354,875.00	0.17% 30,900.00	Aa1/AA+ AA+	2.72 0.68
31424WLQ3	FEDERAL AGRICULTURAL MORTGAGE CORP 4.16 07/09/2029	15,000,000.00	07/17/2024 4.16%	15,000,000.00 15,000,000.00	99.30 4.41%	14,895,480.00 38,133.33	0.10% (104,520.00)	NA/NA NA	2.94 2.72
31424WMH2	FEDERAL AGRICULTURAL MORTGAGE CORP 3.84 07/27/2029	50,000,000.00	08/07/2024 3.84%	50,000,000.00 50,000,000.00	98.37 4.43%	49,183,900.00 21,333.33	0.34% (816,100.00)	NA/NA NA	2.99 2.78
31424WUJ9	FEDERAL AGRICULTURAL MORTGAGE CORP 4.58 01/28/2030	50,000,000.00	01/24/2025 4.58%	50,000,000.00 50,000,000.00	99.46 4.75%	49,729,200.00 19,083.33	0.34% (270,800.00)	NA/NA NA	3.50 3.18
3136GAC98	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.625 02/26/2030	50,000,000.00	02/21/2025 4.62%	50,000,000.00 50,000,000.00	99.51 4.77%	49,757,200.00 995,659.72	0.34% (242,800.00)	Aa1/AA+ AA+	3.57 3.18
3130B5FY9	FEDERAL HOME LOAN BANKS 4.225 02/28/2030	25,000,000.00	03/03/2025 4.21%	25,000,000.00 25,000,000.00	98.69 4.63%	24,673,125.00 448,906.25	0.17% (326,875.00)	Aa1/AA+ AA+	3.58 3.21
3133ETey9	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.36 04/29/2030	50,000,000.00	04/29/2025 4.36%	50,000,000.00 50,000,000.00	98.89 4.69%	49,444,800.00 557,111.11	0.34% (555,200.00)	Aa1/AA+ AA+	3.74 3.37

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
880591DM1	TENNESSEE VALLEY AUTHORITY 7.125 05/01/2030	38,329,000.00	05/02/2025 4.01%	43,675,895.50 42,346,508.20	109.19 4.43%	41,852,048.36 682,735.31	0.29% (494,459.84)	Aa1/AA+ AA+	3.75 3.25
3133ETKB2	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.4 06/03/2030	15,770,000.00	06/04/2025 4.40%	15,770,000.00 15,770,000.00	98.46 4.84%	15,526,400.81 111,791.78	0.11% (243,599.19)	Aa1/AA+ AA+	3.84 3.46
880591FE7	TENNESSEE VALLEY AUTHORITY 3.875 08/01/2030	12,000,000.00	08/05/2025 3.97%	11,951,160.00 11,960,772.27	98.00 4.43%	11,760,120.00 232,500.00	0.08% (200,652.27)	Aa1/AA+ AA+	4.00 3.65
3136GARJ0	FEDERAL NATIONAL MORTGAGE ASSOCIATION 3.88 09/09/2030	25,000,000.00	09/04/2025 3.88%	25,000,000.00 25,000,000.00	97.73 4.49%	24,431,850.00 382,611.11	0.17% (568,150.00)	Aa1/AA+ AA+	4.11 3.68
31428JHH3	FEDERAL AGRICULTURAL MORTGAGE CORP 4.25 05/08/2031	50,000,000.00	05/01/2026 4.25%	50,000,000.00 50,000,000.00	98.27 4.66%	49,135,750.00 489,930.56	0.34% (864,250.00)	NA/NA NA	4.77 4.22
3136GDCW1	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.46 05/19/2031	25,000,000.00	05/15/2026 4.46%	25,000,000.00 25,000,000.00	99.08 4.67%	24,770,500.00 223,000.00	0.17% (229,500.00)	Aa1/AA+ AA+	4.80 4.23
3134HCY37	FHLMC 4 1/2 05/22/31	25,000,000.00	05/20/2026 4.50%	25,000,000.00 25,000,000.00	99.60 4.59%	24,899,700.00 215,625.00	0.17% (100,300.00)	Aa1/AA+ AA+	4.81 4.24
3136GDMC4	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.71 07/28/2031	25,000,000.00	07/23/2026 4.71%	25,000,000.00 25,000,000.00	99.63 4.79%	24,907,375.00 9,812.50	0.17% (92,625.00)	Aa1/AA+ AA+	4.99 4.39
Total Agency		1,684,310,000.00	3.60%	1,681,055,657.16 1,686,090,281.74	99.51 4.30%	1,675,623,786.92 12,322,930.72	11.47% (10,466,494.81)		1.86 1.68

AGENCY CMBS

3137H14B9	FHMS K-743 A2 1.77 05/25/2028	50,355,000.00	06/26/2026 4.31%	48,065,421.09 48,174,611.14	95.40 4.47%	48,036,907.58 74,273.63	0.33% (137,703.57)	Aa1/AA+ AAA	1.82 1.69
3137FGR31	FHMS K-078 A2 3.854 06/25/2028	10,175,000.00	06/09/2026 4.33%	10,068,083.01 10,075,507.80	98.78 4.46%	10,051,333.05 32,678.71	0.07% (24,174.75)	Aa1/AA+ AAA	1.90 1.66
3137GBGA7	FHMS K-564 A2 4.25 06/25/2031	28,000,000.00	07/13/2026 4.65%	27,480,012.00 27,482,614.83	97.92 4.71%	27,417,124.00 99,166.67	0.19% (65,490.83)	Aa1/AA+ AA+	4.90 4.32
Total Agency CMBS		88,530,000.00	4.42%	85,613,516.10 85,732,733.78	96.60 4.55%	85,505,364.63 206,119.00	0.59% (227,369.15)		2.82 2.53

CASH

90USB\$000	US Bank	619,814,944.87	-- 3.30%	619,814,944.87 619,814,944.87	1.00 3.30%	619,814,944.87 0.00	4.24% 0.00	NA/NA NA	0.00 0.00
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INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
90JPMC\$03	JP Morgan Chase Bank Deposit	48,677,389.22	-- 2.65%	48,677,389.22 48,677,389.22	1.00 2.65%	48,677,389.22 0.00	0.33% 0.00	NA/NA NA	0.00 0.00
CCYUSD	Receivable	272,149.31	--	272,149.31 272,149.31	1.00	272,149.31 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		668,764,483.40	3.25%	668,764,483.40 668,764,483.40	1.00 3.25%	668,764,483.40 0.00	4.58% 0.00		0.00 0.00

COMMERCIAL PAPER

78015DH37	Royal Bank of Canada New York Branch 08/03/2026	25,000,000.00	12/12/2025 3.81%	24,395,500.00 24,994,833.33	99.97 3.65%	24,992,400.00 0.00	0.17% (2,433.33)	P-1/A-1+ F1+	0.01 0.01
06054PH74	BofA Securities, Inc. 08/07/2026	100,000,000.00	01/02/2026 3.81%	97,757,666.68 99,938,000.00	99.93 3.72%	99,927,700.00 0.00	0.68% (10,300.00)	P-1/A-1 F1+	0.02 0.01
06366HHC4	Bank of Montreal - Chicago Branch 08/12/2026	50,000,000.00	01/16/2026 3.77%	48,934,000.00 49,943,625.00	99.88 3.68%	49,938,700.00 0.00	0.34% (4,925.00)	P-1/A-1 F1+	0.03 0.02
21687BHU8	Coöperatieve Rabobank U.A., New York Branch 08/28/2026	70,000,000.00	03/24/2026 3.95%	68,815,522.22 69,796,300.00	99.71 3.72%	69,797,910.00 0.00	0.48% 1,610.00	P-1/A-1 F1+	0.08 0.07
06366HHX8	Bank of Montreal - Chicago Branch 08/31/2026	100,000,000.00	03/03/2026 3.81%	98,119,611.11 99,688,333.33	99.68 3.85%	99,680,400.00 0.00	0.68% (7,933.33)	P-1/A-1 F1+	0.08 0.08
89233HJ13	Toyota Motor Credit Corporation 09/01/2026	74,000,000.00	02/25/2026 3.80%	72,558,562.22 73,762,316.11	99.67 4.10%	73,756,614.00 0.00	0.50% (5,702.11)	P-1/A-1+ F1	0.09 0.08
09659CJ25	BNP Paribas New York Branch 09/02/2026	50,000,000.00	03/27/2026 3.98%	49,136,541.67 49,826,222.22	99.66 4.06%	49,831,200.00 0.00	0.34% 4,977.78	P-1/A-1 F1+	0.09 0.08
89116FJ35	Toronto Dominion Holdings (U.S.A.), Inc. 09/03/2026	25,000,000.00	04/09/2026 3.89%	24,609,020.83 24,912,229.17	99.65 3.83%	24,912,600.00 0.00	0.17% 370.83	P-1/A-1 NA	0.09 0.08
89116FJ43	Toronto Dominion Holdings (U.S.A.), Inc. 09/04/2026	25,000,000.00	04/09/2026 3.89%	24,606,361.11 24,909,569.44	99.64 4.07%	24,909,950.00 0.00	0.17% 380.56	P-1/A-1 NA	0.10 0.09
89233HJW5	Toyota Motor Credit Corporation 09/30/2026	100,000,000.00	-- 3.96%	97,890,763.89 99,354,166.67	99.37 3.93%	99,371,000.00 0.00	0.68% 16,833.33	P-1/A-1+ F1	0.17 0.16
89233HK52	Toyota Motor Credit Corporation 10/05/2026	50,000,000.00	04/21/2026 3.90%	49,111,652.78 49,654,236.11	99.32 3.81%	49,658,650.00 0.00	0.34% 4,413.89	P-1/A-1+ F1	0.18 0.14
06366HK63	Bank of Montreal - Chicago Branch 10/06/2026	40,000,000.00	03/30/2026 4.00%	39,172,444.44 39,712,533.33	99.30 3.96%	39,720,360.00 0.00	0.27% 7,826.67	P-1/A-1 F1+	0.18 0.17

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
06366HK71	Bank of Montreal - Chicago Branch 10/07/2026	70,000,000.00	03/30/2026 4.00%	68,544,155.56 69,489,311.11	99.29 3.96%	69,503,000.00 0.00	0.48% 13,688.89	P-1/A-1 F1+	0.19 0.18
06054PKD7	BofA Securities, Inc. 10/13/2026	70,000,000.00	04/06/2026 4.02%	68,544,388.89 69,440,738.89	99.21 4.02%	69,449,940.00 0.00	0.48% 9,201.11	P-1/A-1 F1+	0.20 0.19
06366HKG1	Bank of Montreal - Chicago Branch 10/16/2026	50,000,000.00	04/02/2026 4.00%	48,930,180.56 49,587,277.78	99.19 3.96%	49,595,800.00 0.00	0.34% 8,522.22	P-1/A-1 F1+	0.21 0.20
06054PKW5	BofA Securities, Inc. 10/30/2026	100,000,000.00	04/06/2026 4.03%	97,734,500.00 99,015,000.00	99.02 4.03%	99,023,500.00 0.00	0.68% 8,500.00	P-1/A-1 F1+	0.25 0.24
06366HKW6	Bank of Montreal - Chicago Branch 10/30/2026	50,000,000.00	04/06/2026 4.00%	48,875,875.00 49,511,250.00	99.04 3.98%	49,518,100.00 0.00	0.34% 6,850.00	P-1/A-1 F1+	0.25 0.24
06054PL20	BofA Securities, Inc. 11/02/2026	100,000,000.00	04/01/2026 3.99%	97,670,833.34 98,992,500.00	98.99 4.04%	98,989,000.00 0.00	0.68% (3,500.00)	P-1/A-1 F1+	0.26 0.25
21687BL66	Coöperatieve Rabobank U.A., New York Branch 11/06/2026	70,000,000.00	04/07/2026 3.98%	68,388,891.67 69,266,302.78	98.96 4.00%	69,268,710.00 0.00	0.47% 2,407.22	P-1/A-1 F1+	0.27 0.26
09659CLA4	BNP Paribas New York Branch 11/10/2026	50,000,000.00	04/15/2026 3.97%	48,873,722.22 49,455,722.22	98.90 4.05%	49,449,200.00 0.00	0.34% (6,522.22)	P-1/A-1 F1+	0.28 0.27
06054PLA2	BofA Securities, Inc. 11/10/2026	50,000,000.00	04/09/2026 4.05%	48,820,486.11 49,445,902.78	98.90 4.06%	49,448,050.00 0.00	0.34% 2,147.22	P-1/A-1 F1+	0.28 0.27
13607FMJ2	Canadian Imperial Holdings, Inc. 12/18/2026	200,000,000.00	04/10/2026 4.00%	194,554,000.00 196,996,055.56	98.47 4.08%	196,942,000.00 0.00	1.35% (54,055.56)	P-1/A-1 F1+	0.38 0.37
21687BMJ7	Coöperatieve Rabobank U.A., New York Branch 12/18/2026	100,000,000.00	04/09/2026 4.01%	97,259,166.67 98,494,166.67	98.47 4.08%	98,472,300.00 0.00	0.67% (21,866.67)	P-1/A-1 F1+	0.38 0.37
06054PMX1	BofA Securities, Inc. 12/31/2026	100,000,000.00	04/10/2026 4.05%	97,107,083.34 98,340,666.67	98.29 4.16%	98,294,900.00 0.00	0.67% (45,766.67)	P-1/A-1 F1+	0.42 0.40
06054PN44	BofA Securities, Inc. 01/04/2027	125,000,000.00	-- 4.03%	121,418,083.35 122,881,000.01	98.25 4.17%	122,811,500.00 0.00	0.84% (69,500.01)	P-1/A-1 F1+	0.43 0.41
89116FN48	Toronto Dominion Holdings (U.S.A.), Inc. 01/04/2027	50,000,000.00	07/06/2026 4.08%	48,988,888.89 49,133,333.33	98.28 4.09%	49,139,950.00 0.00	0.34% 6,616.67	P-1/A-1 NA	0.43 0.41
78015DNM8	Royal Bank of Canada New York Branch 01/21/2027	50,000,000.00	06/26/2026 4.08%	48,841,791.67 49,041,291.67	98.07 4.13%	49,037,200.00 0.00	0.34% (4,091.67)	P-1/A-1+ F1+	0.48 0.25
06366HNM5	Bank of Montreal - Chicago Branch 01/21/2027	50,000,000.00	06/16/2026 4.04%	48,801,583.33 49,053,305.55	98.06 4.18%	49,027,550.00 0.00	0.34% (25,755.55)	P-1/A-1 F1+	0.48 0.25
06366HNV5	Bank of Montreal - Chicago Branch 01/29/2027	50,000,000.00	06/02/2026 4.00%	48,694,583.33 49,019,583.33	97.96 4.20%	48,978,350.00 0.00	0.34% (41,233.33)	P-1/A-1 F1+	0.50 0.48

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
46590ENV6	J.P. Morgan Securities LLC 01/29/2027	125,000,000.00	-- 4.17%	121,877,687.51 122,447,145.84	97.99 4.12%	122,492,500.00 0.00	0.84% 45,354.16	P-1/NA F1+	0.50 0.48
06054PNV4	BofA Securities, Inc. 01/29/2027	75,000,000.00	06/01/2026 4.04%	73,018,625.00 73,518,062.50	97.96 4.19%	73,470,975.00 0.00	0.50% (47,087.50)	P-1/A-1 F1+	0.50 0.48
78015DNV8	Royal Bank of Canada New York Branch 01/29/2027	50,000,000.00	07/06/2026 4.09%	48,850,000.00 48,994,444.44	97.98 4.14%	48,991,100.00 0.00	0.34% (3,344.44)	P-1/A-1+ F1+	0.50 0.48
78015DP20	Royal Bank of Canada New York Branch 02/02/2027	50,000,000.00	06/26/2026 4.10%	48,772,222.22 48,972,222.22	97.94 4.15%	48,968,200.00 0.00	0.34% (4,022.22)	P-1/A-1+ F1+	0.51 0.49
78015DP46	Royal Bank of Canada New York Branch 02/04/2027	30,000,000.00	06/26/2026 4.10%	29,256,666.67 29,376,666.67	97.91 4.15%	29,374,080.00 0.00	0.20% (2,586.67)	P-1/A-1+ F1+	0.51 0.50
78015DP95	Royal Bank of Canada New York Branch 02/09/2027	20,000,000.00	06/26/2026 4.10%	19,493,333.33 19,573,333.33	97.86 4.15%	19,571,260.00 0.00	0.13% (2,073.33)	P-1/A-1+ F1+	0.53 0.51
78015DQW3	Royal Bank of Canada New York Branch 03/30/2027	150,000,000.00	07/08/2026 4.23%	145,472,916.67 145,882,916.67	97.26 4.25%	145,884,600.00 0.00	1.00% 1,683.33	P-1/A-1+ F1+	0.66 0.64
Total Commercial Paper		2,544,000,000.00	4.00%	2,483,897,312.28 2,512,420,564.75	98.76 4.03%	2,512,199,249.00 0.00	17.19% (221,315.75)		0.31 0.29

CORPORATE

037833DN7	APPLE INC 2.05 09/11/2026	25,000,000.00	04/18/2024 5.08%	23,315,000.00 24,920,774.08	99.79 4.02%	24,947,350.00 199,305.56	0.17% 26,575.92	Aaa/AA+ NA	0.11 0.11
023135DB9	AMAZON.COM INC 3.85 03/13/2028	25,000,000.00	-- 3.89%	24,979,750.00 24,983,655.95	99.06 4.46%	24,765,075.00 368,958.33	0.17% (218,580.95)	A1/AA AA-	1.62 1.52
037833EY2	APPLE INC 4.0 05/12/2028	40,000,000.00	05/05/2025 4.07%	39,921,600.00 39,953,503.65	99.41 4.35%	39,763,000.00 351,111.11	0.27% (190,503.65)	Aaa/AA+ NA	1.78 1.68
023135DC7	AMAZON.COM INC 4.0 03/13/2029	35,000,000.00	-- 4.21%	34,806,250.00 34,822,790.87	98.35 4.68%	34,422,080.00 536,666.67	0.24% (400,710.87)	A1/AA AA-	2.62 2.41
Total Corporate		125,000,000.00	4.28%	123,022,600.00 124,680,724.56	99.12 4.40%	123,897,505.00 1,456,041.67	0.85% (783,219.56)		1.65 1.53

LAIF

90LAIF\$00	Local Agency Investment Fund State Pool	75,000,000.00	-- 3.85%	75,000,000.00 75,000,000.00	1.00 3.85%	75,000,000.00 0.00	0.51% 0.00	NA/NA NA	0.00 0.00
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INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
Total LAIF		75,000,000.00	3.85%	75,000,000.00	3.85%	75,000,000.00 0.00	0.51% 0.00		0.00 0.00

LOCAL GOV INVESTMENT POOL

90CAMP\$00	CAMP	210,024,665.00	-- 3.78%	210,024,665.00 210,024,665.00	1.00 3.78%	210,024,665.00 0.00	1.44% 0.00	NA/AAAm NA	0.00 0.00
90CALFT\$0	CalFIT	102,455,464.64	-- 3.79%	102,455,464.64 102,455,464.64	1.00 3.79%	102,455,464.64 0.00	0.70% 0.00	NA/AAAm NA	0.00 0.00
Total Local Gov Investment Pool		312,480,129.64	3.78%	312,480,129.64	1.00 3.78%	312,480,129.64 0.00	2.14% 0.00		0.00 0.00

MONEY MARKET FUND

09248U700	BLKRK LQ:FEDFUND INSTL	35,500,000.00	-- 3.57%	35,500,000.00 35,500,000.00	1.00 3.57%	35,500,000.00 0.00	0.24% 0.00	Aaa/AAAm AAA	0.00 0.00
61747C707	MORG STAN I LQ:GV I	71,500,000.00	-- 3.59%	71,500,000.00 71,500,000.00	1.00 3.59%	71,500,000.00 0.00	0.49% 0.00	Aaa/AAAm AAA	0.00 0.00
31607A703	FIDELITY IMM:GOVT INSTL	226,400,000.00	-- 3.61%	226,400,000.00 226,400,000.00	1.00 3.61%	226,400,000.00 0.00	1.55% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		333,400,000.00	3.60%	333,400,000.00	1.00 3.60%	333,400,000.00 0.00	2.28% 0.00		0.00 0.00

MUNICIPAL BONDS

419792G26	HAWAII ST 1.283 08/01/2026	7,500,000.00	10/12/2021 1.28%	7,500,000.00 7,500,000.00	100.00 1.28%	7,500,000.00 48,112.50	0.05% 0.00	Aa2/AA+ AA	0.00 0.00
798135E96	SAN JOSE CALIF 2.5 09/01/2026	10,000,000.00	04/28/2022 3.16%	9,730,500.00 9,994,735.66	99.86 4.22%	9,986,340.00 104,166.67	0.07% (8,395.66)	Aa1/AA+ AAA	0.09 0.08
13063EBN5	CALIFORNIA STATE 5.5 09/01/2026	45,955,000.00	04/12/2024 5.10%	46,367,216.35 45,969,756.01	100.09 4.19%	45,998,289.61 1,053,135.42	0.31% 28,533.60	Aa2/AA- AA	0.09 0.08
798189TL0	SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST 4.796 09/01/2026	2,500,000.00	03/01/2023 4.80%	2,500,000.00 2,500,000.00	100.05 4.13%	2,501,132.50 49,958.33	0.02% 1,132.50	Aaa/AA+ NA	0.09 0.08

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
419792J56	HAWAII ST 4.818 10/01/2026	8,450,000.00	10/20/2022 4.82%	8,450,000.00 8,450,000.00	100.08 4.23%	8,457,047.30 135,707.00	0.06% 7,047.30	Aa2/AA+ NA	0.17 0.16
57582RK96	MASSACHUSETTS COMMONWEALTH 0.986 11/01/2026	6,710,000.00	10/27/2022 4.62%	5,823,541.90 6,654,217.41	99.27 4.01%	6,660,748.60 16,540.15	0.05% 6,531.19	Aa1/AA+ AA+	0.25 0.24
880558QT1	TENNESSEE ST SCH BD AUTH 4.73 11/01/2026	3,650,000.00	10/26/2022 4.71%	3,652,774.00 3,650,176.37	100.12 4.17%	3,654,518.70 43,161.25	0.03% 4,342.33	Aa1/AA+ AA+	0.25 0.24
13063D3N6	CALIFORNIA STATE 4.846 03/01/2027	18,500,000.00	03/09/2023 4.85%	18,500,000.00 18,500,000.00	100.37 4.19%	18,568,154.00 373,545.83	0.13% 68,154.00	Aa2/AA- AA	0.58 0.55
68609UBF1	OREGON ST 4.112 05/01/2027	5,625,000.00	03/16/2023 4.11%	5,625,000.00 5,625,000.00	99.95 4.17%	5,622,412.50 57,825.00	0.04% (2,587.50)	Aa1/AA+ AA+	0.75 0.72
68609T7G7	OREGON ST 3.315 05/01/2027	1,000,000.00	05/17/2022 3.32%	1,000,000.00 1,000,000.00	99.39 4.15%	993,912.00 8,287.50	0.01% (6,088.00)	Aa1/AA+ AA+	0.75 0.72
20772KTJ8	CONNECTICUT ST 5.05 05/15/2027	8,670,000.00	06/01/2023 4.51%	8,836,464.00 8,703,573.55	100.66 4.18%	8,727,109.29 92,431.83	0.06% 23,535.74	Aa2/AA- AA	0.79 0.76
20772KQK8	CONNECTICUT ST 3.631 06/15/2027	5,000,000.00	06/22/2022 3.63%	5,000,000.00 5,000,000.00	99.54 4.18%	4,976,770.00 23,198.06	0.03% (23,230.00)	Aa2/AA- AA	0.87 0.84
373385KW2	GEORGIA ST 3.43 07/01/2027	8,210,000.00	07/07/2022 3.43%	8,210,000.00 8,210,000.00	99.44 4.06%	8,164,122.52 23,466.92	0.06% (45,877.48)	Aaa/AAA AAA	0.92 0.88
25477GUY9	DISTRICT COLUMBIA INCOME TAX REV 3.499 07/01/2027	5,000,000.00	07/27/2022 3.50%	5,000,000.00 5,000,000.00	99.36 4.22%	4,968,055.00 14,579.17	0.03% (31,945.00)	Aa1/AAA AA+	0.92 0.88
576004HD0	MASSACHUSETTS (COMMONWEALTH OF) 3.68 07/15/2027	5,000,000.00	08/30/2022 3.68%	5,000,000.00 5,000,000.00	99.49 4.23%	4,974,640.00 8,177.78	0.03% (25,360.00)	Aa1/NA AAA	0.96 0.92
46247SEC4	IOWA FIN AUTH REV 4.34 08/01/2027	2,000,000.00	06/02/2023 4.34%	2,000,000.00 2,000,000.00	100.20 4.13%	2,004,050.00 43,400.00	0.01% 4,050.00	Aaa/NA AAA	1.00 0.96
798189TM8	SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST 4.718 09/01/2027	2,000,000.00	03/01/2023 4.72%	2,000,000.00 2,000,000.00	100.59 4.15%	2,011,816.00 39,316.67	0.01% 11,816.00	Aaa/AA+ NA	1.09 1.02
419792J64	HAWAII ST 4.838 10/01/2027	6,750,000.00	10/20/2022 4.84%	6,750,000.00 6,750,000.00	100.63 4.27%	6,792,707.25 108,855.00	0.05% 42,707.25	Aa2/AA+ NA	1.17 1.10
882724T64	TEXAS ST 4.528 10/01/2027	5,000,000.00	08/10/2023 4.53%	5,000,000.00 5,000,000.00	100.45 4.12%	5,022,730.00 75,466.67	0.03% 22,730.00	NA/AAA AAA	1.17 1.11

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
57582R4H6	MASSACHUSETTS COMMONWEALTH 5.5 10/01/2027	20,000,000.00	10/17/2023 5.20%	20,210,000.00 20,062,254.70	101.45 4.20%	20,290,720.00 366,666.67	0.14% 228,465.30	Aa1/AA+ AA+	1.17 1.10
419792M29	HAWAII ST 5.0 10/01/2027	5,000,000.00	12/07/2023 4.51%	5,084,150.00 5,025,939.15	100.93 4.17%	5,046,355.00 83,333.33	0.03% 20,415.85	Aa2/AA+ AA	1.17 1.10
20772KTK5	CONNECTICUT ST 4.506 05/15/2028	5,000,000.00	06/01/2023 4.51%	5,000,000.00 5,000,000.00	100.23 4.37%	5,011,405.00 47,563.33	0.03% 11,405.00	Aa2/AA- AA	1.79 1.68
57582TDY5	MASSACHUSETTS COMMONWEALTH 4.15 06/01/2028	10,000,000.00	06/10/2025 4.13%	10,005,300.00 10,003,291.01	99.63 4.36%	9,963,250.00 69,166.67	0.07% (40,041.01)	Aa1/AA+ AA+	1.84 1.73
20772KD30	CONNECTICUT ST 4.25 08/15/2028	7,000,000.00	09/25/2025 3.75%	7,092,190.00 7,066,358.99	99.67 4.42%	6,976,837.00 137,180.56	0.05% (89,521.99)	Aa2/AA- AA	2.04 1.89
13063D7D4	CALIFORNIA ST 5.5 10/01/2028	25,000,000.00	10/04/2023 5.17%	25,357,000.00 25,155,610.35	102.15 4.44%	25,537,975.00 458,333.33	0.17% 382,364.65	Aa2/AA- AA	2.17 1.99
57582R4J2	MASSACHUSETTS COMMONWEALTH 5.5 10/01/2028	14,000,000.00	10/17/2023 5.25%	14,149,800.00 14,065,802.33	102.21 4.41%	14,309,960.00 256,666.67	0.10% 244,157.67	Aa1/AA+ AA+	2.17 1.99
57582TDZ2	MASSACHUSETTS COMMONWEALTH 4.25 06/01/2029	10,000,000.00	06/10/2025 4.22%	10,010,600.00 10,007,597.65	99.43 4.46%	9,942,820.00 70,833.33	0.07% (64,777.65)	Aa1/AA+ AA+	2.84 2.62
13063EGT7	CALIFORNIA STATE 4.5 08/01/2029	50,000,000.00	10/30/2024 4.37%	50,272,000.00 50,172,319.08	100.09 4.47%	50,042,950.00 1,125,000.00	0.34% (129,369.08)	Aa2/AA- AA	3.00 2.77
20772KD48	CONNECTICUT ST 3.865 08/15/2029	5,375,000.00	09/25/2025 3.86%	5,375,000.00 5,375,000.00	98.21 4.50%	5,278,900.38 95,792.95	0.04% (96,099.63)	Aa2/AA- AA	3.04 2.78
419792P75	HAWAII ST 4.287 10/01/2029	15,000,000.00	12/05/2024 4.29%	15,000,000.00 15,000,000.00	99.20 4.56%	14,879,805.00 214,350.00	0.10% (120,195.00)	Aa2/AA+ AA	3.17 2.88
57582TEA6	MASSACHUSETTS COMMONWEALTH 4.35 06/01/2030	5,000,000.00	06/10/2025 4.32%	5,006,500.00 5,005,030.40	99.35 4.54%	4,967,460.00 36,250.00	0.03% (37,570.40)	Aa1/AA+ AA+	3.84 3.46
20772KD55	CONNECTICUT ST 3.885 08/15/2030	7,250,000.00	09/25/2025 3.88%	7,250,000.00 7,250,000.00	97.50 4.57%	7,068,641.25 129,877.71	0.05% (181,358.75)	Aa2/AA- AA	4.04 3.62
US13063EHU38	CALIFORNIA STATE 4.875 09/01/2030	50,000,000.00	09/24/2025 3.88%	52,210,500.00 51,830,225.31	101.29 4.53%	50,643,400.00 1,015,625.00	0.35% (1,186,825.31)	Aa2/AA- AA	4.09 3.59

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
Total Municipal Bonds		386,145,000.00	4.40%	388,968,536.25 388,526,887.96	100.37 4.28%	387,545,033.90 6,425,971.28	2.65% (981,854.06)		1.87 1.70
NEGOTIABLE CD									
22536XDG6	Credit Agricole Corporate And Investment Bank, New 3.94 08/03/2026	100,000,000.00	03/19/2026 3.94%	100,000,000.00 100,000,000.00	100.00 3.56%	100,002,300.00 1,477,500.00	0.68% 2,300.00	P-1/A-1 NA	0.01 0.01
21684X7A8	Coöperatieve Rabobank U.A., New York Branch 3.9 08/04/2026	50,000,000.00	03/24/2026 3.90%	50,000,000.00 50,000,000.00	100.00 3.68%	50,001,200.00 704,166.67	0.34% 1,200.00	P-1/A-1 F1+	0.01 0.00
21684X7B6	Coöperatieve Rabobank U.A., New York Branch 3.9 08/05/2026	50,000,000.00	03/24/2026 3.90%	50,000,000.00 50,000,000.00	100.00 3.33%	50,001,450.00 704,166.67	0.34% 1,450.00	P-1/A-1 F1+	0.01 0.01
89115DY59	Toronto-Dominion Bank - New York Branch 3.86 08/10/2026	50,000,000.00	04/08/2026 3.86%	50,000,000.00 50,000,000.00	100.00 3.66%	50,001,450.00 616,527.78	0.34% 1,450.00	P-1/A-1 F1+	0.03 0.02
21684X7C4	Coöperatieve Rabobank U.A., New York Branch 3.92 08/11/2026	50,000,000.00	03/24/2026 3.92%	50,000,000.00 50,000,000.00	100.01 3.58%	50,003,150.00 707,777.78	0.34% 3,150.00	P-1/A-1 F1+	0.03 0.02
89115DY91	Toronto-Dominion Bank - New York Branch 3.87 08/14/2026	50,000,000.00	04/08/2026 3.87%	50,000,000.00 50,000,000.00	100.00 3.67%	50,002,300.00 618,125.00	0.34% 2,300.00	P-1/A-1 F1+	0.04 0.03
89115DYD2	Toronto-Dominion Bank - New York Branch 3.88 08/18/2026	50,000,000.00	04/08/2026 3.63%	50,000,000.00 50,000,000.00	100.01 3.68%	50,003,250.00 619,722.22	0.34% 3,250.00	P-1/A-1 F1+	0.05 0.04
22536XBR4	Credit Agricole Corporate And Investment Bank, New 3.8 08/31/2026	50,000,000.00	02/25/2026 3.80%	50,000,000.00 50,000,000.00	100.01 3.65%	50,003,350.00 828,611.11	0.34% 3,350.00	P-1/A-1 NA	0.08 0.08
65558WUR7	Nordea ABP - New York Branch 3.88 09/08/2026	70,000,000.00	04/08/2026 3.88%	70,000,000.00 70,000,000.00	100.01 3.75%	70,005,740.00 867,611.11	0.48% 5,740.00	P-1/A-1+ F1+	0.11 0.10
06418NPU0	Bank of Nova Scotia, Houston Branch 3.93 09/08/2026	50,000,000.00	03/27/2026 3.93%	50,000,000.00 50,000,000.00	100.01 3.79%	50,004,500.00 693,208.33	0.34% 4,500.00	P-1/A-1 F1+	0.11 0.10
22536XEA8	Credit Agricole Corporate And Investment Bank, New 3.9 09/09/2026	30,000,000.00	04/06/2026 3.90%	30,000,000.00 30,000,000.00	100.02 3.66%	30,005,880.00 380,250.00	0.21% 5,880.00	P-1/A-1 NA	0.11 0.10
22536XDZ4	Credit Agricole Corporate And Investment Bank, New 3.9 09/10/2026	30,000,000.00	04/06/2026 3.90%	30,000,000.00 30,000,000.00	100.02 3.66%	30,005,970.00 380,250.00	0.21% 5,970.00	P-1/A-1 NA	0.11 0.11
65558WUS5	Nordea ABP - New York Branch 3.88 09/11/2026	110,000,000.00	04/08/2026 3.88%	110,000,000.00 110,000,000.00	100.01 3.76%	110,008,910.00 1,363,388.89	0.75% 8,910.00	P-1/A-1+ F1+	0.11 0.11

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
89115M5P7	Toronto-Dominion Bank - New York Branch 3.93 09/14/2026	70,000,000.00	04/06/2026 3.93%	70,000,000.00 70,000,000.00	100.02 3.74%	70,011,130.00 894,075.00	0.48% 11,130.00	P-1/A-1 F1+	0.12 0.12
89115MAN6	Toronto-Dominion Bank - New York Branch 4.03 09/18/2026	50,000,000.00	03/25/2026 4.03%	50,000,000.00 50,000,000.00	100.03 3.76%	50,013,950.00 722,041.67	0.34% 13,950.00	P-1/A-1 F1+	0.13 0.13
89115MB70	Toronto-Dominion Bank - New York Branch 4.03 10/01/2026	90,000,000.00	03/26/2026 4.03%	90,000,000.00 90,000,000.00	100.03 3.80%	90,024,930.00 1,289,600.00	0.62% 24,930.00	P-1/A-1 F1+	0.17 0.16
86959TUR5	Svenska Handelsbanken AB (publ) 3.94 10/07/2026	50,000,000.00	03/18/2026 3.94%	50,000,000.00 50,000,000.00	100.03 3.73%	50,014,150.00 744,222.22	0.34% 14,150.00	P-1/A-1+ F1+	0.19 0.18
89115MB88	Toronto-Dominion Bank - New York Branch 4.03 10/09/2026	70,000,000.00	03/26/2026 4.03%	70,000,000.00 70,000,000.00	100.03 3.82%	70,019,670.00 1,003,022.22	0.48% 19,670.00	P-1/A-1 F1+	0.19 0.18
06418NPZ9	Bank of Nova Scotia, Houston Branch 3.98 11/06/2026	100,000,000.00	04/08/2026 3.98%	100,000,000.00 100,000,000.00	100.00 3.92%	100,001,800.00 1,271,388.89	0.68% 1,800.00	P-1/A-1 F1+	0.27 0.26
06418NQA3	Bank of Nova Scotia, Houston Branch 3.92 11/10/2026	50,000,000.00	04/09/2026 3.92%	50,000,000.00 50,000,000.00	99.99 3.92%	49,993,800.00 620,666.67	0.34% (6,200.00)	P-1/A-1 F1+	0.28 0.27
13606DUX8	Canadian Imperial Bank Of Commerce, New York Branc 3.985 11/25/2026	100,000,000.00	04/10/2026 3.99%	100,000,000.00 100,000,000.00	100.00 3.93%	100,002,000.00 1,250,847.22	0.68% 2,000.00	P-1/A-1 F1+	0.32 0.31
65558WVJ4	Nordea ABP - New York Branch 3.91 11/25/2026	100,000,000.00	04/20/2026 3.91%	100,000,000.00 100,000,000.00	100.00 3.85%	100,003,600.00 1,118,694.44	0.68% 3,600.00	P-1/A-1+ F1+	0.32 0.31
22536XEN0	Credit Agricole Corporate And Investment Bank, New 3.99 12/18/2026	100,000,000.00	04/14/2026 3.99%	100,000,000.00 100,000,000.00	99.99 3.97%	99,988,200.00 1,208,083.33	0.68% (11,800.00)	P-1/A-1 NA	0.38 0.37
87019W4M4	Swedbank AB (publ) 3.99 12/18/2026	100,000,000.00	04/13/2026 3.99%	100,000,000.00 100,000,000.00	99.98 3.98%	99,984,100.00 1,219,166.67	0.68% (15,900.00)	P-1/A-1+ F1+	0.38 0.37
13606DVK5	Canadian Imperial Bank Of Commerce, New York Branc 3.92 01/08/2027	100,000,000.00	05/01/2026 3.92%	100,000,000.00 100,000,000.00	99.92 4.06%	99,922,300.00 1,001,777.78	0.68% (77,700.00)	P-1/A-1 F1+	0.44 0.43
13606DVM1	Canadian Imperial Bank Of Commerce, New York Branc 3.94 01/13/2027	25,000,000.00	05/05/2026 3.94%	25,000,000.00 25,000,000.00	99.92 4.08%	24,980,525.00 240,777.78	0.17% (19,475.00)	P-1/A-1 F1+	0.45 0.44
21684MAZ3	Coöperatieve Rabobank U.A., New York Branch 4.17 01/21/2027	100,000,000.00	06/24/2026 4.17%	100,000,000.00 100,000,000.00	100.03 4.08%	100,032,500.00 440,166.67	0.68% 32,500.00	P-1/A-1 F1+	0.48 0.47
86959TWG7	Svenska Handelsbanken AB (publ) 4.005 01/21/2027	50,000,000.00	06/08/2026 4.01%	50,000,000.00 50,000,000.00	99.94 4.11%	49,969,850.00 300,375.00	0.34% (30,150.00)	P-1/NA F1+	0.48 0.47

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
06367DVF9	Bank of Montreal - Chicago Branch 3.98 01/21/2027	50,000,000.00	05/20/2026 3.98%	50,000,000.00 50,000,000.00	99.93 4.10%	49,963,350.00 403,527.78	0.34% (36,650.00)	P-1/A-1 F1+	0.48 0.47
13606DVJ8	Canadian Imperial Bank Of Commerce, New York Branc 3.93 01/21/2027	100,000,000.00	05/01/2026 3.93%	100,000,000.00 100,000,000.00	99.90 4.10%	99,900,100.00 1,004,333.33	0.68% (99,900.00)	P-1/A-1 F1+	0.48 0.47
06418NRA2	Bank of Nova Scotia, Houston Branch 3.97 01/29/2027	50,000,000.00	05/27/2026 3.97%	50,000,000.00 50,000,000.00	99.93 4.07%	49,967,400.00 363,916.67	0.34% (32,600.00)	P-1/NA F1+	0.50 0.49
86959TWM4	Svenska Handelsbanken AB (publ) 3.98 01/29/2027	50,000,000.00	06/15/2026 3.98%	50,000,000.00 50,000,000.00	99.91 4.13%	49,956,800.00 259,805.56	0.34% (43,200.00)	P-1/NA F1+	0.50 0.49
06418NQX3	Bank of Nova Scotia, Houston Branch 3.99 01/29/2027	100,000,000.00	05/26/2026 3.99%	100,000,000.00 100,000,000.00	99.94 4.07%	99,944,400.00 742,583.33	0.68% (55,600.00)	P-1/NA F1+	0.50 0.49
65558WYB8	Nordea ABP - New York Branch 4.15 02/01/2027	100,000,000.00	06/24/2026 4.15%	100,000,000.00 100,000,000.00	100.02 4.09%	100,022,300.00 438,055.56	0.68% 22,300.00	P-1/A-1+ F1+	0.51 0.50
05593DPC1	BNP Paribas New York Branch 3.98 02/01/2027	25,000,000.00	05/06/2026 3.98%	25,000,000.00 25,000,000.00	99.85 4.24%	24,962,317.50 240,458.33	0.17% (37,682.50)	P-1/A-1 F1+	0.51 0.49
22536XFW9	Credit Agricole Corporate And Investment Bank, New 4.0 02/05/2027	100,000,000.00	05/04/2026 4.00%	100,000,000.00 100,000,000.00	99.92 4.12%	99,920,200.00 988,888.89	0.68% (79,800.00)	P-1/A-1 NA	0.52 0.51
22536XGL2	Credit Agricole Corporate And Investment Bank, New 4.03 02/08/2027	40,000,000.00	05/12/2026 4.03%	40,000,000.00 40,000,000.00	99.93 4.16%	39,973,520.00 362,700.00	0.27% (26,480.00)	P-1/A-1 NA	0.53 0.52
65558WYF9	Nordea ABP - New York Branch 4.12 02/18/2027	100,000,000.00	06/25/2026 4.12%	100,000,000.00 100,000,000.00	99.99 4.07%	99,992,500.00 423,444.44	0.68% (7,500.00)	P-1/A-1+ F1+	0.55 0.54
21684MBK5	Coöperatieve Rabobank U.A., New York Branch 4.13 02/26/2027	50,000,000.00	07/15/2026 4.13%	50,000,000.00 50,000,000.00	99.98 4.16%	49,988,350.00 97,513.89	0.34% (11,650.00)	P-1/A-1 F1+	0.57 0.56
65558WYY8	Nordea ABP - New York Branch 4.1 03/03/2027	25,000,000.00	07/21/2026 4.10%	25,000,000.00 25,000,000.00	99.97 4.14%	24,993,725.00 31,319.44	0.17% (6,275.00)	P-1/A-1+ F1+	0.59 0.57
86959TXC5	Svenska Handelsbanken AB (publ) 4.16 03/12/2027	90,000,000.00	07/16/2026 4.16%	90,000,000.00 90,000,000.00	99.97 4.22%	89,969,670.00 166,400.00	0.62% (30,330.00)	P-1/A-1+ F1+	0.61 0.60
21684MBF6	Coöperatieve Rabobank U.A., New York Branch 4.23 04/30/2027	50,000,000.00	06/29/2026 4.23%	50,000,000.00 50,000,000.00	99.94 4.29%	49,970,750.00 193,875.00	0.34% (29,250.00)	P-1/A-1 F1+	0.75 0.73
78015JEZ6	Royal Bank of Canada New York Branch 4.37 07/01/2027	75,000,000.00	07/23/2026 4.37%	75,000,000.00 75,000,000.00	100.04 4.31%	75,033,600.00 81,937.50	0.51% 33,600.00	P-1/A-1+ F1+	0.92 0.89

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
22536XLT9	Credit Agricole Corporate And Investment Bank, New 4.32 07/02/2027	35,000,000.00	07/20/2026 4.32%	35,000,000.00 35,000,000.00	99.98 4.34%	34,991,810.00 50,400.00	0.24% (8,190.00)	P-1/A-1 NA	0.92 0.89
Total Negotiable CD		2,935,000,000.00	3.99%	2,935,000,000.00 2,935,000,000.00	99.99 3.93%	2,934,562,747.50 29,135,370.83	20.08% (437,252.50)		0.34 0.33

SUPRANATIONAL

459058LK7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.0 08/27/2026	25,000,000.00	08/20/2024 4.06%	24,971,000.00 24,998,967.12	99.98 4.19%	24,995,575.00 427,777.78	0.17% (3,392.12)	Aaa/AAA NA	0.07 0.07
4581X0EM6	INTER-AMERICAN DEVELOPMENT BANK 4.375 02/01/2027	50,000,000.00	04/16/2024 4.92%	49,289,000.00 49,871,615.31	100.16 4.05%	50,078,550.00 1,093,750.00	0.34% 206,934.69	Aaa/AAA NA	0.51 0.48
45818WEH5	INTER-AMERICAN DEVELOPMENT BANK 3.96 06/30/2027	50,000,000.00	02/07/2023 3.96%	50,000,000.00 50,000,000.00	99.34 4.71%	49,667,500.00 173,589.04	0.34% (332,500.00)	Aaa/AAA NA	0.91 0.88
45950VRW8	INTERNATIONAL FINANCE CORP 3.81 06/30/2027	25,000,000.00	02/07/2023 3.81%	25,000,000.00 25,000,000.00	99.12 4.81%	24,779,950.00 82,020.83	0.17% (220,050.00)	Aaa/AAA NA	0.91 0.88
45950KDM9	INTERNATIONAL FINANCE CORP 3.92017 07/30/2027	100,000,000.00	04/11/2025 4.63%	100,000,000.00 100,000,000.00	100.09 3.83%	100,092,600.00 21,724.00	0.69% 92,600.00	Aaa/AAA NA	1.00 0.00
45950VTR7	INTERNATIONAL FINANCE CORP 3.58 09/07/2027	50,000,000.00	09/11/2024 3.58%	50,000,000.00 50,000,000.00	98.69 4.82%	49,345,050.00 716,000.00	0.34% (654,950.00)	Aaa/AAA NA	1.10 1.04
459058LS0	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.88896 06/30/2028	50,000,000.00	03/27/2025 4.24%	50,000,000.00 50,000,000.00	100.11 3.85%	50,054,250.00 172,453.78	0.34% 54,250.00	Aaa/NA NA	1.92 0.00
45818WFB7	INTER-AMERICAN DEVELOPMENT BANK 4.16 06/30/2028	50,000,000.00	01/19/2024 4.16%	50,000,000.00 50,000,000.00	98.85 4.80%	49,422,650.00 179,111.11	0.34% (577,350.00)	Aaa/AAA NA	1.92 1.80
45950VUH7	INTERNATIONAL FINANCE CORP 4.3 06/30/2028	50,000,000.00	01/30/2025 4.32%	49,964,000.00 49,979,690.07	98.96 4.87%	49,480,250.00 185,138.89	0.34% (499,440.07)	Aaa/AAA NA	1.92 1.80
45818WFM3	INTER-AMERICAN DEVELOPMENT BANK 4.76 07/03/2028	50,000,000.00	04/11/2024 4.76%	50,000,000.00 50,000,000.00	99.94 4.79%	49,968,700.00 185,111.11	0.34% (31,300.00)	Aaa/AAA NA	1.93 1.80
45818WFP6	INTER-AMERICAN DEVELOPMENT BANK 4.82 07/05/2028	50,000,000.00	05/03/2024 4.82%	50,000,000.00 50,000,000.00	100.05 4.79%	50,024,400.00 174,055.56	0.34% 24,400.00	Aaa/AAA NA	1.93 1.81
459058KT9	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.5 07/12/2028	50,835,000.00	-- 4.10%	49,596,943.80 50,299,730.54	98.25 4.45%	49,945,285.83 93,903.54	0.34% (354,444.71)	Aaa/AAA NA	1.95 1.85

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
4581X0DX3	INTER-AMERICAN DEVELOPMENT BANK 1.125 07/20/2028	50,801,000.00	01/22/2024 4.17%	44,531,140.58 48,050,524.76	94.00 4.34%	47,753,956.02 17,462.84	0.33% (296,568.74)	Aaa/AAA AAA	1.97 1.91
45950VST4	INTERNATIONAL FINANCE CORP 4.07 07/31/2028	50,000,000.00	01/08/2024 4.07%	50,000,000.00 50,000,000.00	98.72 4.75%	49,361,550.00 5,652.78	0.34% (638,450.00)	Aaa/AAA NA	2.00 1.89
459058KW2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.625 08/01/2028	75,000,000.00	-- 4.46%	75,490,750.00 75,229,179.27	100.63 4.29%	75,475,050.00 1,734,375.00	0.52% 245,870.73	Aaa/AAA NA	2.00 1.89
459058JZ7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 1.125 09/13/2028	35,000,000.00	12/28/2023 3.95%	30,794,750.00 33,107,637.50	93.66 4.30%	32,781,735.00 150,937.50	0.22% (325,902.50)	Aaa/AAA NA	2.12 2.04
45818WEY8	INTER-AMERICAN DEVELOPMENT BANK 4.05 09/29/2028	50,000,000.00	01/10/2024 4.05%	50,000,000.00 50,000,000.00	98.71 4.69%	49,355,350.00 67,500.00	0.34% (644,650.00)	Aaa/AAA NA	2.16 2.03
45818WFQ4	INTER-AMERICAN DEVELOPMENT BANK 4.815 11/07/2028	50,000,000.00	04/30/2024 4.82%	50,000,000.00 50,000,000.00	100.18 4.73%	50,090,400.00 561,750.00	0.34% 90,400.00	Aaa/AAA NA	2.27 2.10
459058KH5	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.93348 01/24/2029	50,000,000.00	04/08/2025 4.66%	49,965,000.00 49,977,095.96	100.18 3.87%	50,091,300.00 43,493.44	0.34% 114,204.04	Aaa/AAA NA	2.48 0.00
45818WEZ5	INTER-AMERICAN DEVELOPMENT BANK 4.125 01/29/2029	28,405,000.00	02/13/2024 4.39%	28,075,786.05 28,239,119.82	98.56 4.74%	27,996,820.15 6,509.48	0.19% (242,299.67)	Aaa/AAA NA	2.50 2.33
45818WFJ0	INTER-AMERICAN DEVELOPMENT BANK 4.46 01/31/2029	50,000,000.00	04/05/2024 4.47%	49,987,500.00 49,993,490.03	99.35 4.74%	49,675,650.00 6,194.44	0.34% (317,840.03)	Aaa/AAA NA	2.50 2.33
45818WFH4	INTER-AMERICAN DEVELOPMENT BANK 4.5 02/01/2029	50,000,000.00	04/03/2024 4.50%	50,000,000.00 50,000,000.00	99.44 4.74%	49,721,800.00 1,125,000.00	0.34% (278,200.00)	Aaa/AAA NA	2.51 2.33
45818WFC5	INTER-AMERICAN DEVELOPMENT BANK 4.22 02/07/2029	25,000,000.00	02/05/2024 4.22%	25,000,000.00 25,000,000.00	98.78 4.74%	24,694,300.00 509,916.67	0.17% (305,700.00)	Aaa/NA NA	2.52 2.30
4581X0EN4	INTER-AMERICAN DEVELOPMENT BANK 4.125 02/15/2029	50,000,000.00	-- 4.44%	49,307,250.00 49,641,163.85	99.47 4.35%	49,733,000.00 951,041.67	0.34% 91,836.15	Aaa/AAA NA	2.54 2.33
45818WFF8	INTER-AMERICAN DEVELOPMENT BANK 4.328 03/29/2029	25,000,000.00	03/22/2024 4.33%	25,000,000.00 25,000,000.00	98.93 4.76%	24,731,925.00 366,677.78	0.17% (268,075.00)	Aaa/AAA NA	2.66 2.44
45950VTF3	INTERNATIONAL FINANCE CORP 4.47 03/29/2029	25,000,000.00	04/05/2024 4.47%	25,000,000.00 25,000,000.00	99.27 4.76%	24,817,475.00 338,354.17	0.17% (182,525.00)	Aaa/AAA NA	2.66 2.44
45818WFS0	INTER-AMERICAN DEVELOPMENT BANK 4.33 05/30/2029	25,000,000.00	06/13/2024 4.34%	24,990,675.00 24,994,660.35	100.00 4.33%	24,999,600.00 183,423.61	0.17% 4,939.65	Aaa/AAA NA	2.83 2.61

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
45818WFR2	INTER-AMERICAN DEVELOPMENT BANK 4.6 06/07/2029	25,000,000.00	06/04/2024 4.44%	25,174,250.00 25,099,339.68	99.54 4.77%	24,886,150.00 172,500.00	0.17% (213,189.68)	Aaa/AAA NA	2.85 2.62
4581X0DG0	INTER-AMERICAN DEVELOPMENT BANK 2.25 06/18/2029	56,440,000.00	-- 4.28%	51,382,442.48 53,501,584.65	94.36 4.36%	53,257,912.80 151,682.50	0.36% (243,671.85)	Aaa/AAA AAA	2.88 2.73
45950KDH0	INTERNATIONAL FINANCE CORP 4.25 07/02/2029	50,000,000.00	06/25/2024 4.36%	49,753,000.00 49,855,803.94	99.70 4.36%	49,851,350.00 171,180.56	0.34% (4,453.94)	Aaa/AAA NA	2.92 2.70
45818WFU5	INTER-AMERICAN DEVELOPMENT BANK 4.343 07/02/2029	50,000,000.00	07/09/2024 4.34%	50,000,000.00 50,000,000.00	98.81 4.78%	49,406,150.00 174,926.39	0.34% (593,850.00)	Aaa/AAA NA	2.92 2.69
4581X0EQ7	INTER-AMERICAN DEVELOPMENT BANK 3.99808 08/01/2029	105,599,000.00	-- 4.68%	105,594,632.78 105,595,960.97	100.36 3.90%	105,975,988.43 1,078,938.31	0.73% 380,027.46	Aaa/AAA NA	3.00 0.00
45950KDL1	INTERNATIONAL FINANCE CORP 3.99057 08/28/2029	50,000,000.00	03/04/2025 4.66%	50,061,622.50 50,042,273.71	100.35 3.89%	50,175,400.00 359,748.82	0.34% 133,126.29	Aaa/AAA NA	3.08 0.00
45905U2K9	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 2.778 09/13/2029	10,000,000.00	11/01/2024 4.27%	9,349,400.00 9,582,281.06	94.20 4.81%	9,420,310.00 106,490.00	0.06% (161,971.06)	Aaa/AAA NA	3.12 2.90
459058KL6	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.625 09/21/2029	10,000,000.00	10/04/2024 3.83%	9,907,000.00 9,941,065.75	97.85 4.37%	9,785,100.00 130,902.78	0.07% (155,965.75)	Aaa/AAA NA	3.14 2.89
459058LN1	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029	65,000,000.00	-- 4.14%	64,266,600.00 64,506,131.44	98.54 4.37%	64,051,715.00 734,500.00	0.44% (454,416.44)	Aaa/AAA NA	3.21 2.94
45950VUG9	INTERNATIONAL FINANCE CORP 4.665 01/23/2030	50,000,000.00	01/14/2025 4.66%	50,000,000.00 50,000,000.00	99.51 4.82%	49,756,900.00 51,833.33	0.34% (243,100.00)	Aaa/AAA NA	3.48 3.16
45950VUK0	INTERNATIONAL FINANCE CORP 4.55 01/28/2030	50,000,000.00	02/11/2025 4.55%	50,000,000.00 50,000,000.00	100.13 4.51%	50,063,050.00 18,958.33	0.34% 63,050.00	Aaa/AAA NA	3.50 1.42
45906MSZ0	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.42 01/31/2030	50,000,000.00	01/28/2025 4.42%	50,000,000.00 50,000,000.00	98.72 4.82%	49,358,750.00 6,138.89	0.34% (641,250.00)	Aaa/AAA NA	3.50 3.19
4581X0ES3	INTER-AMERICAN DEVELOPMENT BANK 4.5 02/15/2030	50,000,000.00	02/12/2025 4.58%	49,814,000.00 49,867,973.67	100.40 4.38%	50,199,500.00 1,037,500.00	0.34% 331,526.33	Aaa/AAA NA	3.54 3.17
4581X0ET1	INTER-AMERICAN DEVELOPMENT BANK 4.02319 03/13/2030	100,000,000.00	-- 4.77%	99,935,000.00 99,952,280.31	100.41 3.92%	100,407,600.00 524,429.92	0.69% 455,319.69	Aaa/AAA NA	3.62 0.00
459058LR2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.125 03/20/2030	50,000,000.00	-- 4.22%	49,782,000.00 49,841,573.93	99.15 4.38%	49,577,100.00 750,520.83	0.34% (264,473.93)	Aaa/AAA NA	3.64 3.29

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
459058LY7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.5 10/28/2030	50,000,000.00	10/21/2025 3.61%	49,757,000.00 49,793,862.54	96.54 4.40%	48,268,150.00 452,083.33	0.33% (1,525,712.54)	Aaa/AAA NA	4.24 3.85
Total Supranational		2,062,080,000.00	4.39%	2,041,740,743.19 2,051,963,006.24	99.13 4.42%	2,043,575,798.23 15,495,259.00	13.99% (8,387,208.01)		2.44 1.70

US TREASURY

9128282A7	UNITED STATES TREASURY 1.5 08/15/2026	25,000,000.00	06/16/2022 3.45%	23,105,468.75 24,982,561.84	99.91 4.30%	24,976,575.00 172,997.24	0.17% (5,986.84)	Aa1/AA+ AA+	0.04 0.03
91282CHU8	UNITED STATES TREASURY 4.375 08/15/2026	25,000,000.00	04/12/2024 4.82%	24,754,882.81 24,995,972.25	100.00 4.30%	24,999,875.00 504,575.28	0.17% 3,902.75	Aa1/AA+ AA+	0.04 0.03
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	25,000,000.00	09/24/2021 0.90%	24,819,335.94 24,996,992.27	99.76 3.93%	24,939,450.00 78,464.67	0.17% (57,542.27)	Aa1/AA+ AA+	0.08 0.08
91282CHY0	UNITED STATES TREASURY 4.625 09/15/2026	25,000,000.00	04/10/2024 4.84%	24,877,929.69 24,993,807.03	100.10 3.74%	25,023,925.00 436,735.73	0.17% 30,117.97	Aa1/AA+ AA+	0.13 0.12
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	50,000,000.00	10/13/2021 1.05%	49,564,453.13 49,985,585.87	99.54 3.80%	49,768,550.00 147,028.69	0.34% (217,035.87)	Aa1/AA+ AA+	0.17 0.16
91282CJC6	UNITED STATES TREASURY 4.625 10/15/2026	25,000,000.00	04/10/2024 4.83%	24,880,859.38 24,990,255.67	100.15 3.82%	25,037,100.00 341,188.52	0.17% 46,844.33	Aa1/AA+ AA+	0.21 0.20
91282CJT9	UNITED STATES TREASURY 4.0 01/15/2027	50,000,000.00	04/09/2025 4.01%	49,988,281.25 49,996,965.84	100.03 3.92%	50,015,650.00 92,391.30	0.34% 18,684.16	Aa1/AA+ AA+	0.46 0.44
91282CEF4	UNITED STATES TREASURY 2.5 03/31/2027	50,000,000.00	01/23/2025 4.27%	48,169,921.88 49,443,619.47	99.01 4.04%	49,504,550.00 420,081.97	0.34% 60,930.53	Aa1/AA+ AA+	0.67 0.64
91282CEN7	UNITED STATES TREASURY 2.75 04/30/2027	25,000,000.00	01/24/2025 4.26%	24,190,429.69 24,733,410.26	99.04 4.08%	24,759,275.00 173,743.21	0.17% 25,864.74	Aa1/AA+ AA+	0.75 0.72
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	220,000,000.00	-- 3.87%	216,042,968.73 218,780,537.96	99.21 4.14%	218,267,060.00 621,739.13	1.49% (513,477.96)	Aa1/AA+ AA+	0.91 0.88
91282CGH8	UNITED STATES TREASURY 3.5 01/31/2028	100,000,000.00	-- 3.82%	99,148,437.50 99,544,203.60	98.92 4.26%	98,918,000.00 9,510.87	0.68% (626,203.60)	Aa1/AA+ AA+	1.50 1.44
91282CGP0	UNITED STATES TREASURY 4.0 02/29/2028	25,000,000.00	03/03/2025 3.98%	25,012,695.31 25,006,708.05	99.61 4.25%	24,903,325.00 418,478.26	0.17% (103,383.05)	Aa1/AA+ AA+	1.58 1.49
91282CHK0	UNITED STATES TREASURY 4.0 06/30/2028	245,000,000.00	-- 4.04%	244,452,539.07 244,698,110.21	99.50 4.28%	243,765,445.00 852,173.91	1.67% (932,665.21)	Aa1/AA+ AA+	1.92 1.81

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CHQ7	UNITED STATES TREASURY 4.125 07/31/2028	250,000,000.00	-- 4.01%	250,014,648.45 250,084,489.38	99.71 4.28%	249,277,250.00 28,023.10	1.71% (807,239.38)	Aa1/AA+ AA+	2.00 1.89
91282CJW2	UNITED STATES TREASURY 4.0 01/31/2029	150,000,000.00	-- 3.89%	150,603,515.63 150,395,265.38	99.24 4.32%	148,863,300.00 16,304.35	1.02% (1,531,965.38)	Aa1/AA+ AA+	2.50 2.34
91282CKD2	UNITED STATES TREASURY 4.25 02/28/2029	40,000,000.00	04/25/2025 3.85%	40,571,875.00 40,383,420.82	99.84 4.32%	39,934,360.00 711,413.04	0.27% (449,060.82)	Aa1/AA+ AA+	2.58 2.37
91282CKX8	UNITED STATES TREASURY 4.25 06/30/2029	130,000,000.00	-- 4.02%	131,296,875.01 130,899,852.89	99.75 4.34%	129,680,070.00 480,434.78	0.89% (1,219,782.89)	Aa1/AA+ AA+	2.91 2.70
91282CEV9	UNITED STATES TREASURY 3.25 06/30/2029	50,000,000.00	04/02/2025 3.89%	48,763,671.88 49,151,320.57	97.05 4.34%	48,527,350.00 141,304.35	0.33% (623,970.57)	Aa1/AA+ AA+	2.91 2.73
91282CLC3	UNITED STATES TREASURY 4.0 07/31/2029	297,000,000.00	-- 4.02%	296,067,265.64 296,416,235.05	99.06 4.34%	294,215,625.00 32,282.61	2.01% (2,200,610.05)	Aa1/AA+ AA+	3.00 2.79
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	25,000,000.00	01/10/2025 4.51%	24,080,078.13 24,388,528.91	97.95 4.34%	24,486,325.00 379,245.92	0.17% 97,796.09	Aa1/AA+ AA+	3.08 2.83
91282CFL0	UNITED STATES TREASURY 3.875 09/30/2029	50,000,000.00	02/12/2025 4.50%	48,710,937.50 49,118,250.74	98.62 4.35%	49,308,600.00 651,127.05	0.34% 190,349.26	Aa1/AA+ AA+	3.17 2.90
91282CFT3	UNITED STATES TREASURY 4.0 10/31/2029	25,000,000.00	11/12/2024 4.33%	24,631,835.94 24,758,957.12	98.93 4.36%	24,731,450.00 252,717.39	0.17% (27,507.12)	Aa1/AA+ AA+	3.25 2.98
91282CLR0	UNITED STATES TREASURY 4.125 10/31/2029	25,000,000.00	01/03/2025 4.38%	24,722,656.25 24,813,162.87	99.30 4.36%	24,825,200.00 260,614.81	0.17% 12,037.13	Aa1/AA+ AA+	3.25 2.97
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	25,000,000.00	05/21/2025 4.08%	25,041,015.63 25,030,178.97	99.28 4.36%	24,819,325.00 174,692.62	0.17% (210,853.97)	Aa1/AA+ AA+	3.33 3.05
91282CMG3	UNITED STATES TREASURY 4.25 01/31/2030	150,000,000.00	-- 4.11%	151,681,640.63 151,225,269.71	99.60 4.38%	149,396,550.00 17,323.37	1.02% (1,828,719.71)	Aa1/AA+ AA+	3.50 3.21
91282CMU2	UNITED STATES TREASURY 4.0 03/31/2030	50,000,000.00	04/09/2025 4.00%	49,996,093.75 49,997,123.52	98.73 4.38%	49,365,250.00 672,131.15	0.34% (631,873.52)	Aa1/AA+ AA+	3.67 3.32
91282CGZ8	UNITED STATES TREASURY 3.5 04/30/2030	50,000,000.00	05/01/2025 3.81%	49,291,015.63 49,468,261.72	96.96 4.39%	48,482,400.00 442,255.43	0.33% (985,861.72)	Aa1/AA+ AA+	3.75 3.43
91282CMZ1	UNITED STATES TREASURY 3.875 04/30/2030	75,000,000.00	-- 3.85%	75,082,031.26 75,061,467.94	98.26 4.38%	73,696,275.00 734,459.92	0.50% (1,365,192.94)	Aa1/AA+ AA+	3.75 3.41
91282CNG2	UNITED STATES TREASURY 4.0 05/31/2030	85,000,000.00	-- 4.04%	84,830,468.76 84,869,502.75	98.64 4.39%	83,844,510.00 575,956.28	0.57% (1,024,992.75)	Aa1/AA+ AA+	3.83 3.48
91282CHJ3	UNITED STATES TREASURY 3.75 06/30/2030	100,000,000.00	12/05/2025 3.68%	100,273,437.50 100,234,821.03	97.71 4.39%	97,710,900.00 326,086.96	0.67% (2,523,921.03)	Aa1/AA+ AA+	3.91 3.58

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CNK3	UNITED STATES TREASURY 3.875 06/30/2030	100,000,000.00	-- 3.98%	99,511,718.76 99,614,981.27	98.15 4.39%	98,148,400.00 336,956.52	0.67% (1,466,581.27)	Aa1/AA+ AA+	3.91 3.57
91282CNN7	UNITED STATES TREASURY 3.875 07/31/2030	200,000,000.00	-- 3.76%	200,983,398.45 200,849,600.03	98.11 4.40%	196,218,800.00 21,059.78	1.34% (4,630,800.03)	Aa1/AA+ AA+	4.00 3.65
91282CHR5	UNITED STATES TREASURY 4.0 07/31/2030	53,000,000.00	01/15/2026 3.73%	53,592,109.38 53,521,399.09	98.56 4.40%	52,238,125.00 5,760.87	0.36% (1,283,274.09)	Aa1/AA+ AA+	4.00 3.65
91282CHW4	UNITED STATES TREASURY 4.125 08/31/2030	50,000,000.00	09/26/2025 3.78%	50,763,671.88 50,632,574.87	98.96 4.41%	49,478,500.00 863,111.41	0.34% (1,154,074.87)	Aa1/AA+ AA+	4.08 3.65
91282CHZ7	UNITED STATES TREASURY 4.625 09/30/2030	50,000,000.00	10/29/2025 3.70%	52,058,593.75 51,743,385.91	100.83 4.40%	50,416,000.00 777,151.64	0.35% (1,327,385.91)	Aa1/AA+ AA+	4.17 3.69
91282CPA3	UNITED STATES TREASURY 3.625 09/30/2030	25,000,000.00	10/08/2025 3.71%	24,905,273.44 24,920,748.57	97.07 4.40%	24,267,575.00 304,559.43	0.17% (653,173.57)	Aa1/AA+ AA+	4.17 3.76
91282CPD7	UNITED STATES TREASURY 3.625 10/31/2030	30,000,000.00	11/05/2025 3.75%	29,830,078.13 29,855,179.16	97.00 4.41%	29,100,000.00 274,830.16	0.20% (755,179.16)	Aa1/AA+ AA+	4.25 3.84
91282CJM4	UNITED STATES TREASURY 4.375 11/30/2030	50,000,000.00	-- 3.69%	51,549,804.69 51,346,398.14	99.83 4.42%	49,916,000.00 370,560.11	0.34% (1,430,398.14)	Aa1/AA+ AA+	4.33 3.87
91282CJQ5	UNITED STATES TREASURY 3.75 12/31/2030	100,000,000.00	01/02/2026 3.72%	100,121,093.75 100,107,085.65	97.36 4.42%	97,355,500.00 326,086.96	0.67% (2,751,585.65)	Aa1/AA+ AA+	4.42 4.00
Total US Treasury		3,125,000,000.00	3.89%	3,117,983,007.95 3,126,036,192.41	98.99 4.30%	3,093,182,420.00 13,445,558.80	21.17% (32,853,772.41)		2.69 2.48
Total Portfolio		14,704,175,637.08	3.98%	14,611,337,011.82 14,664,531,457.47	89.97 4.12%	14,611,453,420.59 79,221,058.74	100.00% (53,078,036.88)		1.39 1.16
Total Market Value + Accrued						14,690,674,479.33			

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of July 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	07/02/2026	21687BG62	146,000,000.00	Coöperatieve Rabobank U.A., New York Branch 07/06/2026	99.960	3.63%	(145,941,113.33)	0.00	(145,941,113.33)	0.00
Purchase	07/06/2026	78015DNV8	50,000,000.00	Royal Bank of Canada New York Branch 01/29/2027	97.700	4.09%	(48,850,000.00)	0.00	(48,850,000.00)	0.00
Purchase	07/06/2026	89116FN48	50,000,000.00	Toronto Dominion Holdings (U.S.A.), Inc. 01/04/2027	97.978	4.08%	(48,988,888.89)	0.00	(48,988,888.89)	0.00
Purchase	07/06/2026	21687BG70	30,000,000.00	Coöperatieve Rabobank U.A., New York Branch 07/07/2026	99.990	3.63%	(29,996,975.00)	0.00	(29,996,975.00)	0.00
Purchase	07/07/2026	21687BG88	50,000,000.00	Coöperatieve Rabobank U.A., New York Branch 07/08/2026	99.990	3.63%	(49,994,958.33)	0.00	(49,994,958.33)	0.00
Purchase	07/08/2026	78015DQW3	50,000,000.00	Royal Bank of Canada New York Branch 03/30/2027	96.982	4.23%	(48,490,972.22)	0.00	(48,490,972.22)	0.00
Purchase	07/08/2026	78015DQW3	50,000,000.00	Royal Bank of Canada New York Branch 03/30/2027	96.982	4.23%	(48,490,972.23)	0.00	(48,490,972.23)	0.00
Purchase	07/08/2026	78015DQW3	50,000,000.00	Royal Bank of Canada New York Branch 03/30/2027	96.982	4.23%	(48,490,972.22)	0.00	(48,490,972.22)	0.00
Purchase	07/14/2026	21687BGF2	28,000,000.00	Coöperatieve Rabobank U.A., New York Branch 07/15/2026	99.990	3.63%	(27,997,176.67)	0.00	(27,997,176.67)	0.00
Purchase	07/15/2026	90LAIF\$00	266,969.47	Local Agency Investment Fund State Pool	1.000	3.84%	(266,969.47)	0.00	(266,969.47)	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of July 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	07/15/2026	21684MBK5	50,000,000.00	Coöperatieve Rabobank U.A., New York Branch 4.13 02/26/2027	100.000	4.13%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	07/16/2026	09659CGP7	100,000,000.00	BNP Paribas New York Branch 07/23/2026	99.930	3.62%	(99,929,611.11)	0.00	(99,929,611.11)	0.00
Purchase	07/16/2026	86959TXC5	50,000,000.00	Svenska Handelsbanken AB (publ) 4.16 03/12/2027	100.000	4.16%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	07/16/2026	86959TXC5	40,000,000.00	Svenska Handelsbanken AB (publ) 4.16 03/12/2027	100.000	4.16%	(40,000,000.00)	0.00	(40,000,000.00)	0.00
Purchase	07/17/2026	09659CGL6	6,000,000.00	BNP Paribas New York Branch 07/20/2026	99.970	3.61%	(5,998,195.00)	0.00	(5,998,195.00)	0.00
Purchase	07/20/2026	22536XLT9	35,000,000.00	Credit Agricole Corporate And Investment Bank, New 4.32 07/02/2027	100.000	4.32%	(35,000,000.00)	0.00	(35,000,000.00)	0.00
Purchase	07/21/2026	89231DAB1	9,000,000.00	TAOT 2026-C A2A 4.29 06/15/2029	99.990	4.34%	(8,999,132.40)	0.00	(8,999,132.40)	0.00
Purchase	07/21/2026	65558WYY8	25,000,000.00	Nordea ABP - New York Branch 4.1 03/03/2027	100.000	4.10%	(25,000,000.00)	0.00	(25,000,000.00)	0.00
Purchase	07/22/2026	47800VAB0	6,250,000.00	JDOT 26B A2A 4.64 04/16/2029	99.991	4.35%	(6,249,439.38)	0.00	(6,249,439.38)	0.00
Purchase	07/23/2026	3137GBGA7	28,000,000.00	FHMS K-564 A2 4.25 06/25/2031	98.143	4.65%	(27,480,012.00)	(72,722.22)	(27,552,734.22)	0.00
Purchase	07/23/2026	78015JEZ6	25,000,000.00	Royal Bank of Canada New York Branch 4.37 07/01/2027	100.000	4.37%	(25,000,000.00)	0.00	(25,000,000.00)	0.00
Purchase	07/23/2026	78015JEZ6	50,000,000.00	Royal Bank of Canada New York Branch 4.37 07/01/2027	100.000	4.37%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	07/24/2026	09659CGT9	13,000,000.00	BNP Paribas New York Branch 07/27/2026	99.970	3.61%	(12,996,089.17)	0.00	(12,996,089.17)	0.00

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County of San Diego Pooled Money Fund

As of July 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	07/28/2026	3136GDMC4	25,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.71 07/28/2031	100.000	4.71%	(25,000,000.00)	0.00	(25,000,000.00)	0.00
Purchase	07/29/2026	21687BGW5	100,000,000.00	Coöperatieve Rabobank U.A., New York Branch 07/30/2026	99.990	3.62%	(99,989,944.44)	0.00	(99,989,944.44)	0.00
Purchase	07/29/2026	09659CGW2	152,000,000.00	BNP Paribas New York Branch 07/30/2026	99.990	3.62%	(151,984,715.56)	0.00	(151,984,715.56)	0.00
Purchase	07/30/2026	09659CGX0	241,000,000.00	BNP Paribas New York Branch 07/31/2026	99.990	3.62%	(240,975,766.11)	0.00	(240,975,766.11)	0.00
Purchase	07/31/2026	90CALFT\$0	328,550.82	CalFIT	1.000	3.79%	(328,550.82)	0.00	(328,550.82)	0.00
Purchase	07/31/2026	90CAMP\$00	672,496.80	CAMP	1.000	3.78%	(672,496.80)	0.00	(672,496.80)	0.00
Total Purchase								(72,722.22)	(1,453,185,673.37)	0.00
TOTAL ACQUISITIONS								(72,722.22)	(1,453,185,673.37)	0.00
DISPOSITIONS										
Call Redemption	07/02/2026	3136GA4H9	(25,000,000.00)	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.7 07/02/2029	100.000	0.00%	25,000,000.00	0.00	25,000,000.00	0.00
Call Redemption	07/02/2026	3136GAEP0	(25,000,000.00)	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.35 07/02/2029	100.000	0.00%	25,000,000.00	0.00	25,000,000.00	0.00
Call Redemption	07/09/2026	3130AYF43	(25,000,000.00)	FEDERAL HOME LOAN BANKS 4.48 01/09/2029	100.000	0.00%	25,000,000.00	0.00	25,000,000.00	0.00
Total Call Redemption			(75,000,000.00)				75,000,000.00	0.00	75,000,000.00	0.00
Maturity	07/01/2026	89116FG12	(250,000,000.00)	Toronto Dominion Holdings (U.S.A.), Inc. 07/01/2026	100.000	3.88%	250,000,000.00	0.00	250,000,000.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of July 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	07/01/2026	78015DG12	(200,000,000.00)	Royal Bank of Canada New York Branch 07/01/2026	100.000	3.84%	200,000,000.00	0.00	200,000,000.00	0.00
Maturity	07/01/2026	09659CG10	(25,000,000.00)	BNP Paribas New York Branch 07/01/2026	100.000	3.79%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	07/01/2026	25477GUX1	(4,500,000.00)	DISTRICT COLUMBIA INCOME TAX REV 3.419 07/01/2026	100.000	0.00%	4,500,000.00	0.00	4,500,000.00	0.00
Maturity	07/01/2026	05593DK69	(100,000,000.00)	BNP Paribas New York Branch 4.15 07/01/2026	100.000	4.15%	100,000,000.00	0.00	100,000,000.00	0.00
Maturity	07/01/2026	05593DKB8	(50,000,000.00)	BNP Paribas New York Branch 4.12 07/01/2026	100.000	4.12%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	07/02/2026	78015DG20	(275,000,000.00)	Royal Bank of Canada New York Branch 07/02/2026	100.000	3.84%	275,000,000.00	0.00	275,000,000.00	0.00
Maturity	07/02/2026	09659CG28	(75,000,000.00)	BNP Paribas New York Branch 07/02/2026	100.000	3.95%	75,000,000.00	0.00	75,000,000.00	0.00
Maturity	07/02/2026	87019WZ24	(150,000,000.00)	Swedbank AB (publ) 3.74 07/02/2026	100.000	3.74%	150,000,000.00	0.00	150,000,000.00	0.00
Maturity	07/02/2026	87019WY82	(50,000,000.00)	Swedbank AB (publ) 3.75 07/02/2026	100.000	3.75%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	07/06/2026	313385YZ3	(50,000,000.00)	FEDERAL HOME LOAN BANKS 07/06/2026	100.000	3.63%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	07/06/2026	21687BG62	(146,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 07/06/2026	100.000	3.63%	146,000,000.00	0.00	146,000,000.00	0.00
Maturity	07/06/2026	87019WY58	(40,000,000.00)	Swedbank AB (publ) 3.78 07/06/2026	100.000	3.78%	40,000,000.00	0.00	40,000,000.00	0.00
Maturity	07/07/2026	21687BG70	(30,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 07/07/2026	100.000	3.63%	30,000,000.00	0.00	30,000,000.00	0.00

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County of San Diego Pooled Money Fund As of July 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	07/07/2026	06418NLM2	(140,000,000.00)	Bank of Nova Scotia, Houston Branch 3.87 07/07/2026	100.000	3.87%	140,000,000.00	0.00	140,000,000.00	0.00
Maturity	07/08/2026	21687BG88	(50,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 07/08/2026	100.000	3.63%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	07/08/2026	09659CG85	(40,000,000.00)	BNP Paribas New York Branch 07/08/2026	100.000	3.79%	40,000,000.00	0.00	40,000,000.00	0.00
Maturity	07/08/2026	89233HG81	(50,000,000.00)	Toyota Motor Credit Corporation 07/08/2026	100.000	3.89%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	07/08/2026	06418NLN0	(60,000,000.00)	Bank of Nova Scotia, Houston Branch 3.87 07/08/2026	100.000	3.87%	60,000,000.00	0.00	60,000,000.00	0.00
Maturity	07/10/2026	09659CGA0	(25,000,000.00)	BNP Paribas New York Branch 07/10/2026	100.000	3.92%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	07/10/2026	22536J3R4	(25,000,000.00)	Credit Agricole Corporate And Investment Bank, New 3.93 07/10/2026	100.000	3.93%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	07/13/2026	21684X5X0	(50,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 3.87 07/13/2026	100.000	3.87%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	07/14/2026	313385ZH2	(50,000,000.00)	FEDERAL HOME LOAN BANKS 07/14/2026	100.000	3.63%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	07/15/2026	21687BGF2	(28,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 07/15/2026	100.000	3.63%	28,000,000.00	0.00	28,000,000.00	0.00
Maturity	07/15/2026	91282CHM6	(50,000,000.00)	UNITED STATES TREASURY 4.5 07/15/2026	100.000	0.00%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	07/16/2026	87019W2B0	(30,000,000.00)	Swedbank AB (publ) 3.73 07/16/2026	100.000	3.73%	30,000,000.00	0.00	30,000,000.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of July 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	07/17/2026	09659CGH5	(35,000,000.00)	BNP Paribas New York Branch 07/17/2026	100.000	3.79%	35,000,000.00	0.00	35,000,000.00	0.00
Maturity	07/17/2026	87019W2A2	(60,000,000.00)	Swedbank AB (publ) 3.73 07/17/2026	100.000	3.73%	60,000,000.00	0.00	60,000,000.00	0.00
Maturity	07/20/2026	313385ZP4	(50,000,000.00)	FEDERAL HOME LOAN BANKS 07/20/2026	100.000	3.63%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	07/20/2026	09659CGL6	(6,000,000.00)	BNP Paribas New York Branch 07/20/2026	100.000	3.61%	6,000,000.00	0.00	6,000,000.00	0.00
Maturity	07/20/2026	65558WRZ3	(30,000,000.00)	Nordea ABP - New York Branch 3.7 07/20/2026	100.000	3.70%	30,000,000.00	0.00	30,000,000.00	0.00
Maturity	07/21/2026	22536J5C5	(40,000,000.00)	Credit Agricole Corporate And Investment Bank, New 3.78 07/21/2026	100.000	3.78%	40,000,000.00	0.00	40,000,000.00	0.00
Maturity	07/22/2026	3130AN4U1	(25,000,000.00)	FEDERAL HOME LOAN BANKS 1.0 07/22/2026	100.000	0.00%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	07/23/2026	09659CGP7	(100,000,000.00)	BNP Paribas New York Branch 07/23/2026	100.000	3.62%	100,000,000.00	0.00	100,000,000.00	0.00
Maturity	07/27/2026	09659CGT9	(13,000,000.00)	BNP Paribas New York Branch 07/27/2026	100.000	3.61%	13,000,000.00	0.00	13,000,000.00	0.00
Maturity	07/29/2026	3130ANCM0	(25,000,000.00)	FEDERAL HOME LOAN BANKS 0.95 07/29/2026	100.000	0.00%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	07/30/2026	21687BGW5	(100,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 07/30/2026	100.000	3.62%	100,000,000.00	0.00	100,000,000.00	0.00
Maturity	07/30/2026	09659CGW2	(152,000,000.00)	BNP Paribas New York Branch 07/30/2026	100.000	3.62%	152,000,000.00	0.00	152,000,000.00	0.00
Maturity	07/31/2026	313385A22	(100,000,000.00)	FEDERAL HOME LOAN BANKS 07/31/2026	100.000	3.64%	100,000,000.00	0.00	100,000,000.00	0.00
Maturity	07/31/2026	22533UGX5	(100,000,000.00)	Credit Agricole Corporate And Investment Bank, New 07/31/2026	100.000	3.98%	100,000,000.00	0.00	100,000,000.00	0.00
Maturity	07/31/2026	09659CGX0	(241,000,000.00)	BNP Paribas New York Branch 07/31/2026	100.000	3.62%	241,000,000.00	0.00	241,000,000.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of July 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	07/31/2026	87019W2D6	(100,000,000.00)	Swedbank AB (publ) 3.69 07/31/2026	100.000	3.69%	100,000,000.00	0.00	100,000,000.00	0.00
Maturity	07/31/2026	05593DJP9	(50,000,000.00)	BNP Paribas New York Branch 4.14 07/31/2026	100.000	4.14%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	07/31/2026	65558WSB5	(50,000,000.00)	Nordea ABP - New York Branch 3.7 07/31/2026	100.000	3.70%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	07/31/2026	06418NMY5	(60,000,000.00)	Bank of Nova Scotia, Houston Branch 3.73 07/31/2026	100.000	3.73%	60,000,000.00	0.00	60,000,000.00	0.00
Maturity	07/31/2026	06367DUB9	(50,000,000.00)	Bank of Montreal - Chicago Branch 3.77 07/31/2026	100.000	3.77%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	07/31/2026	05593DJL8	(45,000,000.00)	BNP Paribas New York Branch 4.11 07/31/2026	100.000	4.11%	45,000,000.00	0.00	45,000,000.00	0.00
Maturity	07/31/2026	05593DJQ7	(62,000,000.00)	BNP Paribas New York Branch 4.15 07/31/2026	100.000	4.15%	62,000,000.00	0.00	62,000,000.00	0.00
Maturity	07/31/2026	91282CCP4	(100,000,000.00)	UNITED STATES TREASURY 0.625 07/31/2026	100.000	0.00%	100,000,000.00	0.00	100,000,000.00	0.00
Total Maturity							3,637,500,000.00	0.00	3,637,500,000.00	0.00
Sale	07/20/2026	90LAIF\$00	(266,969.47)	Local Agency Investment Fund State Pool	1.000	3.84%	266,969.47	0.00	266,969.47	0.00
Total Sale			(266,969.47)				266,969.47	0.00	266,969.47	0.00
TOTAL DISPOSITIONS							3,712,766,969.47	0.00	3,712,766,969.47	0.00

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