

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

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 31, 2026

NEW ISSUE – FULL BOOK-ENTRY

RATINGS: SERIES A REFUNDING BONDS: MOODY’S: “Aa1”

SERIES B REFUNDING BONDS: MOODY’S: “Aa1”

(See “RATINGS” herein)

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

**TAHOE-TRUCKEE UNIFIED SCHOOL DISTRICT
(Placer, Nevada and El Dorado Counties, California)**

\$42,200,000*

**2026 General Obligation Refunding Bonds, Series A
(School Facilities Improvement District No. 1)
(Placer and Nevada Counties, California)**

\$28,360,000*

**2026 General Obligation Refunding Bonds, Series B
(School Facilities Improvement District No. 2)
(Placer and El Dorado Counties, California)**

Dated: Date of Delivery

Due: August 1 as shown on the inside cover pages

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision. Capitalized terms used by not otherwise defined on this cover page shall have the meanings assigned in the Official Statement.

The Tahoe-Truckee Unified School District (Placer, Nevada and El Dorado Counties, California) 2026 General Obligation Refunding Bonds, Series A (School Facilities Improvement District No. 1) (Placer and Nevada Counties, California) (the “Series A Refunding Bonds”) are being issued by the Tahoe-Truckee Unified School District (the “School District”) to (i) currently refund certain outstanding bonded indebtedness of the School District issued on behalf of the School Facilities Improvement District No. 1 of the Tahoe-Truckee Unified School District (“Improvement District No. 1”), and (ii) to pay the costs of issuing the Series A Refunding Bonds.

The Tahoe-Truckee Unified School District (Placer, Nevada and El Dorado Counties, California) 2026 General Obligation Refunding Bonds, Series B (School Facilities Improvement District No. 2) (Placer and El Dorado Counties, California) (the “Series B Refunding Bonds,” and together with the Series A Refunding Bonds, the “Bonds”), are being issued by the School District to (i) currently refund certain outstanding bonded indebtedness of the School District issued on behalf of the School Facilities Improvement District No. 1 of the Tahoe-Truckee Unified School District (“Improvement District No. 2”), and (ii) pay the costs of issuing the Series B Refunding Bonds.

The Series A Refunding Bonds are general obligations of the School District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of Placer and Nevada Counties are empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within Improvement District No. 1 subject to taxation by the School District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series A Refunding Bonds when due.

The Series B Refunding Bonds are general obligations of the School District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of Placer and El Dorado Counties are empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within Improvement District No. 2 subject to taxation by the School District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series B Refunding Bonds when due.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from their date of delivery and be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2026. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as “DTC”). Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees. Payments of the principal of and interest on the Bonds will be made by the U.S. Bank Trust Company, National Association, as the designated Paying Agent, to DTC for subsequent disbursement through DTC Participants to the Beneficial Owners.

The Bonds are subject to optional and mandatory sinking fund redemption as described herein. See “THE BONDS – Redemption” herein.*

**For Maturity Schedules*
see inside cover pages**

*Pursuant to the terms of a public sale on _____, 2026, the Series A Refunding Bonds were awarded to _____, as underwriter therefor, at a True-Interest Cost of ____%. Pursuant to the terms of a public sale on _____, 2026, and the Series B Refunding Bonds were awarded to _____, as underwriter therefor, at a True-Interest Cost of ____%. Pursuant to the terms of a public sale on _____, 2026. The Bonds are being offered when, as and if issued and received by the respective underwriter thereof, subject to the approval of legality by Stradling Yocca Carlson & Rauth LLP, San Francisco, California, Bond Counsel. Certain matters will be passed on for the School District by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel. The Bonds, in book-entry form, will be available through the facilities of the Depository Trust Company in New York, New York, on or about _____, 2026.**

The date of this Official Statement is _____, 2026.

* Preliminary, subject to change.

MATURITY SCHEDULES*

(1 of 2)

\$42,200,000

**2026 General Obligation Refunding Bonds, Series A
(School Facilities Improvement District No. 1)
(Placer and Nevada Counties, California)**

Base CUSIP[†]:

\$ _____ Serial Bonds

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>		<u>CUSIP[†]</u>
<u>August 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Suffix</u>

* Preliminary, subject to change.

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

MATURITY SCHEDULES*

(2 of 2)

\$28,360,000

**2026 General Obligation Refunding Bonds, Series B
(School Facilities Improvement District No. 2)
(Placer and El Dorado Counties, California)**

Base CUSIP[†]:

\$ _____ **Serial Bonds**

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>		<u>CUSIP[†]</u>
<u>August 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Suffix</u>

* Preliminary, subject to change.

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

TAHOE-TRUCKEE UNIFIED SCHOOL DISTRICT

Board of Education

Dianna Driller, *President, Trustee Area 5 (West Shore to Dollar Hill)*
Cris Hennessey, *Clerk, Trustee Area 3 (Cedar Flat to Stateline)*
Patrick Mooney, *Member, Trustee Area 1 (Truckee and Tahoe Donner)*
Kirsten Livak, *Member, Trustee Area 2 (Glenshire and Prosser Lakerview)*
Denyelle Nishimori, *Member, Trustee Area 4 (Northstar and Sierra Meadows)*

District Administration

Kerstin Kramer, *Superintendent Chief Learning Officer*
Todd Rivera, *Assistant Superintendent Chief Business Officer*

PROFESSIONAL SERVICES

BOND COUNSEL AND DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth LLP
San Francisco, California

MUNICIPAL ADVISOR

Keygent LLC
El Segundo, California

PAYING AGENT AND ESCROW AGENT

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

VERIFICATION AGENT

Causey Public Finance, LLC
Denver, Colorado

TABLE OF CONTENTS

Page

INTRODUCTION 1

THE SCHOOL DISTRICT 1

THE IMPROVEMENT DISTRICTS 2

SOURCES OF PAYMENT FOR THE BONDS 2

PURPOSE OF ISSUE 3

DESCRIPTION OF THE BONDS 3

TAX MATTERS 4

AUTHORITY FOR ISSUANCE OF THE BONDS 4

OFFERING AND DELIVERY OF THE BONDS 4

CONTINUING DISCLOSURE 4

FORWARD-LOOKING STATEMENTS 4

PROFESSIONALS INVOLVED IN THE OFFERING 5

OTHER INFORMATION 5

THE BONDS 5

AUTHORITY FOR ISSUANCE 5

SECURITY AND SOURCES OF PAYMENT 6

STATUTORY LIEN 7

DESCRIPTION OF THE BONDS 7

REDEMPTION 8

DEFEASANCE 11

DISCONTINUATION OF BOOK-ENTRY ONLY SYSTEM; REGISTRATION,
TRANSFER AND EXCHANGE OF BONDS 12

ESTIMATED SOURCES AND USES OF FUNDS 13

DEBT SERVICE SCHEDULES 13

SERIES A REFUNDING BONDS 13

SERIES B REFUNDING BONDS 14

APPLICATION OF PROCEEDS OF THE BONDS 15

REFUNDED BONDS 15

ESCROW FUNDS 17

DEBT SERVICE FUNDS 17

INVESTMENT OF FUNDS 17

IMPROVEMENT DISTRICTS' TAX BASES 18

AD VALOREM PROPERTY TAXATION 18

ASSESSED VALUATIONS 20

TAX LEVIES, COLLECTIONS AND DELINQUENCIES 30

ALTERNATIVE METHOD OF TAX APPORTIONMENT 31

TAX RATES 33

LARGEST PROPERTY OWNERS 35

DIRECT AND OVERLAPPING DEBT 36

**CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING
SCHOOL DISTRICT REVENUES AND APPROPRIATIONS 40**

ARTICLE XIII A OF THE CALIFORNIA CONSTITUTION 40

LEGISLATION IMPLEMENTING ARTICLE XIII A 41

PROPOSITION 19 41

PROPOSITION 50 AND PROPOSITION 171 41

UNITARY PROPERTY 42

ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION 43

ARTICLE XIII C AND ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION 43

PROPOSITION 26 44

TABLE OF CONTENTS (cont'd)

	<u>Page</u>
PROPOSITIONS 98 AND 111.....	45
PROPOSITION 39.....	46
PROPOSITION 1A AND PROPOSITION 22.....	47
<i>JARVIS V. CONNELL</i>	47
PROPOSITION 30 AND PROPOSITION 55	48
PROPOSITION 2.....	48
2024 STATE SCHOOL FACILITIES BOND	50
FUTURE INITIATIVES	51
THE IMPROVEMENT DISTRICTS	51
IMPROVEMENT DISTRICT No. 1.....	51
IMPROVEMENT DISTRICT No. 2.....	51
TAHOE-TRUCKEE UNIFIED SCHOOL DISTRICT	52
INTRODUCTION	52
ADMINISTRATION	53
ENROLLMENT.....	54
CHARTER SCHOOLS.....	54
LABOR RELATIONS	55
SCHOOL DISTRICT RETIREMENT SYSTEMS.....	56
POST-EMPLOYMENT MEDICAL BENEFITS	67
RISK MANAGEMENT	68
CYBERSECURITY	69
SCHOOL DISTRICT FINANCIAL INFORMATION	69
STATE FUNDING OF EDUCATION	69
OTHER FUNDING SOURCES	73
ACCOUNTING PRACTICES.....	75
COMPARATIVE FINANCIAL STATEMENTS.....	76
BUDGET PROCESS	78
STATE BUDGET	81
SCHOOL DISTRICT DEBT STRUCTURE	88
TAX MATTERS	93
LIMITATION ON REMEDIES; BANKRUPTCY	94
GENERAL	94
STATUTORY LIEN.....	95
SPECIAL REVENUES	95
POSSESSION OF TAX REVENUES; REMEDIES.....	95
OPINIONS OF BOND COUNSEL QUALIFIED BY REFERENCE TO BANKRUPTCY, INSOLVENCY AND OTHER LAWS RELATING TO OR AFFECTING CREDITOR'S RIGHTS.....	96
LEGAL MATTERS	96
CONTINUING DISCLOSURE	96
LEGALITY FOR INVESTMENT IN CALIFORNIA	96
LEGAL OPINIONS	96
ABSENCE OF MATERIAL LITIGATION	97
FINANCIAL STATEMENTS	97
ESCROW VERIFICATION	97
RATINGS.....	97
UNDERWRITING	98

TABLE OF CONTENTS (cont'd)

	<u>Page</u>
ADDITIONAL INFORMATION.....	99
APPENDIX A – BOUNDARY MAP OF IMPROVEMENT DISTRICTS.....	A-1
APPENDIX B – THE 2024-25 AUDITED FINANCIAL STATEMENTS OF THE SCHOOL DISTRICT	B-1
APPENDIX C – GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF TRUCKEE AND THE COUNTIES OF PLACER, NEVADA AND EL DORADO CALIFORNIA	C-1
APPENDIX D – FORMS OF OPINIONS OF BOND COUNSEL	D-1
APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE	E-1
APPENDIX F – BOOK-ENTRY ONLY SYSTEM	F-1
APPENDIX G – PLACER COUNTY INVESTMENT POOL	G-1

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

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

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

Certain information set forth herein, other than that provided by the School District, has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the School District. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts. 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 Improvement Districts or the School District since the date hereof.

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

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

TAHOE-TRUCKEE UNIFIED SCHOOL DISTRICT	
(Placer, Nevada and El Dorado Counties, California)	
\$42,200,000*	\$28,360,000*
2026 General Obligation Refunding Bonds,	2026 General Obligation Refunding Bonds,
Series A	Series B
(School Facilities Improvement District No. 1)	(School Facilities Improvement District No. 2)
(Placer and Nevada Counties, California)	(Placer and El Dorado Counties, California)

INTRODUCTION

This Official Statement, which includes the cover page, inside cover pages, and appendices hereto, provides information in connection with the sale of (i) Tahoe-Truckee Unified School District (Placer, Nevada and El Dorado Counties, California) 2026 General Obligation Refunding Bonds, Series A (School Facilities Improvement District No. 1) (Placer and Nevada Counties, California) (the “Series A Refunding Bonds”), and (ii) Tahoe-Truckee Unified School District (Placer, Nevada and El Dorado Counties, California) 2026 General Obligation Refunding Bonds, Series B (School Facilities Improvement District No. 2) (Placer and El Dorado Counties, California) (the “Series B Refunding Bonds” and together with the Series A Refunding Bonds, the “Bonds”).

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

The School District

The Tahoe-Truckee Unified School District (the “School District”) was established in 1949 and is comprised of an area of approximately 700 square miles located in Placer County (the “County”), Nevada County and El Dorado County (collectively with the County, the “Counties”) in the Sierra Nevada Mountain Range near Lake Tahoe. The District operates five elementary schools, two middle schools, two high schools, one alternative school and one continuation school. The School District is a “community funded” (formerly known as “basic aid”) district. See “SCHOOL DISTRICT FINANCIAL INFORMATION – State Funding of Education – Community Funded School Districts” herein for more information about community funded districts. The School District has a fiscal year 2025-26 enrollment of 3,966 students and a projected average daily attendance (“ADA”) of 3,680 students.

The governing body of the School District is the Board of Education (the “Board”), which includes five voting members elected by the voters of the School District within five trustee areas. The trustees serve four-year terms. Elections for trustee positions to the Board are held every two years, alternating between two and three positions. The management and policies of the School District are administered by a Board-appointed Superintendent Chief Learning Officer. Ms. Kerstin Kramer currently serves as the School District’s Superintendent Chief Learning Officer.

For more complete information concerning the School District, including certain financial information, see “TAHOE-TRUCKEE UNIFIED SCHOOL DISTRICT” and “SCHOOL DISTRICT FINANCIAL INFORMATION” herein. See also “IMPROVEMENT DISTRICTS’ TAX BASES” for additional information regarding the assessed valuation of property within the Improvement Districts (as

defined herein). The School District’s audited financial statements for the fiscal year ended June 30, 2024 are attached hereto as APPENDIX B and should be read in their entirety.

The Improvement Districts

School Facilities Improvement District No. 1 of the Tahoe-Truckee Unified School District (“Improvement District No. 1”) encompasses the northern portion of the School District in Placer and Nevada Counties, representing approximately 58.56% of the territory of the School District. Improvement District No. 1 has a fiscal year 2025-26 total assessed valuation of \$20,919,520,159. See “THE IMPROVEMENT DISTRICTS – Improvement District No. 1” herein and “APPENDIX A – BOUNDARY MAP OF IMPROVEMENT DISTRICTS” attached hereto.

School Facilities Improvement District No. 2 of the Tahoe-Truckee Unified School District (“Improvement District No. 2”) encompasses the southern portion of the District in Placer and El Dorado Counties, representing approximately 41.44% of the territory of the School District. Improvement District No. 2 has a fiscal year 2025-26 total assessed valuation of \$14,805,800,338. See “THE IMPROVEMENT DISTRICTS – Improvement District No. 2” herein and “APPENDIX A – BOUNDARY MAP OF IMPROVEMENT DISTRICTS” attached hereto.

Improvement District No. 1 and Improvement District No. 2 are together referred to herein as the “Improvement Districts,” and each may be referred to individually herein as an “Improvement District.”

Sources of Payment for the Bonds

The Series A Refunding Bonds are general obligations of the School District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of Placer and Nevada Counties are empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within Improvement District No. 1 subject to taxation by the School District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series A Refunding Bonds when due.

The Series B Refunding Bonds are general obligations of the School District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of Placer and El Dorado Counties are empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within Improvement District No. 2 subject to taxation by the School District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series B Refunding Bonds when due.

See also generally “THE BONDS – Security and Sources of Payment” and “IMPROVEMENT DISTRICTS’ TAX BASES” herein.

Purpose of Issue

The Series A Refunding Bonds are being issued by the School District to (i) currently refund a portion of the outstanding Tahoe-Truckee Unified School District (Placer, Nevada and El Dorado Counties, California) Election of 2014 General Obligation Bonds, Series B (School Facilities Improvement District No. 1) (Placer and Nevada Counties, California) (the “Prior Improvement District No. 1 Bonds”), and (ii) pay the costs of issuing the Series A Refunding Bonds.

The Series B Refunding Bonds are being issued by the School District to (i) currently refund a portion of the outstanding Tahoe-Truckee Unified School District (Placer, Nevada and El Dorado Counties, California) Election of 2014 General Obligation Bonds, Series B (School Facilities Improvement District No. 2) (Placer and Nevada Counties, California) (the “Prior Improvement District No. 2 2014 Series B Bonds”), (ii) Tahoe-Truckee Unified School District (Placer, Nevada and El Dorado Counties, California) 2013 General Obligation Refunding Bonds, Series B (School Facilities Improvement District No. 2) (the “Prior Improvement District No. 2 Refunding Bonds,” and together with the Prior Improvement District No. 2 2014 Series B Bonds, the “Prior Improvement District No. 2 Bonds”), and (iii) pay the costs of issuing the Series B Refunding Bonds.

The Prior Improvement District No. 1 Bonds and Prior Improvement District No. 2 Bonds are collectively referred to herein as the “Prior Bonds.”

See also “ESTIMATED SOURCES AND USES OF FUNDS” and “APPLICATION OF PROCEEDS OF THE BONDS” herein.

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), who will act as securities depository for the Bonds. See “THE BONDS – General Provisions” and “APPENDIX F – BOOK-ENTRY ONLY SYSTEM” herein. Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolutions described herein. See “THE BONDS – Discontinuation of Book-Entry Only System; Registration, Payment and Transfer of Bonds” herein.

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

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

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

* Preliminary, subject to change.

Payments. The Bonds will be dated as of their date of delivery, and will be issued as current interest bonds, such that interest thereon will accrue from the date of delivery, and be payable semiannually on each February 1 and August 1, commencing August 1, 2026 (each, a “Bond Payment Date”). Principal on the Bonds is payable on August 1 of each year, as shown on the inside cover pages hereof.

Payments of the principal of and interest on the Bonds will be made by U.S. Bank Trust Company, National Association, as the designated paying agent, registrar and transfer agent (the “Paying Agent”) to DTC for subsequent disbursement through DTC Participants (as defined herein) to the Beneficial Owners of the Bonds. See also “APPENDIX F – BOOK ENTRY-ONLY SYSTEM” attached hereto.

Tax Matters

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

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the Government Code and other applicable law, and pursuant to the Resolutions (as defined herein). See “THE BONDS – Authority for Issuance” herein.

Offering and Delivery of the Bonds

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

Continuing Disclosure

The School District will covenant for the benefit of Owners and Beneficial Owners to make available certain financial information and operating data relating to the School District and to provide notices of the occurrence of certain listed events, in order to assist the Underwriter (as defined herein) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). The specific nature of the information to be made available and of the notices of listed events is summarized in “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto.

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section

* Preliminary; subject to change.

27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “intend,” “expect,” “estimate,” “project,” “budget” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the School District herein.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth LLP, San Francisco, California is acting as Bond Counsel and Disclosure Counsel to the School District with respect to the Bonds. Keygent LLC, El Segundo, California, is acting as the School District’s municipal advisor (the “Municipal Advisor”) with respect to the Bonds. Causey Public Finance, LLC, Denver, Colorado, is acting as verification agent for the Bonds. U.S. Bank Trust Company, National Association, Los Angeles, California is acting as escrow agent (the “Escrow Agent”) with respect to the Prior Bonds. [From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Bonds or the School District.]

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Assistant Superintendent Chief Business Officer, Tahoe-Truckee Unified School District, 11603 Donner Pass Road, Truckee, California 96161, telephone: (530) 582-2500. The School District may impose a charge for copying, mailing and handling.

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

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

Capitalized terms used but not otherwise defined herein will have the meaning assigned to such terms by the respective Resolution.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of the Government Code and other applicable law and pursuant to resolutions relating to each of the Bonds adopted by the Board on November 5, 2025 (the “Resolutions”).

Security and Sources of Payment

The Series A Refunding Bonds are general obligations of the School District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of Placer and Nevada Counties are empowered and obligated to levy such *ad valorem* taxes, without limitation as to rate or amount, upon all property within Improvement District No. 1 subject to taxation by the School District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series A Refunding Bonds when due.

The Series B Refunding Bonds are general obligations of the School District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of Placer and El Dorado Counties are empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within Improvement District No. 2 subject to taxation by the School District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series B Refunding Bonds when due.

Ad valorem property taxes levied to pay the Bonds will be levied annually in addition to all other taxes in an amount sufficient to pay the principal of and interest thereon when due, as described above. The levy *ad valorem* property taxes for payment of the Bonds may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. However, the Counties are not obligated to establish or maintain such a reserve for any of the Bonds, and the School District can make no representations that the Counties will do so. Such taxes, when collected, will be placed by the Counties in the respective Debt Service Funds (defined herein) for each series of the Bonds established by the Resolutions, each of which is required to be segregated and maintained by the County and which is designated for the payment of the respective series of Bonds to which such Debt Service Fund relates, and interest thereon when due, and for no other purpose. Pursuant to each of the Resolutions, the School District has pledged funds on deposit in each Debt Service Fund to the payment of the respective series of Bonds to which such fund relates. Although the Counties are obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and the County will maintain the Debt Service Funds, none of the Bonds are a debt of the Counties.

The moneys in each Debt Service Fund, to the extent necessary to pay principal of and interest on the series of Bonds to which such Debt Service Fund relates, as the same becomes due and payable, will be transferred by the Paying Agent, to DTC for remittance of such principal and interest to its Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

The rates of the annual *ad valorem* property taxes levied by the Counties on property within the respective Improvement Districts to pay the principal of and interest on the applicable series of Bonds, as described above, will be determined by the relationship between the assessed valuation of taxable property in the respective Improvement Districts and the amount of debt service due on the related series of Bonds in any year. Fluctuations in the annual debt service due on the respective series of Bonds and the assessed value of taxable property in each Improvement District may cause the annual tax rate to fluctuate. Economic and other factors beyond the School District's control, such as a general market decline in land values, outbreaks of disease, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), a relocation out of an Improvement 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, drought, fire, wildfire, flood, or other natural disaster, could cause a reduction in the assessed value of taxable property within an Improvement District and could necessitate a corresponding increase in the annual tax rate in such Improvement District. For further information regarding the Improvement Districts' respective

assessed valuations, tax rates, overlapping debt, and other matters concerning taxation, see “IMPROVEMENT DISTRICTS’ TAX BASES” herein.

Statutory Lien

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

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

Description of the Bonds

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

Interest on the Bonds accrues from their date of delivery, and is payable on each Bond Payment Date, commencing August 1, 2026. Interest on the Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2026, in which event it shall bear interest from the date of delivery. The Bonds are issuable in denominations of \$5,000 principal amount, or any integral multiple thereof, and mature on August 1, in the years and amounts set forth on the inside cover pages hereof.

Payment of interest on any Bond on any Bond Payment Date will be made to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the 15th day of the month immediately preceding such Bond Payment Date (the “Record Date”), such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal of and redemption premiums, if any, payable on the Bonds shall be payable upon maturity upon surrender at the principal office of the Paying Agent. The principal of, and interest, and redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered owner of the Bonds. See also “APPENDIX F – BOOK-ENTRY ONLY SYSTEM” herein.

Redemption

Optional Redemption.* The Series A Refunding Bonds maturing on or before August 1, 2036, are not subject to redemption prior to their respective maturity dates. The Series A Refunding Bonds maturing on or after August 1, 2037 are subject to redemption prior to their respective stated maturity dates, at the option of the School District, from any source of available funds, as a whole or in part on any date on or after August 1, 2036, at a redemption price equal to the principal amount of the Series A Refunding Bonds to be redeemed, plus interest thereon to the date fixed for redemption, without premium

The Series B Refunding Bonds maturing on or before August 1, 2036, are not subject to redemption prior to their respective maturity dates. The Series B Refunding Bonds maturing on or after August 1, 2037, are subject to redemption prior to their respective stated maturity dates, at the option of the School District, from any source of available funds, as a whole or in part on any date on or after August 1, 2036, at a redemption price equal to the principal amount of the Series B Refunding Bonds to be redeemed, plus interest thereon to the date fixed for redemption, without premium.

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

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

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

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

In the event that a portion of the Term Bonds shown above are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such Term Bonds optionally redeemed.

* Preliminary, subject to change.

Selection of Bonds for Redemption. Whenever provision is made for the redemption of Bonds, if less than all of the Bonds of a single series and stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the School District or, if not so selected, in the inverse order of maturity. If less than all of the Bonds of any one maturity of a single series shall be called for redemption, the particular Bonds or portions of Bonds of such maturity within a single series to be redeemed shall be selected by the Paying Agent as directed by the School District, and if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any such Bond to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof.

Notice of Redemption. Notice of any redemption of Bonds will be mailed, postage-prepaid, not less than 20 but not more than 45 days prior to the redemption date (i) by registered or certified mail to the respective registered owners thereof at the addresses appearing on the bond registration books, (ii) by registered or certified mail or overnight delivery service to the Securities Depository described below, and (iii) by registered or certified mail, telephonically confirmed transmission or overnight delivery service to one or more of the Information Services described below. Such notice of redemption shall also be given to such other persons as may be required pursuant to the Continuing Disclosure Certificate (as defined herein).

Each notice of redemption will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate, and stated maturity date of each Bond to be redeemed in whole or in part. Such notice will further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest with respect thereto will cease to accrue.

“Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System.

“Securities Depository” shall mean The Depository Trust Company, 140 58th Street, Brooklyn, New York 10041.

The actual receipt by the owner of any Bond or of the Securities Depository or Information Service of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice mailed, will not affect the validity of the proceedings for the redemption of such Bond or the cessation of interest on the date fixed for redemption. A certificate of the Paying Agent or the School District that notice of call and redemption has been given to owners and the appropriate Securities Depository or Information Services will be conclusive as against all parties.

The notice or notices required for redemption will be given by the Paying Agent or its designee. A certificate by the Paying Agent that notice of call and redemption has been given to owners of Bonds and to the appropriate Securities Depository and Information Services shall be conclusive as against all parties, and no Bondowner whose Bond is called for redemption may object thereto or object to the cessation of interest on the fixed redemption date by any claim or showing that said Bondowner failed to actually receive such notice of call and redemption.

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

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

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

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

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

Defeasance

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

- (a) Cash: by irrevocably depositing with an independent escrow agent selected by the School District an amount of cash which together with amounts transferred from the applicable Debt Service Fund, if any, is sufficient to pay all Bonds outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premium, if any); or
- (b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the School District noncallable Government Obligations 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 and moneys transferred from the applicable Debt Service Fund, if any, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premium, if any) at or before their maturity date;

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

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

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

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

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

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

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register 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. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

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

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ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds	Series A Refunding <u>Bonds</u>	Series B Refunding <u>Bonds</u>
Principal Amount of Bonds		
[Net] Original Issue Premium		
Total Sources		
Uses of Funds		
Escrow Funds		
Costs of Issuance ⁽¹⁾		
Total Uses		

⁽¹⁾ Includes all costs of issuance related to the Bonds, including but not limited to the underwriting discount, municipal advisory and legal fees, rating agencies fees, printing costs, demographics fees, the costs and fees of the Paying Agent, Escrow Agent and Verification Agent.

DEBT SERVICE SCHEDULES

Series A Refunding Bonds

The following table shows the debt service schedule with respect to the Series A Refunding Bonds (assuming no optional redemptions are made).

<u>Period Ending August 1</u>	<u>Annual Principal Payment⁽¹⁾</u>	<u>Annual Interest Payment⁽¹⁾</u>	<u>Total Annual Debt Service</u>
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Total

⁽¹⁾ Interest payments will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2026. Principal payable on August 1 of each year.

Series B Refunding Bonds

The following table shows the debt service schedule with respect to the Series B Refunding Bonds (assuming no optional redemptions are made).

<u>Period Ending August 1</u>	<u>Annual Principal Payment⁽¹⁾</u>	<u>Annual Interest Payment⁽¹⁾</u>	<u>Total Annual Debt Service</u>
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⁽¹⁾ Interest payments will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2026. Principal payable on August 1 of each year.

See also “SCHOOL DISTRICT FINANCIAL INFORMATION – School District Debt Structure – General Obligation Bonds” herein for a schedule of the combined debt service requirements for all of the Improvement Districts’ outstanding general obligation bonds.

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APPLICATION OF PROCEEDS OF THE BONDS

Refunded Bonds

The Bonds are being issued by the School District to (i) currently refund certain of the Prior Bonds (so refunded, the “Refunded Bonds”), and (ii) pay the costs of issuing the Bonds. The following tables show information on the specific maturities of the Refunded Bonds.

REFUNDED BONDS*
Tahoe-Truckee Unified School District
(Placer, Nevada and El Dorado Counties, California)
Election of 2014 General Obligation Bonds, Series B
(School Facilities Improvement District No. 1)
(Placer and Nevada Counties, California)

<u>Maturity</u> <u>(August 1)</u>	<u>CUSIP</u> [†]	<u>Initial</u> <u>Principal</u> <u>Amount</u>	<u>Principal</u> <u>Amount to be</u> <u>Refunded</u>	<u>Interest Rate</u>	<u>Redemption</u> <u>Date</u>	<u>Redemption</u> <u>Price</u> <u>(% of Par</u> <u>Amount)</u>
2027	873884NF3	\$1,835,000	\$1,835,000	5.000%	August 1, 2026	100%
2028	873884NG1	2,040,000	2,040,000	5.000	August 1, 2026	100
2029	873884NH9	2,280,000	2,280,000	5.000	August 1, 2026	100
2030	873884NJ5	2,540,000	2,540,000	5.000	August 1, 2026	100
2031	873884NK2	2,810,000	2,810,000	5.000	August 1, 2026	100
2032	873884NL0	3,110,000	3,110,000	5.000	August 1, 2026	100
2033	873884NM8	3,420,000	3,420,000	5.000	August 1, 2026	100
2034	873884NN6	3,755,000	3,755,000	5.000	August 1, 2026	100
2035	873884NP1	4,105,000	4,105,000	5.000	August 1, 2026	100
2036	873884NQ9	4,485,000	4,485,000	5.000	August 1, 2026	100
2039	873884NR7	15,985,000	15,985,000	5.000	August 1, 2026	100

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* Preliminary, subject to change.

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriter, the Municipal Advisor or the School District is responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the School District, the Municipal Advisor or the Underwriter.

REFUNDED BONDS*
Tahoe-Truckee Unified School District
(Placer, Nevada and El Dorado Counties, California)
Election of 2014 General Obligation Bonds, Series B
(School Facilities Improvement District No. 2)
(Placer and El Dorado Counties, California)

<u>Maturity</u> <u>(August 1)</u>	<u>CUSIP</u> [†]	<u>Initial</u> <u>Principal</u> <u>Amount</u>	<u>Principal</u> <u>Amount to be</u> <u>Refunded</u>	<u>Interest Rate</u>	<u>Redemption</u> <u>Date</u>	<u>Redemption</u> <u>Price</u> <u>(% of Par</u> <u>Amount)</u>
2027	873884PA2	\$855,000	\$855,000	5.000%	August 1, 2026	100%
2028	873884PB0	955,000	955,000	5.000	August 1, 2026	100
2029	873884PC8	1,060,000	1,060,000	5.000	August 1, 2026	100
2030	873884PD6	1,175,000	1,175,000	5.000	August 1, 2026	100
2031	873884PE4	1,295,000	1,295,000	5.000	August 1, 2026	100
2032	873884PF1	1,425,000	1,425,000	5.000	August 1, 2026	100
2033	873884PG9	1,560,000	1,560,000	5.000	August 1, 2026	100
2034	873884PH7	1,700,000	1,700,000	5.000	August 1, 2026	100
2035	873884PJ3	1,855,000	1,855,000	5.000	August 1, 2026	100
2036	873884PK0	2,010,000	2,010,000	5.000	August 1, 2026	100
2041	873884PL8	12,850,000	12,850,000	5.000	August 1, 2026	100

REFUNDED BONDS*
Tahoe-Truckee Unified School District
(Placer, Nevada and El Dorado Counties, California)
2013 General Obligation Refunding Bonds, Series B
(School Facilities Improvement District No. 2)

<u>Maturity</u> <u>(August 1)</u>	<u>CUSIP</u> [†]	<u>Initial</u> <u>Principal</u> <u>Amount</u>	<u>Principal</u> <u>Amount to be</u> <u>Refunded</u>	<u>Interest Rate</u>	<u>Redemption</u> <u>Date</u>	<u>Redemption</u> <u>Price</u> <u>(% of Par</u> <u>Amount)</u>
2027	873884LU2	765,000	765,000	2.750	August 1, 2026	100
2028	873884LV0	775,000	775,000	3.000	August 1, 2026	100
2029	873884LW8	810,000	810,000	3.000	August 1, 2026	100
2030	873884LX8	1,805,000	1,805,000	4.000	August 1, 2026	100

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriter, the Municipal Advisor or the School District is responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the School District, the Municipal Advisor or the Underwriter.

Escrow Funds

The net proceeds from the sale of the Bonds will be paid to U.S. Bank Trust Company, National Association, acting as the Escrow Agent, to the credit of the (i) “Tahoe-Truckee Unified School District 2026 General Obligation Refunding Bonds, Series A Escrow Fund” (the “Series A Refunding Bonds Escrow Fund”) and (ii) “Tahoe-Truckee Unified School District 2026 General Obligation Refunding Bonds, Series B Escrow Fund” (the “Series B Refunding Bonds Escrow Fund,” and together the Escrow Funds) held pursuant to escrow agreements relating to each respective series of Bonds, by and between the School District and the Escrow Agent.

Amounts deposited in the Escrow Funds will be held either uninvested as cash or used to purchase certain Federal Securities (as defined in the Escrow Agreements) to enable the Escrow Agent to pay (i) the principal and redemption premium (if any) due on the Refunded Bonds on the first optional redemption dates therefor described above, and (ii) the interest on the Refunded Bonds before such redemption dates.

The sufficiency of the amounts on deposit in the Escrow Funds, together with realizable interest and earnings thereon, to refund the Refunded Bonds as described above, will be verified by Causey Public Finance, LLC, as Verification Agent. As a result of the deposit and application of the net proceeds of the Bonds, as described above, and assuming the accuracy of the calculations of the Verification Agent, the Refunded Bonds will be defeased, the obligation of the Counties to levy *ad valorem* property taxes for the payment thereof will terminate, and owners of the Refunded Bonds may look only towards monies and securities on deposit in the Escrow Fund for the payment thereof. See also “LEGAL MATTERS – Escrow Verification” herein.

Debt Service Funds

The *ad valorem* property taxes levied by the Counties for the payment of the Bonds, when collected, will be held separate and apart by the County in the debt service funds relating to each series of Bonds created by the Resolutions (each, a “Debt Service Fund”), and used only for payment of principal of and interest on the respective series of Bonds to which such Debt Service Fund relates. Any interest earnings on moneys held in each Debt Service Fund will be retained therein. If, after all of the respective series of Bonds to which such Debt Service Fund relates have been redeemed or paid and otherwise cancelled, there are moneys remaining in the such Debt Service Fund, said moneys will be transferred to the general fund of the School District as provided and permitted by law.

Investment of Funds

Moneys in the Escrow Fund will be invested as described above. Moneys in the Debt Service Funds will be invested through the County’s Pooled Investment Fund. See “APPENDIX G – PLACER COUNTY INVESTMENT POOL” attached hereto.

IMPROVEMENT DISTRICTS' TAX BASES

The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax bases of each of the Improvement Districts. The Bonds shall be payable solely from ad valorem property taxes levied and collected by the Counties on taxable property in the respective Improvement Districts. The School District's general fund is not a source for the repayment of the Bonds.

Ad Valorem Property Taxation

Property taxes within each Improvement District are assessed and collected by the County at the same time and on the same rolls as the special district property taxes. Assessed valuations are the same for both the School District and the County taxing purposes.

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

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

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

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

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

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

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Assessed Valuations

Improvement District No. 1. Property within Improvement District No. 1 has a total assessed valuation for fiscal year 2025-26 of \$20,919,520,159. The following table represents a 10-year history of assessed valuations in Improvement District No. 1.

**ASSESSED VALUATIONS
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 1
Fiscal Years 2016-17 through 2025-26**

<u>Fiscal Year</u>	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>Percent Change</u>
<u>Placer County Portion</u>					
2016-17	\$4,777,234,251	\$1,936,833	\$69,892,149	\$4,849,063,233	--
2017-18	5,205,639,094	1,475,766	67,604,025	5,274,718,885	8.78%
2018-19	5,696,400,432	1,475,766	68,311,004	5,766,187,202	9.32
2019-20	6,113,131,904	1,475,766	69,803,312	6,184,410,982	7.25
2020-21	6,483,119,361	1,475,766	67,702,549	6,552,297,676	5.95
2021-22	6,991,015,886	1,123,713	66,217,634	7,058,357,233	7.72
2022-23	7,728,125,811	1,123,713	71,048,583	7,800,298,107	10.51
2023-24	8,343,357,867	1,123,713	73,797,789	8,418,279,369	7.92
2024-25	8,930,499,638	1,123,713	94,548,008	9,026,171,359	7.22
2025-26	9,479,318,242	1,147,715	86,883,216	9,567,349,173	6.00
<u>Nevada County Portion</u>					
2016-17	\$6,182,308,933	\$2,870,018	\$128,721,257	\$6,313,900,208	--
2017-18	6,550,033,503	2,870,032	126,022,730	6,678,926,265	5.78%
2018-19	7,024,704,826	2,750,032	144,920,698	7,172,375,556	7.39
2019-20	7,364,635,903	2,903,635	163,821,415	7,531,360,953	5.01
2020-21	7,753,282,031	2,903,635	165,364,831	7,921,550,497	5.18
2021-22	8,284,687,383	2,903,635	154,964,043	8,442,555,061	6.58
2022-23	9,043,303,343	2,482,485	183,254,751	9,229,040,579	9.32
2023-24	9,800,468,797	3,064,461	234,559,399	10,038,092,657	8.77
2024-25	10,430,980,948	3,064,461	211,976,818	10,646,022,227	6.06
2025-26	11,130,855,949	3,064,461	218,250,576	11,352,170,986	6.63
<u>Total</u>					
2016-17	\$10,959,543,184	\$4,806,851	\$198,613,406	\$11,162,963,441	--
2017-18	11,755,672,597	4,345,798	193,626,755	11,953,645,150	7.08%
2018-19	12,721,105,258	4,225,798	213,231,702	12,938,562,758	8.24
2019-20	13,477,767,807	4,379,401	233,624,727	13,715,771,935	6.01
2020-21	14,236,401,392	4,379,401	233,067,380	14,473,848,173	5.53
2021-22	15,275,703,269	4,027,348	221,181,677	15,500,912,294	7.10
2022-23	16,771,429,154	3,606,198	254,303,334	17,029,338,686	9.86
2023-24	18,143,826,664	4,188,174	308,357,188	18,456,372,026	8.38
2024-25	19,361,480,586	4,188,174	306,524,826	19,672,193,586	6.59
2025-26	20,610,174,191	4,212,176	305,133,792	20,919,520,159	6.34

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

The following table shows an analysis of the distribution of taxable property in Improvement District No. 1 by jurisdiction, in terms of its fiscal year 2025-26 assessed valuation.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2025-26
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 1

<u>Jurisdiction:</u>	Assessed Valuation <u>in SFID No. 1</u>	% of <u>SFID No. 1</u>	Assessed Valuation <u>of Jurisdiction</u>	% of Jurisdiction <u>in SFID No. 1</u>
Town of Truckee	\$10,670,109,131	51.01%	\$10,670,109,131	100.00%
Unincorporated Nevada County	682,061,855	3.26	14,575,242,768	4.68
Unincorporated Placer County	<u>9,567,349,173</u>	<u>45.73</u>	49,321,322,293	19.40
Total SFID	<u>\$20,919,520,159</u>	100.00%		
<u>Summary by County:</u>				
Nevada County	\$11,352,170,986	54.27%	\$28,361,987,652	40.03%
Placer County	<u>9,567,349,173</u>	<u>45.73</u>	117,736,160,494	8.13
Total SFID	<u>\$20,919,520,159</u>	100.00%		

Source: California Municipal Statistics, Inc.

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The following table shows the distribution of single family homes within Improvement District No. 1 among various fiscal year 2025-26 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within Improvement District No. 1.

ASSESSED VALUATION PER PARCEL OF SINGLE-FAMILY HOMES

Fiscal Year 2025-26

Tahoe-Truckee Unified School District

School Facilities Improvement District No. 1

	<u>No. of Parcels</u>	<u>2025-26 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	15,876	\$16,781,915,123	\$1,057,062	\$689,991

<u>2025-26 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 - \$99,999	369	2.324%	2.324%	\$23,713,001	0.141%	0.141%
100,000 - 199,999	842	5.304	7.628	131,744,908	0.785	0.926
200,000 - 299,999	1,386	8.730	16.358	345,873,992	2.061	2.987
300,000 - 399,999	1,264	7.962	24.320	442,633,000	2.638	5.625
400,000 - 499,999	1,363	8.585	32.905	613,969,165	3.659	9.283
500,000 - 599,999	1,450	9.133	42.038	795,700,333	4.741	14.025
600,000 - 699,999	1,426	8.982	51.020	927,075,348	5.524	19.549
700,000 - 799,999	1,200	7.559	58.579	897,985,457	5.351	24.900
800,000 - 899,999	1,057	6.658	65.237	896,268,980	5.341	30.241
900,000 - 999,999	836	5.266	70.503	793,506,164	4.728	34.969
1,000,000 - 1,099,999	595	3.748	74.250	622,684,936	3.710	38.679
1,100,000 - 1,199,999	475	2.992	77.242	546,516,355	3.257	41.936
1,200,000 - 1,299,999	399	2.513	79.756	497,983,107	2.967	44.903
1,300,000 - 1,399,999	319	2.009	81.765	430,257,016	2.564	47.467
1,400,000 - 1,499,999	258	1.625	83.390	373,600,968	2.226	49.693
1,500,000 - 1,599,999	217	1.367	84.757	335,729,067	2.001	51.694
1,600,000 - 1,699,999	184	1.159	85.916	303,737,998	1.810	53.504
1,700,000 - 1,799,999	204	1.285	87.201	357,268,903	2.129	55.633
1,800,000 - 1,899,999	157	0.989	88.190	289,830,759	1.727	57.360
1,900,000 - 1,999,999	156	0.983	89.172	304,128,044	1.812	59.172
2,000,000 and greater	<u>1,719</u>	<u>10.828</u>	100.000	<u>6,851,707,622</u>	<u>40.828</u>	100.000
	15,876	100.000%		\$16,781,915,123	100.000%	

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

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The following table shows the distribution of taxable property within Improvement District No. 1 by principal use, as measured by assessed valuation and parcels in fiscal year 2025-26.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2025-26
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 1

	2025-26	% of	No. of	% of
<u>Non-Residential:</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Total</u>	<u>Parcels</u>	<u>Total</u>
Agricultural/Rural	\$137,668,192	0.67%	844	3.35%
Commercial/Office	487,218,932	2.36	318	1.26
Vacant Commercial	148,095,635	0.72	157	0.62
Hotel/Motel	107,738,250	0.52	24	0.10
Industrial	103,958,057	0.50	66	0.26
Vacant Industrial	3,710,046	0.02	10	0.04
Recreational/ Ski Resorts	220,192,857	1.07	690	2.74
Government/Social/Institutional	9,975,025	0.05	131	0.52
Miscellaneous	<u>97,451</u>	<u>0.00</u>	<u>16</u>	<u>0.06</u>
Subtotal Non-Residential	\$1,218,654,445	5.91%	2,256	8.95%
<u>Residential:</u>				
Single Family Residence	\$16,781,915,123	81.43%	15,876	62.98%
Condominium/Townhouse	1,447,388,929	7.02	2,562	10.16
Mobile Home	15,058,317	0.07	277	1.10
Mobile Home Park	27,406,880	0.13	12	0.05
2-4 Residential Units	153,719,526	0.75	64	0.25
5+ Residential Units/Apartments	88,654,474	0.43	39	0.15
Timeshare Units	86,109,538	0.42	1,151	4.57
Miscellaneous Residential	1,316,156	0.01	15	0.06
Vacant Residential	<u>789,950,803</u>	<u>3.83</u>	<u>2,957</u>	<u>11.73</u>
Subtotal Residential	\$19,391,519,746	94.09%	22,953	91.05%
Total	\$20,610,174,191	100.00%	25,209	100.00%

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

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Improvement District No. 2. Property within Improvement District No. 2 has a total assessed valuation for fiscal year 2025-26 of \$14,805,800,338. The following table represents a 10-year history of assessed valuations in Improvement District No. 2.

**ASSESSED VALUATIONS
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 2
Fiscal Years 2016-17 through 2025-26**

<u>Fiscal Year</u>	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>Percent Change</u>
<u>Placer County Portion</u>					
2016-17	\$7,808,236,761	\$422,144	\$125,018,466	\$7,933,677,371	--
2017-18	8,123,575,794	995,158	126,777,209	8,251,348,161	4.00%
2018-19	8,478,092,102	995,158	143,231,404	8,622,318,664	4.50
2019-20	8,935,386,517	995,158	155,421,024	9,091,802,699	5.44
2020-21	9,345,800,960	995,158	168,397,737	9,515,193,855	4.66
2021-22	9,897,984,398	1,120,576	198,088,977	10,097,193,951	6.12
2022-23	10,801,127,848	1,120,576	248,779,651	11,051,028,075	9.45
2023-24	11,429,794,557	1,120,576	303,706,931	11,734,622,064	6.19
2024-25	12,073,714,396	1,120,576	294,635,689	12,369,470,661	5.41
2025-26	12,822,655,166	1,120,576	351,131,446	13,174,907,188	6.51
<u>El Dorado County Portion</u>					
2016-17	\$984,673,904	\$0	\$6,769,806	\$991,443,710	--
2017-18	1,034,535,773	0	6,197,015	1,040,732,788	4.97%
2018-19	1,106,781,250	0	6,418,229	1,113,199,479	6.96
2019-20	1,143,842,084	0	5,917,383	1,149,759,467	3.28
2020-21	1,204,608,095	0	5,236,930	1,209,845,025	5.23
2021-22	1,291,082,763	0	4,965,708	1,296,048,471	7.13
2022-23	1,389,528,751	0	7,646,973	1,397,175,724	7.80
2023-24	1,475,517,127	0	8,989,453	1,484,506,580	6.25
2024-25	1,545,278,764	0	8,480,532	1,553,759,296	4.67
2025-26	1,621,442,744	0	9,450,406	1,630,893,150	4.96
<u>Total</u>					
2016-17	\$8,792,910,665	\$422,144	\$131,788,272	\$8,925,121,081	--
2017-18	9,158,111,567	995,158	132,974,224	9,292,080,949	4.11%
2018-19	9,584,873,352	995,158	149,649,633	9,735,518,143	4.77
2019-20	10,079,228,601	995,158	161,338,407	10,241,562,166	5.20
2020-21	10,550,409,055	995,158	173,634,667	10,725,038,880	4.72
2021-22	11,189,067,161	1,120,576	203,054,685	11,393,242,422	6.23
2022-23	12,190,656,599	1,120,576	256,426,624	12,448,203,799	9.26
2023-24	12,905,311,684	1,120,576	312,696,384	13,219,128,644	6.19
2024-25	13,618,993,160	1,120,576	303,116,221	13,923,229,957	5.33
2025-26	14,444,097,910	1,120,576	360,581,852	14,805,800,338	6.34

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

The following table below shows an analysis of the distribution of taxable property in Improvement District No. 2 by jurisdiction, in terms of its fiscal year 2025-26 assessed valuation.

ASSESSED VALUATION BY JURISDICTION

Fiscal Year 2025-26

**Tahoe-Truckee Unified School District
School Facilities Improvement District No. 2**

<u>Jurisdiction:</u>	<u>Assessed Valuation in SFID No. 2</u>	<u>% of SFID No. 2</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in SFID No. 2</u>
Unincorporated El Dorado County	\$1,630,893,150	11.02%	\$38,597,661,795	4.23%
Unincorporated Placer County	<u>13,174,907,188</u>	<u>88.98</u>	49,321,322,293	26.71
Total District	\$14,805,800,338	100.00%		
<u>Summary by County:</u>				
El Dorado County	\$1,630,893,150	11.02%	\$47,348,606,959	3.44%
Placer County	<u>13,174,907,188</u>	<u>88.98</u>	117,736,160,494	11.19
Total District	\$14,805,800,338	100.00%		

Source: California Municipal Statistics, Inc.

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The following table shows the distribution of single family homes within Improvement District No. 2 among various fiscal year 2025-26 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within Improvement District No. 2.

ASSESSED VALUATION PER PARCEL OF SINGLE-FAMILY HOMES
Fiscal Year 2025-26
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 2

	<u>No. of Parcels</u>	<u>2025-26 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	11,478	\$10,930,193,844	\$952,273	\$589,371

<u>2025-26 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 - \$99,999	616	5.367	5.367	\$41,788,053	0.382	0.382
100,000 - 199,999	1,023	8.913	14.279	153,203,479	1.402	1.784
200,000 - 299,999	1,192	10.385	24.665	295,070,831	2.700	4.484
300,000 - 399,999	1,075	9.366	34.030	376,335,930	3.443	7.927
400,000 - 499,999	988	8.608	42.638	445,365,610	4.075	12.001
500,000 - 599,999	935	8.146	50.784	513,947,906	4.702	16.703
600,000 - 699,999	868	7.562	58.346	563,292,872	5.154	21.857
700,000 - 799,999	797	6.944	65.290	595,264,844	5.446	27.303
800,000 - 899,999	638	5.558	70.849	541,183,934	4.951	32.254
900,000 - 999,999	530	4.618	75.466	500,790,112	4.582	36.836
1,000,000 - 1,099,999	391	3.407	78.873	409,614,427	3.748	40.584
1,100,000 - 1,199,999	304	2.649	81.521	348,714,796	3.190	43.774
1,200,000 - 1,299,999	222	1.934	83.455	277,659,844	2.540	46.314
1,300,000 - 1,399,999	200	1.742	85.198	269,563,715	2.466	48.780
1,400,000 - 1,499,999	158	1.377	86.574	229,075,064	2.096	50.876
1,500,000 - 1,599,999	143	1.246	87.820	221,284,609	2.025	52.901
1,600,000 - 1,699,999	135	1.176	88.996	222,704,959	2.038	54.938
1,700,000 - 1,799,999	111	0.967	89.963	193,870,609	1.774	56.712
1,800,000 - 1,899,999	114	0.993	90.957	210,350,002	1.924	58.636
1,900,000 - 1,999,999	87	0.758	91.715	169,397,184	1.550	60.186
2,000,000 and greater	<u>951</u>	<u>8.285</u>	100.000	<u>4,351,715,064</u>	<u>39.814</u>	100.000
	11,478	100.000%		\$10,930,193,844	100.000%	

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

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The following table shows the distribution of taxable property within Improvement District No. 2 by principal use, as measured by assessed valuation and parcels in fiscal year 2025-26.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2025-26
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 2

	2025-26	% of	No. of	% of
<u>Non-Residential:</u>	<u>Assessed Valuation</u>⁽¹⁾	<u>Total</u>	<u>Parcels</u>	<u>Total</u>
Agricultural/Forest	\$2,087,704	0.01%	25	0.11%
Commercial	505,991,459	3.50	509	2.26
Vacant Commercial	38,449,656	0.27	107	0.47
Industrial	42,203,657	0.29	58	0.26
Vacant Industrial	2,803,852	0.02	9	0.04
Recreational	137,924,576	0.95	283	1.26
Government/Social/Institutional	6,072,588	0.04	51	0.23
Miscellaneous	<u>4,029,159</u>	<u>0.03</u>	<u>130</u>	<u>0.58</u>
Subtotal Non-Residential	\$739,562,651	5.12%	1,172	5.20%
<u>Residential:</u>				
Single Family Residence	\$10,930,193,844	75.67%	11,478	50.94%
Condominium/Townhouse	2,178,220,305	15.08	3,609	16.02
Mobile Home	2,853,745	0.02	15	0.07
Mobile Home Park	12,250,283	0.08	7	0.03
2-4 Residential Units	241,499,495	1.67	450	2.00
5+ Residential Units/Apartments	68,988,105	0.48	188	0.83
Miscellaneous Residential	48,433,197	0.34	109	0.48
Timeshare Properties	57,012,569	0.39	4,209	18.68
Vacant Residential	<u>165,083,716</u>	<u>1.14</u>	<u>1,296</u>	<u>5.75</u>
Subtotal Residential	\$13,704,535,259	94.88%	21,361	94.80%
Total	\$14,444,097,910	100.00%	22,533	100.00%

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

Source: California Municipal Statistics, Inc.

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Reductions in Assessed Valuation. Economic and other factors beyond the School District’s control, such as general market decline in property values, disruption in financial markets that may reduce availability of financing for purchasers of property, outbreaks of disease, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or man-made disaster, such as earthquake, drought, fire, wildfire, flood, or toxic contamination, could cause a reduction in the assessed value of taxable property within the Improvement Districts. Any such reduction would result in a corresponding increase in the annual tax rates levied by the County to pay the debt service with respect to the Bonds. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING SCHOOL DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” and “THE BONDS – Security and Sources of Payment” herein.

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

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

Droughts; Floods. California has experienced cyclical severe drought conditions over the past several years. According to the U.S. Drought Monitor, as of October 14, 2025, 64.39% of the County is experiencing abnormally dry conditions, 23.87% of Nevada County is experiencing abnormally dry conditions and 99.42% of El Dorado County is experiencing abnormally dry conditions. The School District cannot predict if there will be future drought conditions and related water usage restrictions imposed in the future. The School District can also make no representations regarding to the extent to which significant snowfall and precipitation, or any future winter storm activity or related rainfall, mudslides or flooding conditions, may impact School District facilities or the assessed value of taxable property within the Improvement Districts.

Wildfires. Major wildfires have occurred in recent years in different regions of the State, including significant fires throughout the fall of 2020, the summer of 2021 and, most recently, January of 2025. Recently, the Palisades Fire, Eaton Fire and Hurst Fire were major wildfires that occurred within Los Angeles County, which is adjacent to the County. [The District did not sustain any damage as a result of the recent fires.] However, serious and significant property damage has resulted in other areas of the State due to fire damage. The Governor has previously signed a number of measures into law intended to address a variety of issues related to mitigating the risk of wildfires, including forest management, mutual aid for fire departments, emergency alerts and other safety mandates. In addition, the Governor has issued executive orders in the past suspending penalties, costs and interest on late property tax payments for properties impacted by wildfires.

Portions of the Improvement Districts are within to areas which the State Department of Forestry and Fire Protection has designated as a very high fire hazard severity zone. Mapping of the areas, referred to as Fire Hazard Severity Zones (FHSZ), is based on data and models of potential fuels over a 30-50 year time horizon and their associated expected fire behavior, and expected burn probabilities to quantify the likelihood and nature of vegetation fire exposure (including firebrands) to new construction. More information regarding Fire Hazard Severity Zones, including the most recent Fire Hazard Severity Zone Maps, can be found at the California Department of Forestry and Fire Protection website at <https://osfm.fire.ca.gov/divisions/wildfire-planning-engineering/wildland-hazards-building-codes/fire-hazard-severity-zones-maps/>, though such website is not incorporated herein by reference.

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 Improvement Districts. 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, fires, floods, heat waves, and rising sea levels. See also “—Droughts; Floods” and “—Wildfires” herein. 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 School District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

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

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

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

regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIII A.

No assurance can be given that future property tax appeals, or actions by the County Assessor, in the future will not significantly reduce the assessed valuation of property within the Improvement Districts.

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

Tax Levies, Collections and Delinquencies

The Counties each levy and collect all *ad valorem* property taxes for property falling within such County’s taxing boundaries. The following tables show historical secured tax charge and delinquency data for the portions of the Improvement Districts located in the County. Tax charge and delinquency data for El Dorado County and Nevada County is not available.

**SECURED TAX CHARGES AND DELINQUENCY RATES
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 1
Fiscal Years 2014-15 through 2024-25
(Placer County Portion Only)**

<u>Tax Year</u>	<u>Secured Tax Charge⁽¹⁾</u>	<u>Amount Delinquent June 30</u>	<u>Percent Delinquent June 30</u>
2014-15	\$1,255,190.83	\$13,281.89	1.06%
2015-16	2,785,310.66	25,494.14	0.92
2016-17	3,544,230.35	36,742.03	1.04
2017-18	3,452,500.84	48,199.25	1.40
2018-19	3,121,647.15	26,738.16	0.86
2019-20	4,354,904.42	52,078.46	1.20
2020-21	3,252,592.34	35,113.38	1.08
2021-22	3,147,002.50	33,694.96	1.07
2022-23	4,105,402.20	47,637.30	1.16
2023-24	4,204,130.33	57,104.97	1.36
2024-25	2,668,160.78	40,246.68	1.51

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

SECURED TAX CHARGES AND DELINQUENCY RATES
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 2
Fiscal Years 2014-15 through 2024-25
(Placer County Portion Only)

<u>Tax Year</u>	<u>Secured Tax Charge⁽¹⁾</u>	<u>Amount Delinquent June 30</u>	<u>Percent Delinquent June 30</u>
2014-15	\$3,357,498.61	\$52,174.40	1.55%
2015-16	4,848,589.64	94,918.12	1.96
2016-17	5,433,483.93	68,641.24	1.26
2017-18	5,507,835.60	56,120.02	1.02
2018-19	5,100,030.82	44,804.90	0.88
2019-20	5,936,575.02	111,130.04	1.87
2020-21	3,898,639.78	55,549.81	1.42
2021-22	4,881,728.17	64,132.81	1.31
2022-23	5,658,450.66	79,562.70	1.41
2023-24	5,582,274.64	63,605.60	1.14
2024-25	3,563,669.99	37,631.63	1.06

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

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

Alternative Method of Tax Apportionment

The Boards of Supervisors of each of the Counties has approved the implementation of 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, the Counties apportion secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the Counties act as the tax-levying or tax-collecting agency.

The Teeter Plan is applicable to all secured tax levies for which each such county acts as the tax-levying or tax-collecting agency, or for which such county’s treasury is the legal depository of the tax collections. The Teeter Plan does not apply to the supplemental property taxes for El Dorado County.

The *ad valorem* property tax to be levied to pay the interest on and principal of the Bonds will be subject to the Teeter Plan, beginning in the first year of such levy. The District will receive 100% of the secured *ad valorem* property tax levied in the Counties to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the Counties.

The Teeter Plan is to remain in effect in each County unless the Board of Supervisors of such County orders its discontinuance or unless, prior to the commencement of any fiscal year of either thereof (which commences on July 1 for each of the Counties), the Board of Supervisors of such County receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the applicable county, in which event the Board of Supervisors of the applicable

County is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The Board of Supervisors of any of the Counties may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in such county if the rate of secure tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event the Board of Supervisors of such County is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which such county acts as the tax-levying or tax-collecting agency.

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

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Tax Rates

Improvement District No. 1. Representative tax rate areas (each, a “TRA”) located within Improvement District No. 1 are TRA 91-012 in Placer County and TRA 3-001 in Nevada County. The following tables summarize the total *ad valorem* property tax rates levied, as a percentage of assessed valuation, by all taxing entities in such TRAs from fiscal years 2021-22 through 2025-26.

**TYPICAL TOTAL TAX RATES (TRA 91-012)⁽¹⁾
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 1
Fiscal Years 2021-22 through 2025-26**

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
General Tax Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Tahoe-Truckee Joint Unified School District SFID No. 1	.044542	.053162	.050469	.029920	.028927
Sierra Community College District SFID No. 1	.010536	.011244	.011045	.009858	.010221
Tahoe Forest Hospital District	<u>.000193</u>	<u>.017570</u>	<u>.016090</u>	<u>.015620</u>	<u>.015210</u>
Total Tax Rate	1.055271%	1.081976%	1.077604%	1.055398%	1.054358%

(1) The 2025-26 assessed valuation of TRA 91-012 is \$2,293,911,598 which is 10.97% of Improvement District No. 1’s total 2025-26 assessed valuation.

Source: California Municipal Statistics, Inc.

**TYPICAL TOTAL TAX RATES (TRA 3-001)⁽¹⁾
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 1
Fiscal Years 2021-22 through 2025-26**

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
General Tax Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Tahoe-Truckee Joint Unified School District SFID No. 1	.044542	.053162	.050469	.029920	.028927
Sierra Community College District SFID No. 1	.010536	.011244	.011045	.009858	.010221
Tahoe Forest Hospital District	<u>.019280</u>	<u>.017570</u>	<u>.016090</u>	<u>.015620</u>	<u>.015210</u>
Total Tax Rate	1.074358%	1.081976%	1.077604%	1.055398%	1.054358%

(1) The 2025-26 assessed valuation of TRA 3-001 is \$4,622,400,795 which is 22.10% of Improvement District No. 1’s total 2025-26 assessed valuation.

Source: California Municipal Statistics, Inc.

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Improvement District No. 2. Representative TRAs located within Improvement District No. 2 are TRA 91-003 in Placer County and TRA 69-007 in El Dorado County. The following table summarizes the total *ad valorem* property tax rates levied, as a percentage of assessed valuation, by all taxing entities in such TRAs from fiscal years 2021-22 through 2025-26.

**TYPICAL TOTAL TAX RATES (TRA 91-003)⁽¹⁾
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 2
Fiscal Years 2021-22 through 2025-26**

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
General Tax Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Tahoe-Truckee Joint Unified School District SFID No. 2	.048753	.052460	.048701	.029575	.040472
Sierra Community College District SFID No. 1	.010536	.011244	.011045	.009858	.010221
Tahoe Forest Hospital District	<u>.000193</u>	<u>.017570</u>	<u>.016090</u>	<u>.015620</u>	<u>.015210</u>
Total Tax Rate	1.059482%	1.081274%	1.075836%	1.055053%	1.065903%

⁽¹⁾ The assessed valuation of TRA 91-003 is \$4,265,977,168 which is 28.81% of Improvement District No. 2's total 2025-26 assessed valuation.
Source: California Municipal Statistics, Inc.

**TYPICAL TOTAL TAX RATES (TRA 69-007)⁽¹⁾
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 2
Fiscal Years 2021-22 through 2025-26**

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
General Tax Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Tahoe-Truckee Joint Unified School District SFID No. 2	.048753	.052460	.048701	.029575	.040472
Los Rios Community College District	<u>.024900</u>	<u>.022600</u>	<u>.019200</u>	<u>.020000</u>	<u>.020800</u>
Total Tax Rate	1.073653%	1.075060%	1.067901%	1.049575%	1.061272%

⁽¹⁾ The assessed valuation of TRA 69-007 is \$981,309,467 which is 6.63% of Improvement District No. 2's total 2025-26 assessed valuation.
Source: California Municipal Statistics, Inc.

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Largest Property Owners

The more property (by assessed value) which is owned by a single taxpayer within either of the Improvement Districts, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following tables present information on the largest property taxpayers within each Improvement District. Each taxpayer listed below is a unique name listed on the tax rolls. The School 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.

Improvement District No. 1. The following table shows the 20 largest property taxpayers in Improvement District No. 1, as determined by secured assessed valuation in fiscal year 2025-26.

LARGEST LOCAL SECURED PROPERTY TAXPAYERS
Fiscal Year 2025-26
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 1

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2025-26 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Trimont Land Company	Ski Resort	\$94,935,545	0.46%
2.	BHR Tahoe LP	Hotel	63,000,000	0.31
3.	Welk Resorts Platinum Owners Association	Residential Properties	60,053,683	0.29
4.	Hidden Lake Properties Inc.	Office Building	38,925,026	0.19
5.	Coburn Crossing Apartments LLC	Apartments	35,770,364	0.17
6.	Sugar Bowl Corporation	Ski Resort	33,975,268	0.16
7.	Gateway at Donner Pass LP	Commercial	32,252,014	0.16
8.	Try Trout & Industrial LLC	Undeveloped	30,681,600	0.15
9.	Truckee Airport Self Storage LLC	Public Storage	29,500,000	0.14
10.	10640 Jibboom Truckee Holdings LLC	Hotel	29,230,756	0.14
11.	Truckee Meadows Water Authority	Water Facilities	27,769,714	0.13
12.	Truckee Hotel LLC	Hotel	26,396,200	0.13
13.	J Mar I Borrower LLC	Supermarket	26,021,735	0.13
14.	Lefever Mattson	Residential Properties	25,381,980	0.12
15.	Northstar Group Commercial Properties	Commercial	23,253,301	0.11
16.	VC Truckee LLC	Mobile Home Park	22,640,062	0.11
17.	Martis Camp Club	Golf Course	22,496,992	0.11
18.	Tahoe Donner Association	Recreational Amenities	22,106,100	0.11
19.	Axolotl RE Holdings LLC	Residential	21,649,868	0.11
20.	William B. Johnson	Residential	<u>21,400,000</u>	<u>0.10</u>
			\$687,440,208	3.34%

⁽¹⁾ The fiscal year 2025-26 local secured assessed valuation of Improvement District No. 1 is \$20,610,174,191.
Source: California Municipal Statistics, Inc.

Improvement District No. 2. The following table shows the 20 largest property taxpayers in Improvement District No. 2, as determined by secured assessed valuation in fiscal year 2025-26.

LARGEST LOCAL SECURED PROPERTY TAXPAYERS
Fiscal Year 2025-26
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 2

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2025-26 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Golden Range LLC	Residential	\$66,939,339	0.46%
2.	Alterra Mountain Co. / Squaw Valley Real Estate	Commercial	53,967,955	0.37
3.	2500 WLB Properties LLC	Residential	42,723,596	0.30
4.	Sunnyside Lane Lake Tahoe LLC	Residential	41,283,025	0.29
5.	William R. & Michelle A. Green	Residential	39,637,503	0.27
6.	Full Circle Real Estate LLC	Residential	34,775,785	0.24
7.	Drum Lodge LLC	Residential	34,135,236	0.24
8.	Team Jem Tahoe LLC	Residential	33,968,571	0.24
9.	Abigal W. & Joseph P. Baratta, II	Residential	31,001,319	0.21
10.	Tahoe Boat Company Owners Association	Marina/Boat Slips	30,453,974	0.21
11.	Safeway Inc.	Supermarket	30,191,247	0.21
12.	CMTJH LLC	Residential	28,844,367	0.20
13.	Tony Weir Industries LLC	Residential	28,186,547	0.20
14.	Brembil LLC	Residential	27,072,031	0.19
15.	Trustees Of RSF 2010 West Lake Boulevard	Residential	26,660,901	0.18
16.	Steven A. and Debra Gonsalves	Residential	26,017,603	0.18
17.	Craig Thomas Donato	Residential	25,097,569	0.17
18.	Shell Lane LLC	Residential	23,006,989	0.16
19.	Homewood Mountain LLC	Ski Resort	22,455,147	0.16
20.	Homewood Camp LLC	Residential	<u>22,114,627</u>	<u>0.15</u>
			<u>\$668,533,331</u>	<u>4.63%</u>

⁽¹⁾ The fiscal year 2025-26 local secured assessed valuation of Improvement District No. 2 is \$14,444,097,910.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below are direct and overlapping debt reports regarding each of the Improvement Districts (each a “Debt Report”) prepared by California Municipal Statistics, Inc., effective as of November 1, 2025 for debt outstanding as of October 31, 2025 for Improvement District No. 1 and effective as of November 1, 2025, for debt issued as of November 1, 2025 for Improvement District No. 2. The Debt Reports are included for general information purposes only. The School District has not reviewed the Debt Reports for completeness or accuracy and makes no representation in connection therewith.

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

The contents of the Debt Reports are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the respective Improvement District; (2) the second column shows the respective percentage of the assessed valuation of the overlapping public agencies identified in the first column which is represented by property located in the respective Improvement District; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the respective Improvement District, as determined by multiplying the total outstanding debt of each agency by the percentage of the respective Improvement District's assessed valuation represented in the second column.

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**STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 1**

2025-26 Assessed Valuation: \$20,919,520,159

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 11/1/25</u>
Sierra Joint Community College District School Facilities Improvement District No. 1	61.358%	\$8,194,958
Tahoe-Truckee Joint Unified School District School Facilities Improvement District No. 1	100.000	78,170,000 ⁽¹⁾
Tahoe Forest Hospital District	61.330	51,578,530
California Municipal Finance Authority Community Facilities District No. 2019-2	100.000	2,525,000
Northstar Community Services District Community Facilities District No. 1	100.000	83,130,000
Truckee Donner Public Utility District Community Facilities Districts Nos. 03-1 and 04-1	100.000	<u>28,391,200</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$251,989,688
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Nevada County Certificates of Participation	40.026%	\$8,468,294
Nevada County Office of Education General Fund Obligations	40.026	213,320
Placer County General Fund Obligations	8.126	5,952,701
Tahoe-Truckee Joint Unified School District Certificates of Participation	58.557	12,979,159
Town of Truckee General Fund Obligations	100.000	9,326,000
Northstar Community Services District General Fund Obligations	100.000	3,625,000
Tahoe Forest Hospital District General Fund Obligations	61.330	3,377,080
Truckee Donner Recreation and Park District Certificates of Participation	100.000	14,251,547
Placer County Mosquito and Vector Control District Certificates of Participation	8.126	<u>78,660</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$58,271,761
<u>OVERLAPPING TAX INCREMENT DEBT:</u>		
Truckee Redevelopment Agency (Successor Agency)	100.000%	\$7,905,000
TOTAL OVERLAPPING TAX INCREMENT DEBT		\$7,905,000
COMBINED TOTAL DEBT		\$318,166,449 ⁽²⁾

Ratios to 2025-26 Assessed Valuation:

Direct Debt (\$78,170,000)	0.37%
Total Direct and Overlapping Tax and Assessment Debt	1.20%
Combined Total Debt.....	1.52%

Ratios to Redevelopment Incremental Valuation (\$535,530,039):

Total Overlapping Tax Increment Debt	1.48%
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⁽¹⁾ Excludes issue to be sold.

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

Source: California Municipal Statistics, Inc.

STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Tahoe-Truckee Unified School District
School Facilities Improvement District No. 2

2025-26 Assessed Valuation: \$14,805,800,338

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 11/1/25</u>
Los Rios Community College District	0.555%	\$1,677,848
Sierra Joint Community College District Schools Facilities Improvement District No. 1	38.642	5,161,015
Tahoe-Truckee Joint Unified School District School Facilities Improvement District No. 2	100.000	58,674,940 ⁽¹⁾
Tahoe Forest Hospital District	38.643	<u>32,498,763</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$98,012,566
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
El Dorado County General Fund Obligations	3.444%	\$1,797,699
Placer County General Fund Obligations	11.190	8,197,235
Tahoe-Truckee Joint Unified School District Certificates of Participation	41.443	9,185,841
Tahoe Forest Hospital District General Fund Obligations	38.643	2,127,841
Placer Mosquito and Vector Control District Certificates of Participation	11.190	<u>108,319</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$21,416,935
<u>OVERLAPPING TAX INCREMENT DEBT:</u>		
Successor Agency to Placer County Redevelopment Agency Housing Bonds	60.650%	<u>\$7,890,565</u>
TOTAL OVERLAPPING TAX INCREMENT DEBT		\$7,890,565
COMBINED TOTAL DEBT		\$127,320,066 ⁽²⁾

Ratios to 2025-26 Assessed Valuation:

Direct Debt (\$58,674,940)	0.40%
Total Direct and Overlapping Tax and Assessment Debt	0.66%
Combined Total Debt.....	0.86%

Ratios to Redevelopment Incremental Valuation (\$1,598,291,153):

Total Overlapping Tax Increment Debt	0.49%
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⁽¹⁾ Excludes general obligation bonds to be sold.

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

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING SCHOOL DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds shall be payable from the proceeds of an ad valorem property tax levied in the respective Improvement Districts by the Counties for the payment thereof, as further described herein. (See “THE BONDS – Security and Sources of Payment” herein.) Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the Counties to levy taxes and the ability of the School District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the Counties to levy taxes for payment of the Bonds.

Article XIII A of the California Constitution

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

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

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

Legislation Implementing Article XIII A

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

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

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

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

Proposition 19

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

Proposition 50 and Proposition 171

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

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

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

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

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

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction. The School District cannot make any assurance as to what effect the implementation of Propositions 50 or 171 will have on School District revenues or the assessed valuation of real property in the Improvement Districts.

Unitary Property

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

So long as the School District is a community supported district, taxes lost through any reduction in assessed valuation will not be compensated by the State as equalization aid under the State’s school financing formula. See “SCHOOL DISTRICT FINANCIAL INFORMATION – State Funding of Education” herein.

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. As amended, Article XIII B defines:

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

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

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

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

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

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

Article XIII C and Article XIII D of the California Constitution

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

According to the “Title and Summary” of Proposition 218 prepared by the State Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article 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 State Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. 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.

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

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIC of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article 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.

Propositions 98 and 111

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). Certain provisions of the Accountability Act were, however, modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as “K-14 school districts”) at a level equal to the greater of (a) the same percentage of the State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the 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 are, instead of being returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year are automatically be increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

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

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

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

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the “change in the cost of living” is now measured by the change in State per capita personal income. The definition of “change in population” specifies that a portion of the State’s spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. “Excess” tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school

districts, but only up to a maximum of 4% of such districts' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit: (i) appropriations for "qualified capital outlay projects" as defined by the Legislature, and (ii) any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990 are excluded. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which was expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.
- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" (also referred to as a "maintenance factor") to K-14 school districts which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

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

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

Proposition 1A and Proposition 22

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

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

Jarvis v. Connell

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as State Controller). The Court of Appeal held

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

Proposition 30 and Proposition 55

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

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

Proposition 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which

transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

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

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

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

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

estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

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

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

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

2024 State School Facilities Bond

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

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

Community College Facilities. The 2024 State School Facilities Bond includes \$1.5 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. The table below shows the expected use of bond funds under the 2024 State School Facilities Bond:

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

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

Future Initiatives

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

THE IMPROVEMENT DISTRICTS

Improvement District No. 1

Authorization and Establishment. The Board of Education of the School District, at its meeting on November 5, 1997, approved a Resolution of Intention to establish Improvement No. 1 and called a public hearing on the matter. The Board of Supervisors of the County, at its meeting on November 17, 1997, approved the use of Chapter 2 of Part 10 of Division 1 of Title 1 of the Education Code, commencing with Section 15300 *et seq.* (the “SFID Act”), permitting the establishment of school facilities improvement districts by all public school districts in the County. The Board of Supervisors of Nevada County, at its meeting on November 12, 1997, approved the use of the SFID Act by all public school districts in Nevada County. Following the conclusion of a public hearing conducted by the School District on December 10, 1997, Improvement No. 1 was established by the Board of Education of the School District pursuant to its Resolution No. 16-97/98, adopted on December 10, 1997.

Location and Territory. Improvement No. 1 encompasses the northern portion of the School District in Placer and Nevada Counties, and includes the Town of Truckee. Taxable property within Improvement District No. 1 has a fiscal year 2025-26 assessed valuation of \$20,919,520,159, which represents approximately 58.56% of the assessed valuation of the District.

Improvement District No. 2

Authorization and Establishment. The Board of Education of the School District, at its meeting on November 5, 1997, approved a Resolution of Intention to establish Improvement No. 2 and called a

public hearing on the matter. The Board of Supervisors of the County, at its meeting on November 17, 1997, approved the use of the SFID Act by all public school districts in the County. The Board of Supervisors of El Dorado County, at its meeting on January 27, 1998, approved the use of the SFID Act by all public school districts in El Dorado County. Following the conclusion of a public hearing conducted by the School District on January 26, 1998, Improvement No. 2 was established by the Board of Education of the School District pursuant to its Resolution No. 24-97/98, adopted on January 26, 1998.

Location and Territory. Improvement No. 2 encompasses the southern portion of the District in Placer and El Dorado Counties. Taxable property within Improvement District No. 2 has a fiscal year 2025-26 assessed valuation of \$14,805,800,338, which represents approximately 41.44% of the assessed valuation of the District.

TAHOE-TRUCKEE UNIFIED SCHOOL DISTRICT

The information in this section concerning the operations of the School District and the School District's operating budget are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the School District. The Bonds are payable solely from the proceeds of an ad valorem tax required to be levied by the Counties in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources for Payment" herein.

Introduction

The School District was established in 1949 and is comprised of an area of approximately 700 square miles located in the Counties in the Sierra Nevada Mountain Range near Lake Tahoe. The School District operates five elementary schools, two middle schools, two high schools, one alternative school and one continuation school. The School District is a "community funded" (formerly known as "basic aid") district. See "SCHOOL DISTRICT FINANCIAL INFORMATION – State Funding of Education – Community Funded School Districts" herein for more information about community funded districts. The School District has a fiscal year 2025-26 enrollment of 3,966 students and a projected average daily attendance ("ADA") of 3,680 students.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the School District. Additional information concerning the district and copies of the most recent and subsequent audited financial reports of the District may be obtained by contacting: Tahoe-Truckee Unified School District, 11603 Donner Pass Road, Truckee, California 96161, Attention: Assistant Superintendent Chief Business Officer.

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Administration

The School District is governed by a five-member Board, each of whom is elected to four-year terms by voters within five trustee areas. 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 offices and the dates their terms expire, are listed below:

<u>Board Member</u>	<u>Office</u>	<u>Term Expires</u>
Dianna Driller	President	December 2026
Cris Hennessey	Clerk	December 2028
Patrick Mooney	Member	December 2026
Kirsten Livak	Member	December 2028
Denyelle Nishimori	Member	December 2026

The management and policies of the School District are administered by a Superintendent Chief Learning Officer appointed by the Board, who is responsible for the day-to-day School District operations as well as the supervision of the School District's other personnel. Kerstin Kramer is the Superintendent Chief Learning Officer of the School District. Todd Rivera is the Assistant Superintendent Chief Business Officer of the School District. The Superintendent Chief Learning Officer's and Assistant Superintendent Chief Business Officer's biographies are listed on the following page.

Kristen Kramer, Superintendent Chief Learning Officer. Mrs. Kerstin Kramer was appointed as the Superintendent Chief Learning Officer, effective July 1, 2023. Prior to this appointment, Mrs. Kramer served the District as the Assistant Superintendent of Educational Services (appointed in 2022) and as the Principal of Glenshire Elementary School for six years, joining District in July 2016. Before working for the District, Mrs. Kramer served as the principal of Snoqualmie Elementary School for four years, as a district-wide science and technology Teacher on Special Assignment (TOSA) for five years, and as a middle school teacher for 15 years. Mrs. Kramer holds a Master of Arts in Educational Leadership from the University of Washington.

Todd Rivera, Assistant Superintendent Chief Business Officer. Mr. Rivera was appointed as the Assistant Superintendent Chief Business Officer on July 1, 2022. Prior to this appointment, Mr. Rivera served the District as the Executive Director of Business Services/Chief Business Official since 2015, Manager of Budget and Payroll from 2012 to 2015 and as a Facilities Planner/Fiscal Analyst from 2005 to 2012. Prior to working for the District, Mr. Rivera was a consultant providing facilities planning services and financial analysis for California school districts. He also served in the United States Marine Corps for four years as a Long-range Aviation RADAR repairman. Mr. Rivera holds a bachelor's degree in Policy Analysis and Management from Cornell University and is a certified Chief Business Official through the California Association of School Business Officials.

Enrollment

On average throughout the District, the regular education pupil-teacher ratio is approximately 20:1 for grades K-3, 24:1 in grades 4-5, 23:1 in grades 6-8 and 22:1 in grades 9-12. The following table shows a 10-year enrollment history for the School District, together with budgeted enrollment for fiscal year 2025-26.

**ANNUAL ENROLLMENT
Fiscal Years 2015-16 through 2025-26
Tahoe-Truckee Unified School District⁽¹⁾**

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Enrollment⁽²⁾</u>
2015-16	3,585	3,797
2016-17	3,679	3,941
2017-18	3,742	4,007
2018-19	3,708	3,955
2019-20	3,680	3,981
2020-21	3,684	3,919
2021-22	3,421	3,953
2022-23	3,566	3,965
2023-24	3,614	3,915
2024-25	3,649	3,957
2025-26 ⁽³⁾	3,680	3,966

⁽¹⁾ Net of charter school enrollment. See “—Charter Schools” herein.

⁽²⁾ Reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System (“CALPADS”) in each school year and used to calculate each school district’s unduplicated EL/LI student enrollment.

⁽³⁾ Budgeted.

Source: Tahoe-Truckee Unified School District.

Charter Schools

The State Legislature enacted the Charter Schools Act of 1992 (California Education Code Sections 47600-47663) to permit teachers, parents, students, and community members to establish schools that would be free from most state and district regulations. Revised in 1998, California’s charter school law states that local boards are the primary charter-approving agency and that county board of education can approve a denied charter. State education standards apply, and charter schools are required to use the same student assessment instruments. The charter school is exempt from state and local education rules and regulations, except as specified in the legislation.

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

The School District has four independent charter schools currently operating within the School District, one of which is a School District approved charter school (collectively, the “Charter Schools”). Due to the District’s Community Funded District status, the School District is required to pay the base funding portion of the LCFF transition calculation to the School District-sponsored charter school. These

amounts are paid from the School District’s property taxes and are incorporated into the budget as a contra-revenue. The following table shows enrollment figures for the School District-approved independent Charter School for the past ten fiscal years and a projection for the current fiscal year.

CHARTER SCHOOL ENROLLMENT
Fiscal Years 2015-16 through 2025-26
Tahoe-Truckee Unified School District

<u>Fiscal Year</u>	<u>District-Sponsored Charter Schools</u>
2015-16	212
2016-17	212
2017-18	212
2018-19	213
2019-20	212
2020-21	214
2021-22	212
2022-23	212
2023-24	215
2024-25	216
2025-26 ⁽¹⁾	217

⁽¹⁾ Budgeted.

Source: Tahoe-Truckee Unified School District, based on October CBEDS enrollment.

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

Labor Relations

The District currently employs 290.5 full-time equivalent (“FTE”) certificated employees, and 270 FTE classified employees. District employees, except management and some part-time employees, are represented by two employee bargaining units as follows:

LABOR BARGAINING UNITS
Tahoe-Truckee Unified School District

<u>Labor Organization</u>	<u>Number of Employees</u>	<u>Contract Expiration Date</u>
Tahoe-Truckee Education Association	303	June 30, 2026
California School Employees Association, Local #383	314	June 30, 2026

Source: Tahoe-Truckee Unified School District.

School District Retirement Systems

The information set forth below regarding the School District's retirement programs, other than the information provided by the School 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 any of the School District or the Underwriter.

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

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

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

MEMBER CONTRIBUTION RATES STRS (Defined Benefit Program)

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

Source: AB 1469.

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

commencing July 1, 2021, the contribution rate is 10.250% for employees hired before the Implementation Date and 10.205% for employees hired after the Implementation Date, which remain unchanged the past two fiscal years.

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

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

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

Source: AB 1469.

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

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

The School District’s contributions to STRS were \$4,778,537 in fiscal year 2020-21, \$5,542,829 in fiscal year 2021-22, \$6,620,981 in fiscal year 2022-23, \$7,173,221 in fiscal year 2023-24 and \$7,366,077

in fiscal year 2024-25. The School District has projected \$7,800,000 for its contribution to STRS for fiscal year 2025-26.

The State also contributes to STRS, currently in an amount equal to 8.328% for fiscal year 2021-22. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. The STRS Board approved State supplemental contribution rate for fiscal year 2021-22 reflects an increase of 0.5% of payroll, the maximum allowed under current law.

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

PERS. Classified employees working four or more hours per day are members of the California Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2019 included 1,612 public agencies and 1,319 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. Pursuant to SB 90, the State Legislature appropriated \$904 million to the Schools Pool, including transfers in fiscal years 2019-20 and 2020-21 to the Public Employees Retirement Fund to pay, in advance on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years, as well as additional amounts to be applied toward certain unfunded liabilities for K-14 school district employers. In June 2020, SB 90 was amended by Assembly Bill 84/Senate Bill 111 ("AB 84"). Under AB 84, \$144 million of the State contribution under SB 90 was deemed to satisfy a portion of the State's required contribution in fiscal year 2019-20, and the amounts previously allocated toward future liabilities were redirected such that, \$430 million will satisfy a portion of the employer contribution rate in fiscal year 2020-21, and \$330 million will satisfy a portion of the employer contribution rate in fiscal year 2021-22. As a result of the payments made by the State pursuant to SB 90, as amended by AB 84, the employer contribution rate was 19.721% for fiscal year 2019-20, 20.7% in fiscal year 2020-21, and will be 22.91% for fiscal year 2021-22. See also "DISTRICT FINANCIAL INFORMATION – State Budget Measures" herein. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2020-21 and will be 7% of such salaries in fiscal year 2021-22, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2021-22. See "—California Public Employees' Pension Reform Act of 2013" herein.

The School District's contributions to PERS were \$2,430,572 in fiscal year 2020-21, \$3,003,437 in fiscal year 2021-22, \$3,556,861 in fiscal year 2022-23, \$4,435,751 in fiscal year 2023-24 and \$5,135,042 in fiscal year 2024-25. The School District has projected \$5,982,875 for its contribution to PERS for fiscal year 2025-26.

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

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

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

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

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

⁽¹⁾ Amounts may not add due to rounding.

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

⁽³⁾ Reflects actuarial value of assets.

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

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

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

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

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

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

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

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

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

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

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

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

The STRS 2024 Review of Funding Levels and Risks notes highlighted risks associated with longevity, the size of active membership and investments. The STRS 2024 review of Funding Levels and Risks notes that, overall, STRS experienced greater mortality than projected under previous assumptions, but it remains uncertain whether the pandemic will continue to impact mortality in the long term. In January 2024 the STRS Board adopted new mortality assumptions that were slightly lower than the data indicated, essentially not fully reflecting the impact of the pandemic. In January of 2024, the STRS Board also adopted a change to the rate at which the payroll is assumed to increase, from 3.5% to 3.25%, which reflects STRS assumption that the population of active teachers will decline slowly over time (approximately 5% through 2046). The STRS 2024 Review of Funding Levels and Risks notes that if the active membership declines and the payroll fails to grow as assumed, STRS ability to make progress toward full funding could be at risk. Retirements from active teachers are expected to increase significantly over the next 10 years. Although an increase in retirements does not necessarily impact long term funding, if school districts do not replace teachers who retire in the future, that could result in a reduction in the overall number of teachers and impact STRS ability to reach full funding by 2046. With the anticipated decline in the number of children enrolled in K-12 public schools, the risk that the number of teachers may go down in the future is real and was one of the considerations when the STRS Board lowered the payroll growth assumption. California experienced a significant decline in enrollment in both K-12 public schools and community colleges starting in 2020-21. Total enrollment in K-12 public schools dropped by approximately 310,000, or a 5% reduction, between 2019-20 and 2022-23, while the number of students enrolled at community colleges dropped by 310,000, or a 20% reduction, before increasing by approximately 30,000 in the fall of 2022. In October 2023, the State updated its projection of K-12 enrollments, with the most recent projection anticipating a decline of approximately 11% over the next 10 years and 15% over the next 20 years. If the anticipated reduction in enrollment results in a need for fewer teachers in California, it would impact the number of active teachers who participate in the STRS Defined Benefit Program and ultimately the growth in payroll. One countervailing force that could potentially offset some of the factors listed above would be the reduction of class sizes. The STRS 2024 Review of Funding Levels and Risks notes that investment volatility and the risk that STRS may not be able to meet its assumed investment return over the long-term remains the greatest risk facing STRS today. The combination of a maturing system and the decreasing timeframe of the funding plan only serves to increase

this risk. STRS 2024 Review of Funding Levels and Risks notes that (i) when investment returns are below expectations, the unfunded actuarial obligation increases, requiring additional contributions to bridge the gap, however, the funding plan provides the board limited authority to increase contribution rates for both the State and employers; (ii) the State bears the greatest risk when it comes to investment volatility due to rules set in the funding plan that allocate the largest share of the assets to the state which results in its share of the unfunded actuarial obligation being the most sensitive to investment volatility; (iii) the STRS Board has authority to increase the State's contribution by a maximum of 0.5% of payroll each year with no limit on the maximum rate; however the State contribution rate will be reduced to 2.017% of payroll once the State has eliminated its share of the unfunded liability, and (iv) since the funding plan expires in 2046, after which the STRS Board's authority to adjust contribution rates terminates, the time period over which to fund an existing and new unfunded actuarial obligation is declining each year.

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

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

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

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

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

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

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

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

In November 2024, PERS released its 2024 Annual Review of Funding Levels and Risk (the “2024 PERS Funding Levels and Risk Report”), which provided a summary of the current funding levels of the system, the near-term outlook for required contributions and risks faced by the system in the near and long-term. The 2024 PERS Funding Levels and Risk Report notes that over the next several years there is the potential for various factors to either further increase required contributions or add additional financial strain on employers and their ability to make required contributions, including inflation and near-term economic turmoil. The 2024 PERS Funding Levels and Risk Report notes that over the last few

years, price inflation has been significantly higher than the PERS long-term assumption of 2.3%, which can affect liability measures and investment returns in several ways and which can be difficult to quantify. The most direct impact of high inflation is that retirees can receive higher than expected cost-of-living adjustments and active employees can receive higher than expected salary increases, which could increase actuarial losses in the future. The 2024 PERS Funding Levels and Risk report concludes that, as of June 30, 2023, the PERS Retirement System had experienced a couple of years of investment returns below the expected return of 6.8%, and actuarial losses primarily due to high inflation which resulted in unexpected cost of living adjustments for retirees and higher than expected member pay increases, which resulted in increased employer contributions along with further increases forecasted for the near future. Despite the strong investment return for the fiscal year ending June 30, 2024, the 2024 PERS Funding Levels and Risk Report notes that employer contributions are currently at relatively high levels due to large amounts of unfunded accrued liability and uncertainty within the economy suggests possible economic turmoil in the near future. The 2024 PERS Funding Levels and Risk Report concludes that the ability of employers to continue making required contributions to the system is the area of greatest concern.

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

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

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

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

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

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

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

As of June 20, 2025, the School District’s proportionate shares of the STRS and PERS pension liabilities were \$38,245,000_ and \$30,129,000, respectively. See also “APPENDIX B – THE 2024-25 AUDITED FINANCIAL STATEMENTS OF THE SCHOOL DISTRICT – Note 7” and “— Note 8” attached hereto.

Post-Employment Medical Benefits

Benefit Plan. The District provides post-employment medical, dental and vision benefits (the “Benefits”) to retirees of the District (and their dependents) meeting certain eligibility requirements. The following table summarizes the Benefits plan of the District.

	<u>Certificated</u> ⁽¹⁾	<u>Classified</u> ⁽¹⁾	<u>Confidential</u> ⁽¹⁾	<u>Management</u> ⁽¹⁾
Duration of Benefits	To age 65	To age 65	10 years, but not beyond age 65	To age 65
Required Years of Service	20	20	10	5
Minimum Age	55	55	50	50/55 ⁽⁴⁾
District Contribution Percentage	100%	Variable ⁽²⁾	100%	100%
District Cap for All Groups		Employee Only: \$11,448 Employee + 1 Dependent: \$13,168 Employee + Family: \$17,835		

⁽¹⁾ Employees of each class are only eligible for Benefits if hired prior to a certain date, as follows: Certificated prior to June 30, 1988; Classified prior to September 1, 1988; Confidential and Management prior to October 17, 2006.

⁽²⁾ The District contributes 75% of current insurance premiums at age 55, 80% at age 56, 90% at age 57 and 100% at ages 58 to 65.

⁽³⁾ Reflects cap for current retirees only. The cap is frozen at retirement.

⁽⁴⁾ Depending on retirement system.

Source: Tahoe-Truckee Unified School District.

There are currently 14 retirees eligible for and currently receiving Benefits and 564 active plan members.

Funding Policy. Expenditures for the Benefits are each recognized on a pay-as-you-go basis to cover the cost of premiums for current retirees. For fiscal years 2020-21 through 2024-25, the District recognized \$254,633, \$193,656, \$171,204, \$94,861 and \$155,131 respectively of expenditures for the Benefits. The District has projected \$203,228 as its contribution for fiscal year 2025-26.

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

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

Under GASB 74, the measurement date must be the same as the plan’s fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the Total OPEB Liability, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB 74 requirements, a projection of the benefit payments and future Fiduciary Net Position is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB. The Fiduciary Net Position measures the value of trust assets, adjusted for payees and receivables. See also “APPENDIX B – THE 2024-25 AUDITED FINANCIAL STATEMENTS OF THE SCHOOL DISTRICT – Note 9” attached hereto.

Actuarial Study. The School District’s most recent actuarial study calculated the School District’s accrued liability in accordance with GASB No. 74 and GASB No. 75. The study concluded that, as of a June 30, 2025 valuation date, the School District’s Total OPEB Liability was \$4,271,037, its Fiduciary Net Position was \$0 and its Net OPEB Liability was \$4,271,037.

Risk Management

The School District is a member of (1) School Insurance Group, a joint powers agency (the “JPA”) under a joint powers agreement, for workers’ compensation and property/liability insurance, and (2) Truckee Tahoe Workforce Housing Agency (“TTWHA”) to provide housing opportunities to the employees of member agencies. Membership in the JPA include other California school districts.

Membership in TTWHA includes other local public agencies. The JPA and the TTWHA are independently accountable for their fiscal matters, and thus are not components of the District for financial reporting purposes.

For the past three fiscal years, settled claims have not exceeded available insurance coverages.

Cybersecurity

The School District, like many 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 School District is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the School District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The School District carries cybersecurity insurance.

SCHOOL DISTRICT FINANCIAL INFORMATION

The information in this section concerning the School District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from the general fund of the School District. The Bonds shall be payable from the proceeds of an ad valorem property tax required to be levied by the County on property in each respective Improvement District in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.

State Funding of Education

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

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

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), as amended by Senate Bill 91 (Stats. 2013, Chapter 49) ("SB 91"), established the current system for funding school districts, charter schools and county offices of education.

The primary component of AB 97 was the implementation of the Local Control Funding Formula ("LCFF"), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a "Base Grant") assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. During the implementation period of the LCFF, an annual transition adjustment was calculated for each school district, equal to such

district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

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

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

The State budget for fiscal year 2021-22 also implemented a plan to expand the LCFF to include Transitional Kindergarten (TK) to all four-year olds. This plan is expected to phase in cohorts of TK students over a four-year period, concluding in fiscal year 2025-26. As a result, school districts that serve TK students will be eligible to receive an add-on equal to \$2,813, multiplied by such district's second principal reporting period ADA for TK students for the current fiscal year. Beginning in fiscal year 2023-24, this add-on is subject to COLA adjustments to the same degree as LCFF Base Grants. For fiscal year 2025-26, the School District currently projects ADA of approximately 194.48 TK students. AB 97 also provides additional add-ons to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13. The District does not receive any additional funding for TK or add-ons due to its Community Funded status.

School districts that serve students of limited English proficiency ("EL" students), students from low income families that are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced priced meals, and are therefore not discussed herein separately). AB 97 authorizes a supplemental grant add-on (each, a "Supplemental Grant") for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts' percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 65% of the applicable Base Grant multiplied by the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold.

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

ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2015-16 through 2025-26
Tahoe-Truckee Unified School District

Fiscal Year	Average Daily Attendance⁽¹⁾					Enrollment	
	K-3	4-6	7-8	9-12	Total ADA	Total Enrollment⁽²⁾	% of EL/LI Enrollment⁽³⁾
2016-17	1,183	855	544	1,097	3,679	3,941	41%
2017-18	1,111	886	519	1,108	3,624	3,921	41
2018-19	1,115	902	540	1,151	3,708	3,955	40
2019-20	1,073	864	579	1,164	3,680	3,981	43
2020-21	1,075	864	579	1,166	3,684	3,919	36
2021-22	986	692	560	1,183	3,421	3,953	33
2022-23	1,011	746	507	1,302	3,566	3,965	34
2023-24	1,068	754	489	1,303	3,614	3,915	35
2024-25	1,094	761	507	1,287	3,649	3,957	35
2025-26 ⁽⁴⁾	1,135	755	517	1,273	3,680	3,966	45

(1) Except for fiscal year 2025-26, reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four week period of instruction beginning with the first day of school for a particular school district. For the 2019-20 school year, due to the outbreak of COVID-19, P-2 ADA only reflects full school months from July 1, 2019 through February 29, 2020.

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

(3) For purposes of calculating Supplemental and Concentration Grants, a school district’s percentage of unduplicated EL/LI students has been based on a rolling average of such district’s EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years. Since the School District is projecting to be a community funded district, the School District will report the actual EL/LI enrollment to CALPADS in each year instead of the rolling average discussed above. See “—Community Funded School Districts” herein.

(4) Budgeted.

Source: *Tahoe-Truckee Unified School District.*

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target (“ERT”) add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of COLAs in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on was paid incrementally over the implementing period of the LCFF.

Prior to fiscal year 2022-23, the sum of a school district’s adjusted Base, Supplemental and Concentration Grants was multiplied by such district’s P-2 ADA for the current or prior year, whichever is greater. The 2022-23 State budget amended the LCFF calculation to allow the sum of a school district’s adjusted Base, Supplemental and Concentration Grants to be multiplied by such district’s P-2 ADA for the current year, prior year or average of three prior years, whichever is greater. The funding amount generated by this calculation, together with any applicable ERT, or categorical block or TK grant add-ons, will yield a district’s total LCFF allocation (with certain adjustments applicable to necessary small

schools). Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district's share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the Legislature to school districts.

Community Funded Districts. Certain schools districts, known as "Community Funded" districts, have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Community Funded school districts receive certain other non LCFF state funding, which is deemed to satisfy the "basic aid" requirement of \$120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for Community Funded districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The School District qualifies as a Community Funded district for the 2025-26 fiscal year and expects to remain a Community Funded district. For fiscal year 2024-25, the District's local property tax receipts exceeded the District's total LCFF allocation by \$25,724,086. For fiscal year 2025-26, the District's local property tax receipts are projected to exceed the District's total LCFF allocation by \$28,201,823.

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

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

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

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

October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its applicable county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district with identifying and implementing programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by the LCFF and charged with assisting school districts with achieving the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

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

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

Other Funding Sources

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

Federal and State COVID-19 Relief Funding. The District was awarded approximately \$9,522,721 in COVID-19-related relief funding, of which the District has spent \$9,522,271. This funding includes (i) \$2,009,149 in Coronavirus Relief (CRF) Learning Loss Mitigation, and \$303,003 in State Learning Loss Mitigation Funds, (ii) \$199,181 from the Elementary and Secondary School Emergency Relief Fund ("ESSER I") funded by the CARES Act, (iii) \$1,242,891 from ESSER ("ESSER II") funded by the Consolidated Appropriations Act, 2021, (iv) \$2,793,947 from ESSER ("ESSER III") funded by the American Rescue Plan, (v) \$1,356,791 from the Governor's Emergency Education Relief, (vi) \$1,095,299

from the Expanded Learning Opportunities Grant, (vii) \$64,217 of State COVID-19 Response Funding, (viii) Special Education Learning Recovery Support of \$310,731, and (ix) \$147,512 from the Special Education IDEA American Rescue Plan Grant.

Redevelopment Revenue. The District previously received revenue from the Counties as a part of certain redevelopment projects within the Counties (the “Community Redevelopment Revenues”). The Community Redevelopment Revenues received are deposited directly into the unrestricted general fund of the District, and since the District is a Community Funded district, such revenues do not offset the State apportionment received by the District. The District also receives pass-through tax increment revenue (the “Pass Through Revenues”) from the redevelopment agencies within the District’s boundaries. The Pass Through Revenues received by the District are deposited into the restricted general fund of the District and do not offset the State apportionment received by the District. The amount of Community Redevelopment Revenues and Pass-Through Revenues received by the District from fiscal years 2020-21 through 2024-25, and a budgeted for 2025-26, are shown in the following table.

COMMUNITY REDEVELOPMENT AND PASS-THROUGH REVENUES
Fiscal Years 2020-21 through 2025-26
Tahoe-Truckee Unified School District

<u>Fiscal Year</u>	<u>Community Redevelopment Revenues</u>	<u>Pass-Through Revenues</u>
2020-21	\$1,795,233	\$640,119
2021-22	2,365,783	978,260
2022-23	2,643,828	853,708
2023-24	2,886,416	975,319
2024-25	3,090,037	1,061,665
2025-26 ⁽¹⁾	3,284,400	1,096,171_

⁽¹⁾ Budgeted.

Source: Tahoe-Truckee Unified School District

Developer Fees. The District maintains a fund, separate and apart from the general fund, to account for developer fees collected by the District. The table below sets forth the developer fees collected by the District during the last five fiscal years and a budgeted amount for the current fiscal year.

ANNUAL DEVELOPER FEE COLLECTION
Tahoe-Truckee Unified School District
Fiscal Years 2020-21 through 2025-26

<u>Fiscal Year</u>	<u>Developer Fees for the District</u>
2020-21	\$4,310,737
2021-22	4,047,313
2022-23	2,771,858
2023-24	1,741,651
2024-25	1,634,833
2025-26 ⁽¹⁾	1,700,000

⁽¹⁾ Budgeted.

Source: Tahoe-Truckee Unified School District.

Parcel Tax. The voters of the District have approved a parcel tax for the purpose of raising funds to augment the District’s operating budget. Parcel taxes are “special taxes” for purposes of the State

Constitution, as and such must be approved by at least two-thirds of the voters voting on the relevant proposition. On November 6, 2018, the voters approved Measure AA, an extension of the a parcel tax previously approved by the District’s voters. Measure AA authorized a \$148 per parcel tax for 9 years, beginning July 1, 2019 and expiring on June 30, 2028. Measure AA provides an exemption for property owners who are 65 years or older. The following table lists revenues from Measure AA from the previous five years, as well as budgeted revenues for fiscal year 2025-26.

PARCEL TAX REVENUES
Tahoe-Truckee Unfired School District
Fiscal Years 2020-21 through 2025-26

<u>Fiscal Year</u>	<u>Revenues</u>
2020-21	\$5,591,716
2021-22	5,587,802
2022-23	5,621,949
2023-24	5,633,798
2024-25	5,635,155
2025-26 ⁽¹⁾	5,664,513

⁽¹⁾ Budgeted.

Source: Tahoe-Truckee Unified School District.

Foundation. The District is supported by the Tahoe Truckee Excellence in Education Foundation (the “Foundation”). The Foundation was incorporated in 1986 and is dedicated to enhancing the educational opportunities of the children of the District. The following table lists the previous five years of the annual contributions of the Foundation transferred to the District and awarded for specific purposes, as well as budgeted donations for fiscal year 2025-26.

FOUNDATION CONTRIBUTIONS
Tahoe-Truckee Unfired School District
Fiscal Years 2020-21 through 2025-26

<u>Fiscal Year</u>	<u>Donations</u>
2020-21	\$204,091
2021-22	44,143
2022-23	132,276
2023-24	209,890
2024-25	329,626
2025-26 ^{(1)*}	165,000

⁽¹⁾ Budgeted.

Source: Tahoe-Truckee Unified School District.

Accounting Practices

The accounting policies of the School 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 State Education Code, is to be followed by all State school districts. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

Comparative Financial Statements

The School District's general fund finances the legally authorized activities of the School 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 School District's audited financial statements for the year ended June 30, 2025 are included for reference in APPENDIX B hereto. Audited financial statements for the School District for the fiscal year ended June 30, 2025, and prior fiscal years are on file with the School District and available for public inspection at the office of the Assistant Superintendent/Chief Business Officer of the School District, 11603 Donner Pass Road, (530) 582-2500.

The table on the following page reflects the School District's general fund revenues, expenditures and fund balances for fiscal years 2020-21 through 2024-25.

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**AUDITED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GENERAL FUND
Tahoe-Truckee Unified School District
Fiscal Years 2020-21 through 2024-25**

	<u>Fiscal Year 2020-21</u>	<u>Fiscal Year 2021-22</u>	<u>Fiscal Year 2022-23</u>	<u>Fiscal Year 2023-24</u>	<u>Fiscal Year 2024-25</u>
REVENUES					
LCFF Sources:					
State apportionment	\$2,643,294	\$2,642,134	\$2,639,256	\$2,632,494	\$2,629,400
Local sources	<u>53,463,852</u>	<u>57,668,373</u>	<u>63,032,844</u>	<u>68,113,994</u>	<u>72,147,460</u>
Total LCFF	56,107,146	60,310,507	65,672,100	70,746,488	74,776,86
Federal Revenue	4,909,039	4,075,628	3,010,139	1,820,558	1,720,100
Other State Revenue	8,505,885	8,170,580	12,764,912	9,661,241	9,168,462
Other Local Revenue	<u>11,284,837</u>	<u>10,715,504</u>	<u>12,496,742</u>	<u>15,913,061</u>	<u>16,188,489</u>
TOTAL REVENUES	80,806,907	83,272,219	93,943,893	98,141,348	101,853,911
EXPENDITURES:					
Certificated Salaries	31,252,016	33,155,853	35,755,417	38,357,116	39,726,581
Classified Salaries	11,750,649	12,560,017	14,103,438	15,694,644	17,744,788
Employee Benefits	18,612,958	20,095,389	21,587,071	23,539,235	25,514,899
Books & Supplies	3,847,482	3,623,078	3,633,726	4,252,166	3,547,930
Services & Operating Expenses	6,750,279	8,651,206	10,989,366	12,726,550	12,393,280
Capital Outlay	1,316,821	1,203,959	848,277	2,616,008	1,745,309
Other Outgo	202,418	165,623	82,139	223,871	287,705
Debt Service:					
Principal retirement	328,054	201,363	--	--	--
Interest	<u>11,432</u>	<u>3,080</u>	--	--	--
TOTAL EXPENDITURES	74,072,109	79,659,568	86,999,434	97,409,590	100,960,492
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,734,798	3,612,651	6,944,459	731,758	893,419
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	74,280	114,815	83,297	154,465	650,592
Operating Transfers Out	<u>(739,872)</u>	<u>(297,272)</u>	<u>(61,582)</u>	<u>(575,896)</u>	<u>(922,327)</u>
TOTAL OTHER FINANCING SOURCES (USES)	(665,592)	(182,457)	21,715	(421,431)	(271,735)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USED	6,069,206	3,430,194	6,966,174	310,327	621,684
FUND BALANCE, JULY 1	<u>11,015,206</u>	<u>17,084,412</u>	<u>20,514,606</u>	<u>27,480,780</u>	<u>27,791,107</u>
FUND BALANCE, JUNE 30	<u>\$17,084,412</u>	<u>\$20,514,606</u>	<u>\$27,480,780</u>	<u>\$27,791,107</u>	<u>\$28,412,791</u>

Source: Tahoe-Truckee Unified School District.

Budget Process

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

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

On or before August 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. A school district board must be notified by September 15 of the county superintendent’s recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the county superintendent’s recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the school district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget may be disapproved.

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

Interim Financial Reports. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the current fiscal year or 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 two subsequent fiscal years.

For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent, may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent will appoint a trustee at the direction of the county superintendent to serve the school district until it has adequate fiscal systems and controls in place. In connection with appointing such a trustee, some or all of the legislative powers of the governing board of such a school district can be suspended until the district achieves fiscal stability.

The School District has never had an adopted budget disapproved by the County superintendent of schools. Within the past ten years, the School District has not received a “qualified” or “negative” certification of an interim financial report.

General Fund Budgeting. The table on the following page summarizes the School District’s general fund adopted budgets for fiscal years 2020-21 through 2024-25, ending results for fiscal years 2020-21 through 2024-25, and projected totals for fiscal year 2025-26.

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GENERAL FUND BUDGETING
Tahoe-Truckee Unified School District
Fiscal Years 2021-22 through 2025-26

	<u>Fiscal Year 2021-22</u>		<u>Fiscal Year 2022-23</u>		<u>Fiscal Year 2023-24</u>		<u>Fiscal Year 2024-25</u>		<u>Fiscal Year 2025-26</u>	
	<u>Budgeted⁽¹⁾</u>	<u>Audited⁽¹⁾</u>	<u>Budgeted⁽¹⁾</u>	<u>Audited⁽¹⁾</u>	<u>Budgeted⁽¹⁾</u>	<u>Audited⁽¹⁾</u>	<u>Budgeted⁽¹⁾</u>	<u>Audited⁽¹⁾</u>	<u>Budgeted⁽³⁾</u>	<u>Projected⁽³⁾</u>
REVENUES										
LCFF	\$58,151,780	\$60,310,507	\$62,751,952	\$65,672,100	\$68,539,045	\$70,746,488	\$70,746,488	\$74,776,860	\$78,819,558	\$79,686,81
Federal Sources	4,558,621	4,075,628	3,949,551	3,010,139	1,944,540	1,820,558	1,820,558	1,720,100	1,946,374	1,845,522
Other State Sources	6,106,995	8,170,580	6,155,087	12,764,912	8,603,875	9,661,241	9,661,242	9,168,462	9,168,462	10,487,460
Other Local Sources	<u>10,382,088</u>	<u>10,715,504</u>	<u>11,017,456</u>	<u>12,496,742</u>	<u>13,293,338</u>	<u>15,913,061</u>	<u>15,913,064</u>	<u>16,188,489</u>	<u>12,974,435</u>	<u>14,436,692</u>
TOTAL REVENUES	79,199,484	83,272,219	83,874,046	93,943,893	92,380,798	98,141,348	98,141,352	101,853,911	102,931,489	106,456,488
EXPENDITURES										
Certificated Salaries	31,695,136	33,155,853	32,922,906	35,755,417	36,693,375	38,357,116	38,357,117	39,726,581	39,936,506	42,247,062
Classified Salaries	12,638,656	12,560,017	14,072,931	14,103,438	15,473,151	15,694,644	15,694,640	17,744,788	18,725,719	19,814,069
Employee Benefits	20,486,847	20,095,389	22,774,661	21,587,071	23,887,504	23,539,235	23,539,245	25,514,899	27,094,792	28,093,591
Books & Supplies	4,345,605	3,623,078	4,558,225	3,633,726	5,046,600	4,252,166	4,252,164	3,547,930	4,643,068	4,827,664
Services & Other Operating Expenses	6,910,248	8,651,206	7,169,757	10,989,366	9,608,970	12,726,550	12,726,547	12,393,280	11,392,690	12,738,055
Capital Outlay	676,397	1,203,959	547,361	848,277	2,255,859	2,616,008	2,616,008	1,745,309	396,611	412,898
Other Outgo ⁽⁴⁾	147,295	165,623	186,515	82,139	202,310	223,871	69,406	287,705	208,261	159,741
Transfer of Indirect/Direct Support										
Debt Service:										
Principal retirement	1,796	201,363	207,501	--	--	--	--	--	--	--
Interest	<u>207,501</u>	<u>3,080</u>	<u>1,796</u>	--	--	--	--	--	--	--
TOTAL EXPENDITURES	77,109,481	79,659,568	82,441,653	86,999,434	93,167,769	97,409,590	97,255,127	100,960,492	102,397,647	108,293,080
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,090,003	3,612,651	1,432,393	6,944,459	(786,971)	731,758	886,225	893,419	533,842	(1,836,592)
OTHER FINANCING SOURCES/(USES)										
Operating Transfers In	--	114,815	147,986	83,297	96,834	154,465	--	650,592	--	--
Proceeds from Capital Leases	--	--	--	--	--	--	--	--	--	--
Operating Transfers Out ⁽⁵⁾	<u>(961,005)</u>	<u>(297,272)</u>	<u>(867,806)</u>	<u>(61,582)</u>	<u>(195,808)</u>	<u>(575,896)</u>	<u>(575,896)</u>	<u>(922,327)</u>	<u>(1,049,530)</u>	<u>(1,137,503)</u>
TOTAL OTHER FINANCING SOURCES/(USES)	(961,005)	(182,457)	(719,820)	21,715	(98,974)	(421,431)	(575,896)	(271,735)	(1,049,530)	(1,137,503)
NET INCREASE (DECREASE) IN FUND BALANCE	1,128,998	3,430,194	712,573	6,966,174	(885,945)	310,327	310,329	621,684	(515,688)	(2,974,095)
Fund Balance, July 1	<u>17,084,412</u>	<u>17,084,412</u>	<u>20,514,606</u>	<u>20,514,606</u>	<u>27,480,780</u>	<u>27,480,780</u>	<u>27,791,107</u>	<u>27,791,107</u>	<u>28,412,791</u>	<u>28,412,790</u>
Fund Balance, June 30	<u>\$18,213,410</u>	<u>\$20,514,606</u>	<u>\$21,227,179</u>	<u>\$27,480,780</u>	<u>\$26,594,835</u>	<u>\$27,791,107</u>	<u>\$28,101,436</u>	<u>\$28,412,791</u>	<u>\$27,897,103</u>	<u>\$25,438,695</u>

⁽¹⁾ From the District's Comprehensive Audited Financial Statements for fiscal years 2021-22 through 2023-24, respectively.

⁽²⁾ From the District's Adopted Budget for fiscal year 2024-25, approved by the Board on June 26, 2024. The beginning and ending fund balance reflects the funds balances as of the original adopted budget for fiscal year 2024-25.

⁽³⁾ From the District's Second Interim Financial Report for fiscal year 2025-26, approved by the Board on March 16, 2026. Figures may not sum due to rounding.

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

⁽⁵⁾ Primarily reflects transfers out of the general fund to the child development fund and cafeteria fund.

Source: Tahoe-Truckee Unified School District.

State Budget

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- *LCFF* – The Proposed 2026-27 Budget includes an LCFF COLA of 2.41%. When combined with population growth adjustments, this would result in an increase of roughly

\$2 billion in discretionary funds for local educational agencies. The Proposed 2026-27 Budget fully repays budgetary deferrals of \$1.9 billion in 2026-27, and includes an ongoing increase of \$30.7 million to provide an increase in LCFF for necessary small schools. The Proposed 2026-27 Budget also provides \$228 million in ongoing Proposition 98 funding to reflect a 2.41% COLA for specific categorical programs and the LCFF Equity Multiplier. Finally, the Proposed 2026-27 Budget reflects a \$15.6 million decrease in ongoing Proposition 98 funding to reflect ADA changes applicable to LCFF funding for county offices of education, as well as a 2.41% COLA.

- *Master Plan for Career Education/Student Support and Professional Development Discretionary Block Grant* – \$100 million in one-time Proposition 98 funding to increase access to college and career pathways for high school students, including expanding access to dual enrollment and dual credit opportunities. \$2.8 billion in one-time Proposition 98 funding for a discretionary block grant to implement statewide priorities including: professional development for teachers in English language arts and mathematics, teacher recruitment and retention, professional development related to transitional kindergarten and career pathways and dual enrollment expansion consistent with the Master Plan for Career Education. Additionally, \$250 million in one-time Proposition 98 funding to continue teacher residency programs through fiscal year 2029-30.
- *Before School, After School and Summer School* – An additional \$62.4 million in ongoing Proposition 98 funding to provide a guarantee of \$1,800 per pupil for local educational agencies with less than 55 percent unduplicated pupils, bringing the total \$4.7 billion in ongoing Proposition 98 funding for the Expanded Learning Opportunities Program.
- *Facilities* –\$1.5 billion in one-time funds from bonds issued under Proposition 2 (2024) to support school construction projects in fiscal year 2026-27. See “CONSTUTIONAL AND STATUTORY PROVISOINS AFFECTING DISTRICT REVENEUS AND APPROPRIATIONS - 2024 State School Facilities Bond” herein.
- *Learning Recovery Emergency Block Grant* – \$757.3 million in one-time Proposition 98 funding to support the Learning Recovery Emergency Block Grant, which supports local educational agencies in establishing learning recovery initiatives through the 2027-28 school year.
- *Home-to-School Transportation* – \$322 million in one-time and \$239.2 million in ongoing Proposition 98 funding to reflect higher costs in the Home-to-School Transportation Program.
- *Kitchen Infrastructure and Training* – \$100 million in one-time Proposition 98 funding for specialized kitchen equipment, infrastructure, and training to support schools in providing more freshly prepared meals made with locally grown ingredients.
- *Reading Difficulties Risk Screening* – \$40 million in one-time Proposition 98 funding to support continued implementation of student reading difficulties screenings.
- *Los Angeles County Wildfire Recovery* – \$22.9 million in one-time Proposition 98 funding to support local educational agencies that are continuing to recover from the January 2025 Los Angeles County wildfires.
- *Universal and Targeted Assistance* – An additional \$13.3 million ongoing Proposition 98 funding, for a total of \$131.9 million ongoing, for county offices of education to

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

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

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

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School District Debt Structure

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

<u>Government Activities:</u>	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2025</u>
General Obligation Bonds:				
Current Interest	\$147,790,000	--	\$5,695,000	\$142,095,000
Capital Appreciation	14,555,215	\$765,447	6,935,000	8,385,662
Unamortized Premiums	16,181,893	--	84,514	16,097,379
Certificates of Participation	22,975,000	--	810,000	22,165,000
Net Pension Liability	72,374,000	--	4,000,000	68,374,000
Total OPEB Liability	4,216,582	54,455	--	4,271,037
Compensated Absences	<u>7,190,250⁽¹⁾</u>	--	<u>30,387</u>	<u>7,159,863</u>
Totals	<u>\$278,435,473</u>	<u>\$819,902</u>	<u>\$17,554,901</u>	<u>\$268,547,941</u>

⁽¹⁾ Beginning in fiscal year 2024-25, the Governmental Accounting Standards Board issued GASB 101, which requires governments to recognize various unused leaves, such as sick leave and vacation, as long-term liabilities under the Compensated Absences category. See “APPENDIX B – THE 2024-25 AUDITED FINANCIAL STATEMENTS OF THE SCHOOL DISTRICT – Note 1”

Source: Tahoe-Truckee Unified School District.

General Obligation Bonds. The following table summarizes the outstanding general obligation bond issuances sold by the School District on behalf of the Improvement Districts pursuant to authorizations approved by the respective voters thereof.

Improvement District No. 1

The District received authorization at an election of the registered voters residing in the territory of School Facilities Improvement District No. 1 of the Tahoe-Truckee Unified School District (“Improvement District No. 1”), which was held on March 2, 1999. At this election, two-thirds or more of the voters voting on the measure approved the issuance of not-to-exceed \$35,000,000 principal amount of general obligation bonds for Improvement District No. 1 (the “SFID No. 1 1999 Authorization”). The District issued two series of bonds under the SFID No. 1 1999 Authorization and no authorization remains.

The District received authorization at an election of the registered voters residing in the territory of the Improvement District No. 1, which was held on November 4, 2014. At this election, 55.55% of the voters voting on the measure approved the issuance of not-to-exceed \$114,000,000 principal amount of general obligation bonds for Improvement District No. 1 (the “SFID No. 1 2014 Authorization”). The District issued three series of bonds under the SFID No. 1 2014 Authorization and no authorization remains.

Improvement District No. 2

The District received authorization at an election of the registered voters residing in the territory of the (“Improvement District No. 2, and together with Improvement District No. 1 (the “Improvement Districts”), which was held on March 2, 1999. At this election, two-thirds or more of the voters voting on the measure approved the issuance of not-to-exceed \$24,000,000 principal amount of general obligation bonds for Improvement District No. 1 (the “SFID No. 2 1999 Authorization”). The District issued two series of bonds under the SFID No. 2 1999 Authorization and no authorization remains.

The District received authorization at an election of the registered voters residing in the territory of the Improvement District No. 2, which was held on November 4, 2014. At this election, 59.80% of the voters voting on the measure approved the issuance of not-to-exceed \$62,000,000 principal amount of general obligation bonds for Improvement District No. 2 (the “SFID No. 2 2014 Authorization”). The District issued three series of bonds under the SFID No. 2 2014 Authorization and no authorization remains.

<u>Bond Issuance</u>	<u>Initial Principal Amount</u>	<u>Principal Currently Outstanding⁽¹⁾</u>	<u>Date of Delivery</u>
<u>Improvement District No. 1</u>			
Election of 2014 Bonds, Series A	\$20,000,000.00	\$2,840,000.00	March 31, 2015
Election of 2014, Series B ⁽²⁾	54,000,000.00	47,995,000.00	December 20, 2016
Election of 2014, Series C	\$40,000,000	27,335,000.00	November 8, 2017
<u>Improvement District No. 2</u>			
Election of 1999 Bonds, Series B	\$5,275,084.00	\$884,940.00	August 19, 2004
2012 Refunding Bonds ⁽³⁾	11,605,000.00	3,555,000.00	February 14, 2012
2013 Refunding Bonds, Series B ⁽²⁾⁽⁴⁾	13,450,000.00	4,885,000.00	January 29, 2013
Election of 2014 Bonds, Series A	19,500,000.00	13,010,000.00	March 31, 2015
Election of 2014, Series B ⁽²⁾	30,000,000.00	27,495,000.00	December 20, 2016
Election of 2014, Series C	\$12,500,000	8,845,000.00	November 8, 2017

⁽¹⁾ As of March 30, 2026.

⁽²⁾ Includes the Refunded Bonds expected to be refinanced with proceeds of the Bonds as described herein.

⁽³⁾ Advance refunded a portion of Improvement District No. 2’s Election of 2002 Bonds, Series A..

⁽⁴⁾ Advance refunded a portion of the Improvement District No. 2’s Election of 1999, Series B Bonds and Election of 2002, Series B Bonds.

The tables on the following pages show the annual debt service on general obligation bonds issued by the Improvement Districts (and assuming no optional redemptions).

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GENERAL OBLIGATION BONDED DEBT SERVICE
Tahoe Truckee Unified School District
Improvement District No. 1

Year (Aug. 1)	Election of 2014 Series A Bonds⁽¹⁾	Election of 2014 Series B Bonds	Election of 2014 Series C Bonds	The Series A Refunding Bonds	Total Debt Service
2026	\$98,262.50	\$4,029,750.00	\$3,221,950.00		
2027	98,262.50	4,153,250.00	3,340,950.00		
2028	148,262.50	4,266,500.00	3,423,450.00		
2029	156,762.50	4,404,500.00	3,530,700.00		
2030	159,962.50	4,550,500.00	3,643,850.00		
2031	168,012.50	4,693,500.00	3,765,050.00		
2032	170,668.76	4,853,000.00	3,884,850.00		
2033	178,068.76	5,007,500.00	4,008,600.00		
2034	180,143.76	5,171,500.00	3,424,750.00		
2035	187,056.26	5,333,750.00	--		
2036	193,643.76	5,508,500.00	--		
2037	199,618.76	5,689,250.00	--		
2038	205,243.76	5,874,750.00	--		
2039	215,518.76	6,063,750.00	--		
2040	220,268.76	--	--		
2041	229,668.76	--	--		
2042	238,543.76	--	--		
2043	241,893.76	--	--		
2044	249,893.76	--	--		
2045	262,368.76	--	--		
2046	268,850.00	--	--		
2047	279,787.50	--	--		
Total	<u>\$4,350,762.64</u>	<u>\$69,600,000.00</u>	<u>\$32,244,150.00</u>		

⁽¹⁾ Includes debt service of the Prior Improvement District No.1 Bonds expected to be refinance with proceeds of the Series A Refunding Bonds as described herein.

GENERAL OBLIGATION BONDED DEBT SERVICE
Tahoe Truckee Unified School District
Improvement District No. 2

Year (Aug. 1)	Election of 1999 Series B Bonds	2012 Refunding Bonds	2013 Refunding Bonds, Series B⁽¹⁾	Election of 2014 Series A Bonds	Election of 2014 Series B Bonds⁽¹⁾	Election of 2014 Series C Bonds	The Series B Refunding Bonds	Total Debt Service
2026	\$3,000,000.00	\$951,650.00	\$907,287.50	\$498,931.26	\$2,129,750.00	\$896,050.00		
2027	--	956,300.00	905,787.50	528,618.76	2,192,000.00	916,800.00		
2028	--	960,050.00	894,750.00	567,368.76	2,249,250.00	940,050.00		
2029	--	957,900.00	906,500.00	604,868.76	2,306,500.00	965,550.00		
2030	--	--	1,877,200.00	646,118.76	2,368,500.00	990,550.00		
2031	--	--	--	690,962.50	2,429,750.00	1,011,400.00		
2032	--	--	--	733,706.26	2,495,000.00	1,040,900.00		
2033	--	--	--	779,762.50	2,558,750.00	1,068,750.00		
2034	--	--	--	828,962.50	2,620,750.00	1,099,950.00		
2035	--	--	--	886,137.50	2,690,750.00	1,119,350.00		
2036	--	--	--	940,950.00	2,753,000.00	592,250.00		
2037	--	--	--	993,400.00	2,827,500.00	--		
2038	--	--	--	1,057,750.00	2,903,250.00	--		
2039	--	--	--	1,119,125.00	2,974,750.00	--		
2040	--	--	--	1,187,525.00	3,046,750.00	--		
2041	--	--	--	1,257,600.00	3,123,750.00	--		
2042	--	--	--	1,329,400.00	--	--		
2043	--	--	--	1,406,800.00	--	--		
2044	--	--	--	1,489,400.00	--	--		
2045	--	--	--	1,571,800.00	--	--		
2046	--	--	--	1,658,800.00	--	--		
Total	<u>\$3,000,000.00</u>	<u>\$3,825,900.00</u>	<u>\$5,491,525.00</u>	<u>\$20,777,987.56</u>	<u>\$41,670,000.00</u>	<u>\$10,641,600.00</u>		

⁽¹⁾ Includes debt service of the Prior Improvement District No. 2 Bonds expected to be refinance with proceeds of the Series A Refunding Bonds as described herein.

Certificates of Participation. The School District executed and delivered its Certificates of Participation (2019 School Financing Project) (the “2019 Certificates”), the net proceeds of which were used to finance the capital improvements to School District sites and facilities. The 2019 Certificates are an obligation of the School District payable from any source of legally available funds, and the obligation of the School District to make payments does not constitute an obligation of the School District for which the School District is obligated to levy or pledge any form of taxation or for which the School District has levied or pledged any form of taxation. The 2019 Certificates evidence fractional and undivided interests in the right to receive certain lease payments, and any prepayments thereof, to be made by the School District pursuant to a lease-purchase agreement (the “Lease”) by and between the District and the Tahoe Truckee Unified School District Financing Corporation. Such lease payments are designed to pay, when due, the principal and interest with respect to the 2019 Certificates. The District covenanted in the Lease to take such action as may be necessary to include such lease payments and other payments due under the Lease in its annual budgets and to make the necessary annual appropriations therefor.

On October 31, 2023, the District prepaid the \$13,040,000.00 June 1, 2049 maturity in full from State facilities money. The table on the following page summarizes the outstanding annual lease payment requirements of the District for 2019 Certificates, reflecting the prepayment.

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Semi-Annual Payments</u>
6/1/2026	\$850,000	\$482,750	\$1,332,750
12/1/2026	--	461,500	461,500
6/1/2027	895,000	461,500	1,356,500
12/1/2027	--	439,125	439,125
6/1/2028	935,000	439,125	1,374,125
12/1/2028	--	415,750	415,750
6/1/2029	985,000	415,750	1,400,750
12/1/2029	--	391,125	391,125
6/1/2030	1,035,000	391,125	1,426,125
12/1/2030	--	365,250	365,250
6/1/2031	1,085,000	365,250	1,450,250
12/1/2031	--	338,125	338,125
6/1/2032	1,140,000	338,125	1,478,125
12/1/2032	--	309,625	309,625
6/1/2033	1,195,000	309,625	1,504,625
12/1/2033	--	279,750	279,750
6/1/2034	1,255,000	279,750	1,534,750
12/1/2034	--	248,375	248,375
6/1/2035	1,320,000	248,375	1,568,375
12/1/2035	--	221,975	221,975
6/1/2036	1,370,000	221,975	1,591,975
12/1/2036	--	194,575	194,575
6/1/2037	1,425,000	194,575	1,619,575
12/1/2037	--	166,075	166,075
6/1/2038	1,485,000	166,075	1,651,075
12/1/2038	--	143,800	143,800
6/1/2039	1,530,000	143,800	1,673,800
12/1/2039	--	113,200	113,200
6/1/2040	1,590,000	113,200	1,703,200
12/1/2040	--	81,400	81,400
6/1/2041	1,650,000	81,400	1,731,400
12/1/2041	--	48,400	48,400
6/1/2042	1,720,000	48,400	1,768,400
12/1/2042	--	14,000	14,000
6/1/2043	<u>700,000</u>	<u>14,000</u>	<u>714,000</u>
Total	<u>\$26,960,000</u>	<u>\$17,091,608</u>	<u>\$44,051,608</u>

TAX MATTERS

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

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

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

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

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

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

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

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

The proposed forms of opinions of Bond Counsel for the Bonds are included in APPENDIX D hereto.

LIMITATION ON REMEDIES; BANKRUPTCY

General

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

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the School District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors

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

Statutory Lien

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

Special Revenues

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

Possession of Tax Revenues; Remedies

The County, on behalf of the School District, is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County’s pooled investment fund, as described in “APPLICATION OF THE PROCEEDS OF THE BONDS” herein and “APPENDIX G – PLACER COUNTY INVESTMENT POOL” attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such

procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

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

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

LEGAL MATTERS

Continuing Disclosure

Current Undertaking. In connection with the issuance of the Bonds, the School District has covenanted for the benefit of the Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the School District and each of the Improvement Districts (each an "Annual Report") by not later than nine months following the end of the School District's fiscal year (which currently ends June 30), commencing with the report for the 2024-25 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Reports and notices of listed events will be filed by the School District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Reports or of the notices of listed events is included in "APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Previous Undertakings. Within the past five years, the District filed in a timely manner all annual reports and any required notices of certain events as required by its prior undertakings, pursuant to the Rule.

Legality for Investment in California

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

Legal Opinions

The legal opinions of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers thereof without cost. Copies of the proposed forms of such legal opinions for the Bonds are attached to this Official Statement as APPENDIX D, attached hereto.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate or certificates to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The School District is not aware of any litigation pending or threatened questioning the legal existence of the Improvement Districts or the School District or contesting the Improvement Districts' ability to levy *ad valorem* property taxes for payment of the Bonds or contesting the School District's ability to issue the Bonds.

Financial Statements

The School District's audited financial statements with supplemental information for the year ended June 30, 2025, the independent auditor's report of the School District, and the related statements of activities and of cash flows for the year then ended, and the report dated December 6, 2025 of Crowe LLP, independent accountants (the "Auditor"), are attached to this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX B to this Official Statement, the School District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Escrow Verification

Upon delivery of the Bonds, Causey Public Finance, LLC, Denver, Colorado, will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions assumptions provided to them relating to the adequacy of the maturing principal of and interest on the Federal Securities in the Escrow Fund, together with any moneys held therein as cash, to pay the redemption prices of the Refunded Bonds and interest thereon through their respective redemption dates.

RATINGS

The Series A Refunding Bonds have been assigned a rating of "Aa1" by Moody's. The Series B Refunding Bonds have been assigned a rating of "Aa1" by Moody's.

The ratings reflect only the views of Moody's, and any explanation of the significance of such ratings should be obtained therefrom. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. The School District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the School District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

The School District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any ratings changes on the Bonds. See "APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from Moody's prior to such information being

provided to the School District and prior to the date the School 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

Purchase of the Bonds. Pursuant to the terms of a Notice Inviting Proposals for Purchase of Bonds (the "Series A Notice Inviting Proposals"), the Series A Refunding Bonds were awarded to _____, as underwriter therefor ("Series A Underwriter"), at a True Interest Cost of ____%. The Series A Underwriter will purchase all of the Series A Refunding Bonds for a purchase price of \$_____ (which is equal to the principal amount of the Series A Refunding Bonds of \$_____, plus [net] original issue premium of \$_____, and less \$_____ of underwriting discount).

Pursuant to the terms of a Notice Inviting Proposals for Purchase of Bonds (the "Series B Notice Inviting Proposals"), the Series B Refunding Bonds were awarded to _____, as underwriter therefor (the "Series B Underwriter"), at a True Interest Cost of ____%. The Series B Underwriter will purchase all of the Series B Refunding Bonds for a purchase price of \$_____ (which is equal to the principal amount of the Series B Refunding Bonds of \$_____, plus [net] original issue premium of \$_____, and less \$_____ of underwriting discount).

The Notices Inviting Proposals provide that each Underwriter will purchase all of the respective series of Bonds that such Underwriter is awarded, if any are purchased. The initial offering prices stated on the inside cover pages of this Official Statement may be changed from time to time by the respective Underwriter thereof. Each Underwriter may offer and sell the respective series of the Bonds such Underwriter is awarded to certain dealers and others at prices lower than such initial offering prices.

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ADDITIONAL INFORMATION

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

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

TAHOE-TRUCKEE UNIFIED SCHOOL DISTRICT

By _____
Kerstin Kramer
Superintendent Chief Learning Officer

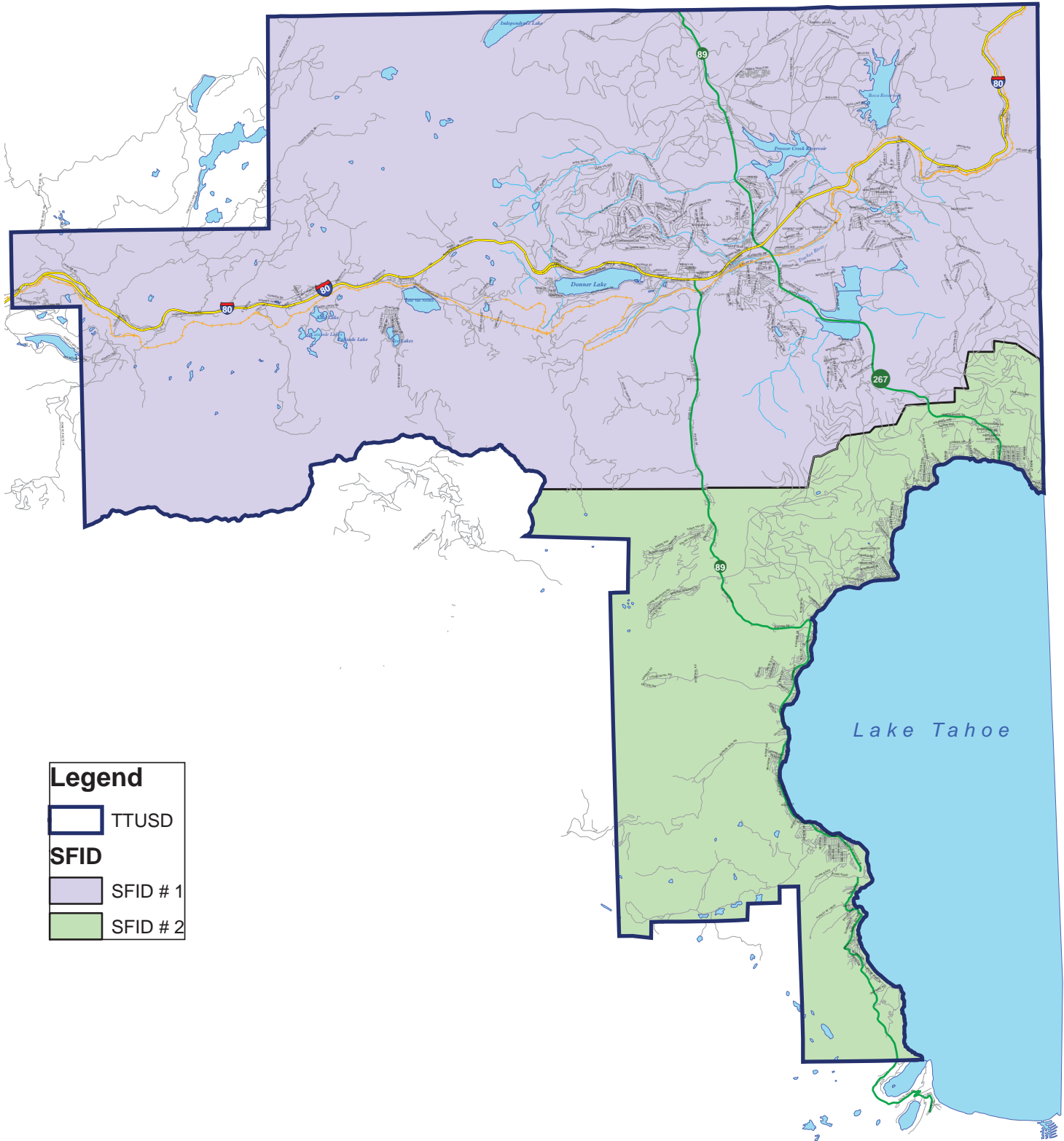
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APPENDIX A

BOUNDARY MAP OF IMPROVEMENT DISTRICTS

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TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT SCHOOL FACILITIES IMPROVEMENT DISTRICTS



Legend

- TTUSD
- SFID # 1
- SFID # 2



0 13,000 26,000 52,000 Feet

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APPENDIX B

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

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TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
June 30, 2025

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025
(Continued)

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	16
STATEMENT OF ACTIVITIES	17
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET - GOVERNMENTAL FUNDS	18
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	19
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	20
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS - TO THE STATEMENT OF ACTIVITIES	21
STATEMENT OF FIDUCIARY NET POSITION – TRUST FUND	22
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION – TRUST FUND	23
NOTES TO FINANCIAL STATEMENTS	24
REQUIRED SUPPLEMENTARY INFORMATION:	
GENERAL FUND BUDGETARY COMPARISON SCHEDULE	52
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY	53
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	54
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS	56
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	58

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

CONTENTS

SUPPLEMENTARY INFORMATION:

COMBINING BALANCE SHEET - ALL NON-MAJOR FUNDS.....	59
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - ALL NON-MAJOR FUNDS.	60
SCHEDULE OF AVERAGE DAILY ATTENDANCE.....	61
SCHEDULE OF INSTRUCTIONAL TIME	62
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	63
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS.....	65
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS - UNAUDITED.....	66
SCHEDULE OF CHARTER SCHOOLS.....	67
NOTES TO SUPPLEMENTARY INFORMATION.....	68

OTHER INFORMATION:

ORGANIZATION	69
INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS	70
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 <i>GOVERNMENT AUDITING STANDARDS</i>	74
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REQUIRED BY THE UNIFORM GUIDANCE.....	76

FINDINGS AND RECOMMENDATIONS:

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS.....	79
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS.....	83

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Tahoe Truckee Unified School District
Truckee, California

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

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This resulted in a restatement of the beginning governmental activities net positions of \$6,847,467. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

(Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 15 and the General Fund Budgetary Comparison Schedule, the Schedule of Changes in the District's Total Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 52 to 57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

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

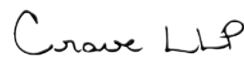
Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Organization page but does not include the basic financial statements and our auditor's report thereon. Our 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 December 8, 2025 on our consideration of Tahoe Truckee Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tahoe Truckee Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tahoe Truckee Unified School District's internal control over financial reporting and compliance.


Crowe LLP

Sacramento, California
December 8, 2025

**TAHOE-TRUCKEE UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

This section of Tahoe-Truckee Unified School District's annual financial report presents District management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the Independent Auditor's Report presented on pages 1 through 2, and the District's financial statements, which immediately follow this section.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities, presented on pages 16 through 17, provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements for governmental activities, presented on pages 18 through 21, provide information about how District services were financed in the short term, and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside the District.

FINANCIAL HIGHLIGHTS

- The District's Financial status still remains positive. However, the total net position decreased by \$5,475,492 or 4.8%.
- Capital assets, net of depreciation, decreased by \$11,475,677. Capital assets are mainly financed by developer Fees, Certificates of Participation, State matching funds, federal grants, and general obligation bond proceeds.
- Long-term debt decreased by \$16,734,999 due mostly to the regular payment of general obligation bonds and a decrease in Net Pension Liabilities.
- October Enrollment in the District increased 37 students from 3,920 to 3,957.
- The District maintains reserves that exceed the state required 3% minimum Reserve for Economic Uncertainties (REU). The total General Fund REU increased from 15.18% to 15.78%.

THE FINANCIAL REPORT

The full annual financial report consists of three separate parts, including the basic financial statements, required supplementary information, and Management's Discussion and Analysis. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives, government-wide and funds.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements comprise the remaining statements.
 - ❖ Basic services funding is described in the governmental fund statements. These statements include short-term financing and identify the remaining balance for future spending.
 - ❖ Short and long-term financial information about the activities of the District that operate like businesses are provided in the proprietary fund statements.
 - ❖ Financial relationships, for which the District acts as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary funds statements.

Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information provides further explanations and provides additional support for the financial statement. A comparison of the District's budget for the year is included.

Reporting the District as a Whole

The District as a whole is reported in the Government-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets and liabilities are included in the Statement of Net Position. The Statements of Activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The District's financial health or position (net position) can be measured by the difference between the District's assets and liabilities.

- Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as the condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

Governmental Activities:

The basic services provided by the District, such as regular and special education, adult education, administration, and transportation are included here, and are primarily financed by property taxes and state formula aid. Non-basic services, such as child nutrition and child development are also included here but are financed by a combination of state and federal contracts and grants, and local revenues.

Reporting the District's Most Significant Funds:

The District's fund-based financial statements provide detailed information about the District's most significant funds. Some funds are required to be established by State law and bond covenants. However, the District established many other funds as needed to control and manage money for specific purposes.

Major Governmental Funds

The major governmental funds of Tahoe-Truckee Unified School District are the General Fund, the County School Facilities Fund, and Bond Interest & Redemption Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the balances that remain at the end of the year. A modified accrual basis of accounting measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps to determine the level of financial resources available in the near future to finance the District's programs.

All Non-Major Funds

The District provides additional services that are outside of the General Fund and are minor in nature. These services include Student Activity, Adult Education, Child Development, Cafeteria, Deferred Maintenance, Building and Capital Facilities Funds.

Fiduciary Funds

The District is the trustee, or fiduciary, for its student activity funds. All of the District's fiduciary activities are reported in separate fiduciary statements. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance their operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

GOVERNMENTAL ACTIVITIES

The District’s net position decreased from \$112,904,857 on June 30, 2024 to \$107,429,365 on June 30, 2025. This results in a decrease of \$5,475,492 to the 2024 - 2025 net position. The following components attributed to this decrease:

- Decrease to the Bond Interest and Redemption Fund of \$6,611,224 due to the retirement of outstanding GO Bond debt.
- Decrease of \$3,367,780 to the County School Facilities Fund and Non-Major Funds due to project and one-time expenditures.
- Depreciation of Assets

Statement of Net Position		
	2024 - 2025	2023 - 2024
Current and Other Assets	\$ 75,365,982	\$ 85,411,603
Capital Assets	<u>286,492,003</u>	<u>297,967,680</u>
Total Assets	361,857,985	383,379,283
Deferred Outflows of resources	<u>30,220,459</u>	<u>30,869,259</u>
Current Liabilities	7,535,458	8,335,738
Other and Long Term Liabilities	<u>268,547,941</u>	<u>278,435,473</u>
Total Liabilities	276,083,399	286,771,211
Deferred Inflows of resources	<u>8,565,680</u>	<u>7,725,007</u>
Invested in capital assets, net of related debt	99,784,833	124,072,954
Restricted	51,918,082	35,357,692
Unrestricted	<u>(44,273,550)</u>	<u>(39,678,322)</u>
Restatement due to implementation of GASB 101		<u>(6,847,467)</u>
Total Net Position	<u>\$ 107,429,365</u>	<u>\$ 112,904,857</u>
Table includes financial data of the combined government funds		

Please note that the implementation of GASB 101 in 2024 – 2025 has significantly increased long-term liabilities for Compensated Absences. This resulted in a restatement of beginning net position for the 2024 – 2025 fiscal year. Additional information on GASB 101 is available in the Long-Term Debt section of this analysis.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

The District net position decreased by \$5,475,492 during fiscal year 2024 - 2025.

Changes In Net Position		
Revenues	2024 - 2025	2023 - 2024
Program Revenues:		
Charge For Services	\$ 1,928,353	\$ 1,995,068
Operating Grants	17,255,340	19,080,818
Capital Grants	-	1,549,671
General Revenues:		
Property Taxes	92,479,139	93,870,813
Federal & State Aid	2,461,888	2,685,298
Other	8,577,679	9,625,665
	122,702,399	128,807,333
Program Expenses		
Instruction	54,334,482	54,251,778
Instruction Related Services	10,967,802	11,396,784
Pupil Services	15,917,372	15,268,550
General Administration	6,518,364	5,978,788
Plant Services	29,326,833	28,105,951
Ancillary Services	2,679,986	2,493,595
Enterprise Activities	785	-
Community Services	99,184	101,103
Other	8,333,083	9,228,430
	128,177,891	126,824,979
Total Expenses	128,177,891	126,824,979
Increase in Net Position	(5,475,492)	1,982,354
Net Position- Beginning	119,752,324	117,769,970
Restatement due to Implementation of GASB 101	(6,847,467)	-
Net Position- Beginning, As Restated	112,904,857	-
Net Position Ending	\$ 107,429,365	\$ 119,752,324

Table includes financial data of the combined government funds

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

The table below presents the cost of major District activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The \$108,994,198 net cost represents the financial burden that was placed on the District's general revenues for providing the services listed. Further details are available in the audit report.

Comparative Schedule of Costs of Services		
	Total Cost of Services	Net Cost of Services
	<u>2024 - 2025</u>	<u>2024 - 2025</u>
Instruction	54,334,482	42,558,187
Instruction Related Services	10,967,802	10,234,061
Pupil Services	15,917,372	11,320,114
General Administration	6,518,364	6,238,390
Plant Services	29,326,833	29,242,033
Ancillary Services	2,679,986	1,611,412
Enterprise Activities	785	785
Community Services	99,184	99,184
Other	-	-
Interest on Long-Term Liabilities	8,045,378	8,045,378
Other Outgo	287,705	(355,346)
Totals	<u>\$ 128,177,891</u>	<u>\$ 108,994,198</u>

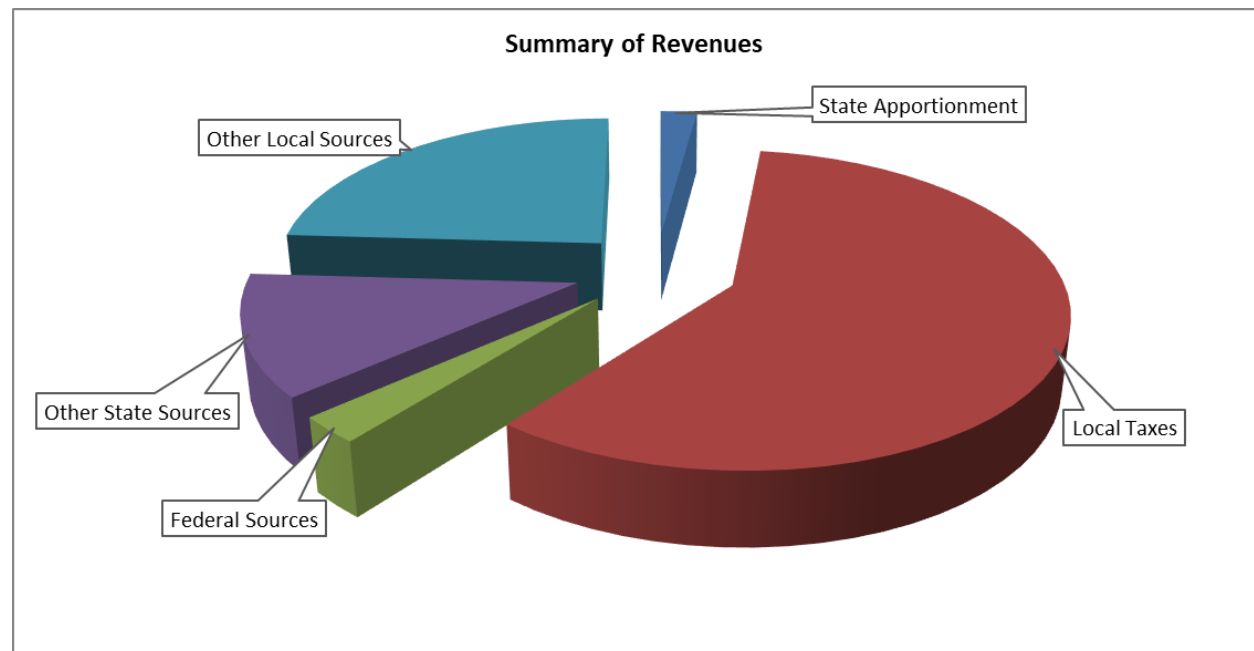
Table includes financial data of the combined government funds

In fiscal year 2024 - 2025, program revenues financed 14.97% of the cost of providing the services listed above, while the remaining 85.03% were financed by general revenues of the District. The percentages were 17.8% and 82.2%, respectively in 2023 - 2024.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

Revenues for the District in 2024 - 2025 decreased by \$5,145,903 or 3.99% from 2023 - 2024 totals. This decrease is mainly attributed to a decrease in funding from the County School Facilities Fund and Bond Interest and Redemption Fund. The table below summarizes all revenue sources in 2024 - 2025.

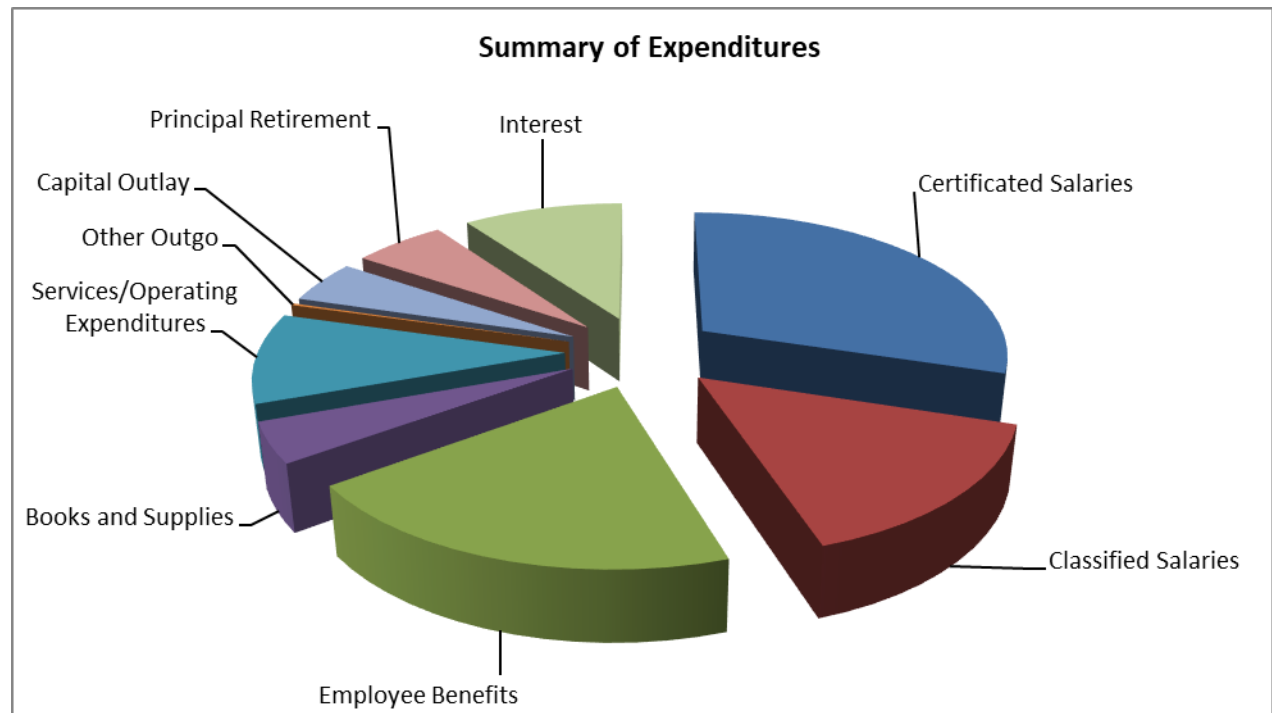
Summary of Revenues for Governmental Funds				
	FY 2025 Amount	Percent of Total	FY 2024 Amount	Percent of Total
Revenues				
LCFF Sources				
State Apportionment	\$ 2,629,400	2.1%	\$ 2,632,494	2.0%
Local Taxes	72,597,460	58.6%	68,563,994	53.1%
Total LCFF Sources	75,226,860	60.7%	71,196,488	55.2%
Federal Sources	3,390,378	2.7%	3,569,364	2.8%
Other State Sources	15,438,377	12.5%	19,516,902	15.1%
Other Local Sources	29,808,818	24.1%	34,727,582	26.9%
Total Other Revenue	48,637,573	39.3%	57,813,848	44.8%
Other Financing Sources				
Proceeds from Issuance of Debt	-	0.0%	-	0.0%
Total Other Financing Sources	-	0.0%	-	0.0%
Total Revenues	\$ 123,864,433	100.0%	\$ 129,010,336	100.0%



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

Total District expenditures in 2024 - 2025 decreased by \$10,125,331 or 7.1% from 2023 - 2024 numbers. A large portion of this decrease is attributable to reductions in both capital outlay expenditures and debt principal payments. Some of these reductions were offset with increases in salary and benefit expenditures.

Summary of Expenditures for Governmental Funds				
	FY 2025 Amount	Percent of Total	FY 2024 Amount	Percent of Total
Expenditures				
Certificated Salaries	\$ 39,727,357	29.8%	\$ 38,464,439	26.8%
Classified Salaries	20,211,501	15.2%	17,850,160	12.5%
Employee Benefits	26,722,083	20.1%	24,586,179	17.2%
Books and Supplies	5,892,630	4.4%	6,704,118	4.7%
Services/Operating Expenditures	13,248,460	9.9%	13,360,930	9.3%
Other Outgo	287,705	0.2%	223,871	0.2%
Capital Outlay	6,291,268	4.7%	8,694,441	6.1%
Principal Retirement	7,608,798	5.7%	25,615,000	17.9%
Interest	13,231,951	4.7%	7,847,946	5.5%
Total Expenditures	\$ 133,221,753	100.0%	\$ 143,347,084	100.0%



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

Capital assets, net of depreciation decreased by \$11,475,677 due to a slowdown in new capital improvement projects and depreciation. Projects are financed through a combination of developer fees, Certificates of Participation, State and federal grants, deferred maintenance funds, and general obligation bond funds.

Capital Assets			
	2024 - 2025	2023 - 2024	% Change
Land	\$ 4,365,750	\$ 4,365,750	0.0%
Improvement of Sites	13,682,021	13,582,762	0.7%
Buildings	425,187,983	412,903,668	3.0%
Equipment	17,996,329	17,157,805	4.9%
Work in Process	<u>-</u>	<u>7,489,848</u>	-100.0%
Subtotal	461,232,083	455,499,833	1.3%
Less: Accumulated Depreciation	<u>(174,740,080)</u>	<u>(157,532,153)</u>	10.9%
Capital Assets, net	<u><u>\$ 286,492,003</u></u>	<u><u>\$ 297,967,680</u></u>	-3.9%

Long-term debt includes all of the district’s long-term liabilities. In the past this consisted of general obligation bonds, Certificates of Participation (COP), capital leases, other post-employment benefits, and compensated absences. With the implementation of GASB 68, the District has added STRS and PERS pension liabilities to this category. This resulted in a significant increase in long-term debt in comparison to years prior to 2015 - 2016. Beginning in the 2024 – 2025 fiscal year, the Governmental Accounting Standards Board issued GASB 101 which added more requirements to the tracking of long-term liabilities. Specifically, GASB 101 requires governments to recognize various unused leaves, such as sick leave and vacation, as long-term liabilities under the Compensated Absences category. Prior to GASB 101, the District only recognized unused vacation in its Compensated Absences liability. The addition of sick leave has significantly increased long-term liabilities in this category. This resulted in a restatement of the 2024 – 2025 Compensated Absences beginning balance. Overall, long-term debt decreased by \$16,743,999 in 2024 - 2025, mainly due to the regular payment of general obligation bond and COP debt. A portion of this decrease was attributed to a decrease in Net Pension Liabilities. The net pension liabilities amount decreased to \$68,374,000 or 25.46% of total long-term debt. The general obligation bonds are financed by the local taxpayers and represent 62.03% of the District’s total long-term liabilities. The OPEB obligation liabilities amount to \$4,271,037 and represent 1.59% of the District’s long-term liabilities. The Certificates of Participation account for 8.25% of long-term liabilities. Compensated absences account for the remaining 2.67% of total long-term liabilities.

Long-term Debt			
	2024 - 2025	2023 - 2024	% Change
Compensated Absences*	\$ 7,159,863	\$ 342,783	1988.7%
General Obligation Bonds	166,578,041	178,527,108	-6.7%
Certificates of Participation	22,165,000	22,975,000	-3.5%
Capitalized Lease Obligations	-	-	0.0%
Net Pension Liability	68,374,000	72,374,000	-5.5%
Total OPEB Obligation	4,271,037	4,216,582	1.3%
Totals	<u>\$ 268,547,941</u>	<u>\$ 278,435,473</u>	-3.6%

*2024 - 2025 Compensated Absences reflects a restated balance due to implementation of GASB 101

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts and future debt retirement dates.

FINANCIAL ANALYSIS OF DISTRICT’S FUNDS

The combined fund balances of all the District’s governmental funds decreased by \$9,357,320. Most of this is attributed to a decrease in County School Facilities Fund for project expenditures and a decrease in the Bond Interest and Redemption Fund for retirement of GO Bond debt.

Comparative Schedules of Fund Balances			
	Fund Balance June 30, 2025	Fund Balance June 30, 2024	Increase/ Decrease
General	\$ 28,412,791	\$ 27,791,107	\$ 621,684
County School Facilities Fund	19,093,351	21,196,328	(2,102,977)
Bond Interest and Redemption	16,952,739	23,563,963	(6,611,224)
All Non-Major Funds	5,975,385	7,240,188	(1,264,803)
Totals	\$ 70,434,266	\$ 79,791,586	\$ (9,357,320)

GENERAL FUND BUDGETARY HIGHLIGHTS

The District’s budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revises its budget based on updated financial information. The Original budget, approved at the end of June for July 1, is based on May Revise figures and updated 45 days after the State approves its final budget, if needed. In addition, the District revises its budget at First and Second interim. The Budget to actual presented on page 52 reflects the original budget, final budget and the actual revenue and expenditures for the year.

ECONOMIC FACTORS BEARING ON THE DISTRICT’S FUTURE

The District has maintained its basic aid status during fiscal year 2024 - 2025. The property tax revenue collections continue to exceed the LCFE transition grants funded by the State. However, there is some uncertainty surrounding the pace of TTUSD property tax revenue increases in the future. Although, TTUSD will receive an estimated 6.38% increase in property taxes in 2025 - 2026, the District will maintain conservative assumptions in future years.

TTUSD is subject to many financial risks and situations including, but not limited to fluctuating property tax revenue, repeal of basic aid status, parcel tax revenue, charter schools, depletion of one-time revenues, enrollment increases, declining developer fee revenue and PERS/STRS rate adjustments.

In recognition of these substantial financial risks, the TTUSD School Board revised Board Policy #3100, furthering its commitment to maintain reserves that exceed the state required minimum of 3%. Board Policy #3100 establishes a static reserve for economic uncertainty range of 10-16% of total general fund expenditures.

CONTACT THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with general overview of the District's finances and to show the District's accountability for the money it received. If you have questions regarding this report or need additional financial information, contact Todd Rivera, Assistant Superintendent Chief Business Officer, Tahoe-Truckee Unified School District, 11603 Donner Pass Road, Truckee, California 96161.

BASIC FINANCIAL STATEMENTS

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and investments (Note 2)	\$ 68,554,699
Receivables	6,132,071
Stores inventory	168,655
Prepaid expenses	510,557
Non-depreciable capital assets (Note 4)	4,365,750
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>282,126,253</u>
Total assets	<u>361,857,985</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 7 and 8)	27,946,873
Deferred outflow of resources - OPEB (Note 9)	<u>2,273,586</u>
Total deferred outflows	<u>30,220,459</u>
LIABILITIES	
Accounts payable	6,906,981
Unearned revenue	628,477
Long-term liabilities (Notes 5, 7, 8 and 9):	
Due within one year	14,324,477
Due after one year	<u>254,223,464</u>
Total liabilities	<u>276,083,399</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - OPEB (Note 9)	1,553,680
Deferred inflows of resources - pensions (Notes 7 and 8)	<u>7,012,000</u>
Total deferred inflows	<u>8,565,680</u>
NET POSITION	
Net investment in capital assets	99,784,833
Restricted:	
Legally restricted programs	10,614,182
Capital projects	24,501,745
Debt service	16,952,739
Unrestricted	<u>(44,424,134)</u>
Total net position	<u>\$ 107,429,365</u>

See accompanying notes to financial statements.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

		Program Revenues				Net (Expense) Revenues and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities:						
Instruction	\$ 54,334,482	\$ 1,230,338	\$ 10,545,957	\$ -	\$ -	\$ (42,558,187)
Instruction-related services:						
Supervision of instruction	1,174,610	-	124,935	-	-	(1,049,675)
Instructional library, media and technology	2,454,836	73,905	162,320	-	-	(2,218,611)
School site administration	7,338,356	10,999	361,582	-	-	(6,965,775)
Pupil services:						
Home-to-school transportation	4,248,993	-	-	-	-	(4,248,993)
Food services	3,875,186	58,825	2,604,642	-	-	(1,211,719)
All other pupil services	7,793,193	259,329	1,674,462	-	-	(5,859,402)
General administration:						
Data processing	701,352	-	-	-	-	(701,352)
All other general administration	5,817,012	26,385	253,589	-	-	(5,537,038)
Plant services	29,326,833	26,458	58,342	-	-	(29,242,033)
Ancillary services	2,679,986	489	1,068,085	-	-	(1,611,412)
Community services	99,184	-	-	-	-	(99,184)
Enterprise activities	785	-	-	-	-	(785)
Interest on long-term liabilities	8,045,378	-	-	-	-	(8,045,378)
Other outgo	287,705	241,625	401,426	-	-	355,346
 Total governmental activities	 \$ 128,177,891	 \$ 1,928,353	 \$ 17,255,340	 \$ -	 -	 (108,994,198)
 General revenues:						
Taxes and subventions:						
						75,035,557
Taxes levied for general purposes						10,740,649
Taxes levied for debt service						6,702,933
Taxes levied for other specific purposes						2,461,888
Federal and state aid not restricted to specific purposes						3,028,595
Interest and investment earnings						145,326
Interagency transfers						5,403,758
Miscellaneous						103,518,706
						(5,475,492)
						119,752,324
						(6,847,467)
						112,904,857
						\$ 107,429,365

See accompanying notes to financial statements.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	<u>General Fund</u>	<u>County School Facilities Fund</u>	<u>Bond Interest and Redemption Fund</u>	<u>All Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments:					
Cash in County Treasury	\$ 27,573,845	\$ 18,857,658	\$ 16,952,739	\$ 2,885,015	\$ 66,269,257
Cash in revolving fund	20,000	-	-	-	20,000
Cash in bank	2,000	-	-	337,656	339,656
Collections waiting deposit	686,678	-	-	1,239,108	1,925,786
Receivables	4,854,711	60,208	-	1,217,152	6,132,071
Stores inventory	36,953	-	-	131,702	168,655
Due from other funds	395,595	210,261	-	939,052	1,544,908
Prepaid expenditures	491,675	-	-	18,882	510,557
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 34,061,457</u>	<u>\$ 19,128,127</u>	<u>\$ 16,952,739</u>	<u>\$ 6,768,567</u>	<u>\$ 76,910,890</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 4,143,332	\$ 30,175	\$ -	\$ 129,732	\$ 4,303,239
Unearned revenue	370,973	-	-	257,504	628,477
Due to other funds	1,134,361	4,601	-	405,946	1,544,908
Total liabilities	<u>5,648,666</u>	<u>34,776</u>	<u>-</u>	<u>793,182</u>	<u>6,476,624</u>
Fund balances:					
Nonspendable	548,628	-	-	150,584	699,212
Restricted	10,047,191	19,093,351	16,952,739	5,824,801	51,918,082
Assigned	1,744,185	-	-	-	1,744,185
Unassigned	16,072,787	-	-	-	16,072,787
Total fund balances	<u>28,412,791</u>	<u>19,093,351</u>	<u>16,952,739</u>	<u>5,975,385</u>	<u>70,434,266</u>
Total liabilities and fund balances	<u>\$ 34,061,457</u>	<u>\$ 19,128,127</u>	<u>\$ 16,952,739</u>	<u>\$ 6,768,567</u>	<u>\$ 76,910,890</u>

See accompanying notes to financial statements.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total fund balances - Governmental Funds		\$ 70,434,266
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$461,232,083 and the accumulated depreciation is \$174,740,080 (Note 4).		
		286,492,003
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2025 consisted of (Note 5):		
General Obligation Bonds	\$ (150,480,662)	
Certificates of Participation	(22,165,000)	
Unamortized premiums	(16,097,379)	
Net pension liability (Note 7 and 8)	(68,374,000)	
Total OPEB Liability (Note 9)	(4,271,037)	
Compensated absences	<u>(7,159,863)</u>	
		(268,547,941)
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 (Notes 7 and 8).		
Deferred outflows of resources relating to OPEB	\$ 2,273,586	
Deferred inflows of resources relating to OPEB	(1,553,680)	
Deferred outflows of resources relating to pensions	27,946,873	
Deferred inflows of resources relating to pensions	<u>(7,012,000)</u>	
		21,654,779
In governmental funds, interest on long-term liabilities 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.		
		<u>(2,603,742)</u>
Total net position - governmental activities		<u>\$ 107,429,365</u>

See accompanying notes to financial statements.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Local Control Funding Formula (LCFF):					
State apportionment	\$ 2,629,400	\$ -	\$ -	\$ -	\$ 2,629,400
Local sources	<u>72,147,460</u>	<u>-</u>	<u>-</u>	<u>450,000</u>	<u>72,597,460</u>
Total LCFF	<u>74,776,860</u>	<u>-</u>	<u>-</u>	<u>450,000</u>	<u>75,226,860</u>
Federal sources	1,720,100	-	-	1,670,278	3,390,378
Other state sources	9,168,462	-	4,140,785	2,129,130	15,438,377
Other local sources	<u>16,188,489</u>	<u>1,078,185</u>	<u>8,785,306</u>	<u>3,756,838</u>	<u>29,808,818</u>
Total revenues	<u>101,853,911</u>	<u>1,078,185</u>	<u>12,926,091</u>	<u>8,006,246</u>	<u>123,864,433</u>
Expenditures:					
Current:					
Certificated salaries	39,726,581	-	-	776	39,727,357
Classified salaries	17,744,788	-	-	2,466,713	20,211,501
Employee benefits	25,514,899	-	-	1,207,184	26,722,083
Books and supplies	3,547,930	-	-	2,344,700	5,892,630
Contract services and operating expenditures	12,393,280	-	-	855,180	13,248,460
Other outgo	287,705	-	-	-	287,705
Capital outlay	1,745,309	3,181,162	-	1,364,797	6,291,268
Debt service:					
Principal retirement	-	-	12,630,000	810,000	13,440,000
Interest	<u>-</u>	<u>-</u>	<u>6,394,761</u>	<u>1,005,988</u>	<u>7,400,749</u>
Total expenditures	<u>100,960,492</u>	<u>3,181,162</u>	<u>19,024,761</u>	<u>10,055,338</u>	<u>133,221,753</u>
Excess (deficiency) of revenues over (under) expenditures	<u>893,419</u>	<u>(2,102,977)</u>	<u>(6,098,670)</u>	<u>(2,049,092)</u>	<u>(9,357,320)</u>
Other financing sources (uses):					
Transfers in	650,592	-	-	922,327	1,572,919
Transfers out	<u>(922,327)</u>	<u>-</u>	<u>(512,554)</u>	<u>(138,038)</u>	<u>(1,572,919)</u>
Total other financing sources (uses)	<u>(271,735)</u>	<u>-</u>	<u>(512,554)</u>	<u>784,289</u>	<u>-</u>
Net change in fund balances	621,684	(2,102,977)	(6,611,224)	(1,264,803)	(9,357,320)
Fund balances, July 1, 2024	<u>27,791,107</u>	<u>21,196,328</u>	<u>23,563,963</u>	<u>7,240,188</u>	<u>79,791,586</u>
Fund balances, June 30, 2025	<u>\$ 28,412,791</u>	<u>\$ 19,093,351</u>	<u>\$ 16,952,739</u>	<u>\$ 5,975,385</u>	<u>\$ 70,434,266</u>

See accompanying notes to financial statements.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS –
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Net change in fund balances - Total Governmental Funds		\$ (9,357,320)
Amounts reported for governmental activities in the statement of activities are different because:		
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	\$ 6,372,445	
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(17,847,963)	
Disposal of capital assets are reported as revenue in the governmental funds but only the resulting gain or loss is reported in the statement of activities (Note 4).	(159)	
In governmental funds, debt issued at a premium is recognized as an other financing source. In government-wide statements, debt issued at a premium is amortized as interest over the life of the debt (Note 5).	84,514	
Repayment of principal on long-term debt is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 5).	13,440,000	
Accretion of interest increases long-term liabilities in the government-wide financial statements and is not recorded in the fund financial statements (Note 5).	(765,447)	
In the governmental funds, interest on long-term liabilities 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.	111,979	
Amortization of deferred gain or loss from debt refunding decreases in the government-wide financial statements and is not recorded in the fund financial statements (Note 5).	(75,674)	
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 (Notes 7 and 8).	2,805,433	
In the statement of activities, expenses related to total OPEB liability and compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Notes 5 and 9).	<u>(243,300)</u>	
		<u>3,881,828</u>
Change in net position of governmental activities		<u>\$ (5,475,492)</u>

See accompanying notes to financial statements.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
TRUST FUND
June 30, 2025

	Foundation Trust <u>Fund</u>
ASSETS	
Cash and investments (Note 2):	
Cash in County Treasury	\$ 38,004
Receivables	<u>121</u>
Total assets	<u>38,125</u>
NET POSITION	
Restricted for scholarships	<u>\$ 38,125</u>

See accompanying notes to financial statements.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
TRUST FUND
June 30, 2025

	Foundation Trust Fund
Additions:	
Other local sources	\$ 1,986
Net position, July 1, 2024	<u>36,139</u>
Net position, June 30, 2025	<u>\$ 38,125</u>

See accompanying notes to financial statements.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity: The Board of Trustees is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The District has determined the following represent component units:

The District and the Tahoe-Truckee Unified School District Financing Corporation (the "Corporation") have a financial and operational relationship, which meets the reporting entity definition criteria of the Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Corporation as a blended component unit of the District.

The District and the Tahoe Truckee Unified School District Facilities Improvement Districts 1 and 2 (SFIDs) have a financial and operational relationship which meets the reporting entity definition criteria of Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the SFIDs as a blended component unit of the District.

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

A - Accountability:

1. The Corporation and SFIDs' Board of Directors was appointed by the District's Board of Trustees.
2. The Corporation and the SFIDs have no employees. The District's Executive Director functions as the agent of the Corporation and SFIDs and do not receive additional compensation for work performed in this capacity.
3. The District's Board exercises significant influence over operations of the Corporation and SFIDs as the District is the sole lessee of all facilities owned by the Corporation and SFIDs.
4. All major financing arrangements, contracts, and other transactions of the Corporation and SFIDs must have the consent of the District.
5. Any deficits incurred by the Corporation and SFIDs will be reflected in the lease payments of the District. Any surpluses of the Corporation and SFIDs revert to the District at the end of the lease period.
6. The District's lease payments are the sole revenue source of the Corporation and SFIDs.
7. The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Corporation and SFIDs.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B - Scope of Public Service: The Corporation and SFIDs were formed for the sole purpose of financially assisting the District. The Corporation and SFIDs were formed to provide financing assistance to the District for construction, rehabilitation and acquisition of major capital facilities to support the student population.

C - Financial Presentation: For financial presentation purposes, the Corporation and SFIDs' financial activity has been blended with the financial data of the District. The basic financial statements present the Corporation and SFIDs' financial activity within the Building and Capital Facilities Funds.

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

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities.

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

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

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

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

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A - Major Funds

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

County School Facilities Fund: The County School Facilities Fund is a capital projects fund used to account for resources used for the acquisition of capital facilities by the District.

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

B - Other Funds

Special Revenue Funds: The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This includes the Student Activity, Adult Education, Child Development, Cafeteria, and Deferred Maintenance Funds.

Capital Projects Funds: The Capital Projects Funds are used to account for resources used for the acquisition of capital facilities by the District. This includes the Building and Capital Facilities Funds.

Foundation Trust Fund: The Foundation Trust Fund is a trust fund used to account for amounts held by the District as Trustee.

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

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

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

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Receivables: Receivables are made up principally of amounts due from the State of California for the Local Control Funding Formula and Categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2025.

Stores Inventory: Inventory is valued at latest invoice cost. Inventory recorded in the General and Cafeteria Funds consists mainly of consumable supplies. Inventory is recorded as an expenditure at the time individual inventory items are consumed or used in meal production.

Capital Assets: Capital assets purchased or acquired, with an original cost of \$5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at acquisition value for the contributed asset. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 5 - 50 years, depending on asset types.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported, which is in the Statement of Net Position. Also, the District has recognized a deferred outflow of resources relate to recognition of the pension liability and total OPEB liability reported in the Statement of Net Position.

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

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

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 17,555,281	\$ 10,391,592	\$ 27,946,873
Deferred inflows of resources	\$ 6,379,000	\$ 633,000	\$ 7,012,000
Net pension liability	\$ 38,245,000	\$ 30,129,000	\$ 68,374,000
Pension expense	\$ 6,722,764	\$ 5,289,751	\$ 12,012,515

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences: The liability represents earned but unused vacation and other leave balances which are more likely than not to be paid or used. In accordance with the provisions of both STRP and PERF B, when an employee retires, all unused sick leave is added to the creditable service period for the calculation of the employee's retirement benefits.

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

Net Position: Net position is displayed in three components:

1. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position - Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for debt service represents the portion of net position available for the retirement of debt. The restriction for capital projects represents the portion of net position restricted for capital projects. It is the District's policy to use restricted net position first when allowable expenditures are incurred.
3. Unrestricted Net Position - All other net position that do not meet the definitions of "restricted" or "net investment in capital assets".

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

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

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

C - Committed Fund Balance: The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Trustees. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Trustees is required to remove any commitment from any fund balance. At June 30, 2025, the District had no committed fund balances.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D - Assigned Fund Balance: The assigned fund balance classification reflects amounts that the District's Board of Trustees has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Trustees can designate personnel with the authority to assign fund balances.

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

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

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

While GASB Cod. Sec. 1300 and 1800 do not require Districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Trustees. On April 9, 2014, the District established a minimum reserve for economic uncertainty policy of 10% to 16% of total General Fund expenditures. As of June 30, 2025, the District has a reserve of \$16,072,787 or 15.78%.

Property Taxes: Secured property taxes are attached as an enforceable lien on property as of March 1. Taxes are due in two installments on or before December 10 and April 10. Unsecured property taxes are due in one installment on or before August 31. The Counties of Placer, Nevada and El Dorado bill and collect taxes for the District. Tax revenues are recognized by the District when received.

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

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

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

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements: In June 2022, the GASB issued GASB Statement No. 101, Compensated Absences, and made effective for fiscal years beginning after December 15, 2023. GASB Statement No. 101 requires recognition of a liability for leave when earned if it is attributable to services already rendered and is expected to be paid. The liability includes vacation, sick leave, and other forms of paid time off that accumulate and vest or are expected to be used in future periods. Based on the implementation of GASB Statement No. 101, the District restated its beginning net position of governmental activities and beginning long-term liabilities for a total of \$6,847,467.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2025 consisted of the following:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>
Pooled Funds:		
Cash in County Treasury	\$ 66,269,257	\$ 38,004
Cash awaiting deposit	1,925,786	-
Deposits:		
Cash in revolving fund	20,000	-
Cash in bank	339,656	-
Total cash	\$ 68,554,699	\$ 38,004

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

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2025, the carrying amount of the District's accounts was \$359,656 and the bank balance was \$860,371 of which \$631,599 was insured by the FDIC.

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2025, the District had no significant interest rate risk related to cash and investments held.

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

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2025, the District had no concentration of credit risk.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 3 - INTERFUND TRANSACTIONS

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

Interfund Receivables/Payables: Individual interfund receivable and payable balances at June 30, 2025 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Fund:		
General	\$ 395,595	\$ 1,134,361
County School Facilities	210,261	4,601
Non-Major Funds:		
Child Development	122,016	500
Cafeteria	811,735	139,673
Building	<u>5,301</u>	<u>265,773</u>
Totals	<u>\$ 1,544,908</u>	<u>\$ 1,544,908</u>

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

Transfers for the year ended June 30, 2025, were as follows:

Transfer from the General Fund to the Cafeteria Fund for food service contributions.	\$ 809,463
Transfer from the General Fund to the Child Development Fund for preschool program contributions.	112,864
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	8,072
Transfer from the Child Development Fund to the General Fund for indirect costs.	129,966
Transfer from the Bond Interest Fund to the General Fund for excess funds from matured bond.	<u>512,554</u>
Total	<u>\$ 1,572,919</u>

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2025 is shown below:

	Balance July 1, <u>2024</u>	Transfers and <u>Additions</u>	Transfers and <u>Deletions</u>	Balance June 30, <u>2025</u>
Non-depreciable:				
Land	\$ 4,365,750	\$ -	\$ -	\$ 4,365,750
Work-in-process	7,489,848	-	7,489,848	-
Depreciable:				
Improvement of sites	13,582,762	99,259	-	13,682,021
Buildings	412,903,668	12,284,315	-	425,187,983
Equipment	<u>17,157,805</u>	<u>1,478,719</u>	<u>640,195</u>	<u>17,996,329</u>
Totals, at cost	<u>455,499,833</u>	<u>13,862,293</u>	<u>8,130,043</u>	<u>461,232,083</u>
Less accumulated depreciation:				
Improvement of sites	(8,310,621)	(789,062)	-	(9,099,683)
Buildings	(139,361,079)	(15,329,476)	-	(154,690,555)
Equipment	<u>(9,860,453)</u>	<u>(1,729,425)</u>	<u>(640,036)</u>	<u>(10,949,842)</u>
Total accumulated depreciation	<u>(157,532,153)</u>	<u>(17,847,963)</u>	<u>(640,036)</u>	<u>(174,740,080)</u>
Governmental activities capital assets, net	<u>\$ 297,967,680</u>	<u>\$ (3,985,670)</u>	<u>\$ 7,490,007</u>	<u>\$ 286,492,003</u>

Depreciation expense was charged to governmental activities as follows:

Plant services	<u>\$ 17,847,963</u>
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(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 5 - LONG-TERM LIABILITIES

Current Interest Bonds

<u>Date of Issuance</u>	<u>Interest Rate Percent</u>	<u>Maturity Date</u>	<u>Amount of Original Issuance</u>	<u>Outstanding July 1, 2024</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2025</u>
2012	2.0 - 5.00	2030	\$ 11,605,000	\$ 5,175,000	\$ -	\$ 800,000	\$ 4,375,000
2013	2.0 - 5.00	2025	3,615,000	110,000	-	110,000	-
2013	2.0 - 5.00	2031	13,450,000	6,270,000	-	695,000	5,575,000
2014	3.0 - 4.00	2047	20,000,000	2,840,000	-	-	2,840,000
2014	1.5 - 4.00	2048	19,500,000	13,010,000	-	-	13,010,000
2017	5.0	2040	54,000,000	50,665,000	-	1,240,000	49,425,000
2017	5.0	2042	30,000,000	28,695,000	-	550,000	28,145,000
2018	1.0 - 5.0	2035	40,000,000	31,180,000	-	1,830,000	29,350,000
2018	3.0 - 5.0	2037	12,500,000	9,845,000	-	470,000	9,375,000
			<u>\$ 204,670,000</u>	<u>\$ 147,790,000</u>	<u>\$ -</u>	<u>\$ 5,695,000</u>	<u>\$ 142,095,000</u>

The annual requirements to amortize the current interest bonds payable, outstanding as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 6,135,000	\$ 6,301,539	\$ 12,436,539
2027	6,775,000	6,014,405	12,789,405
2028	7,455,000	5,468,325	12,923,325
2029	8,150,000	5,113,981	13,263,981
2030	8,905,000	4,757,481	13,662,481
2031-2035	48,000,000	18,123,650	66,123,650
2036-2040	40,825,000	8,528,044	49,353,044
2041-2045	12,050,000	1,706,306	13,756,306
2046-2048	<u>3,800,000</u>	<u>167,022</u>	<u>3,967,022</u>
	<u>\$ 142,095,000</u>	<u>\$ 56,180,753</u>	<u>\$ 198,275,753</u>

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 5 - LONG-TERM LIABILITIES (Continued)

Capital Appreciation Bonds

Date of Issuance	Interest Rate Percent	Maturity Date	Amount of Original Issuance	Outstanding July 1, 2024	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2025
1999	8.50 - 8.56	2027	\$ 2,123,617	\$ 3,808,151	\$ 161,849	\$ 3,970,000	\$ -
1999	8.54 - 8.55	2027	1,573,994	2,843,577	121,423	2,965,000	-
2005	12.63	2027	821,340	2,734,260	174,408	-	2,908,668
2005	11.15	2027	1,680,084	5,169,227	307,767	-	5,476,994
			<u>\$ 6,199,035</u>	<u>\$ 14,555,215</u>	<u>\$ 765,447</u>	<u>\$ 6,935,000</u>	<u>\$ 8,385,662</u>

The annual requirements to amortize the capital appreciation bonds payable, outstanding as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 5,602,267	\$ 197,733	\$ 5,800,000
2027	<u>2,783,395</u>	<u>216,605</u>	<u>3,000,000</u>
	<u>\$ 8,385,662</u>	<u>\$ 414,338</u>	<u>\$ 8,800,000</u>

Certificates of Participation

On September 4, 2019, the District issued \$40,000,000 of Certificates of Participation to finance the acquisition, construction, installation and equipping of certain real property at an interest rate ranging from 3.00%-5.00%. The Certificates of Participation were scheduled to mature through June 1, 2049. The remaining certificates of participation are scheduled to mature through June 1, 2043.

The annual debt service requirements of the 2019 Certificates of Participation are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 850,000	\$ 965,500	\$ 1,815,500
2027	895,000	923,000	1,818,000
2028	935,000	878,250	1,813,250
2029	985,000	831,500	1,816,500
2030	1,035,000	782,250	1,817,250
2031-2035	5,995,000	3,082,250	9,077,250
2036-2040	7,400,000	1,679,250	9,079,250
2041-2044	<u>4,070,000</u>	<u>287,600</u>	<u>4,357,600</u>
	<u>\$ 22,165,000</u>	<u>\$ 9,429,600</u>	<u>\$ 31,594,600</u>

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 5 - LONG-TERM LIABILITIES (Continued)

Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the year ended June 31, 2025 is as follows:

	Balance	GASB 101	Restated			Balance	Amounts
	<u>July 1, 2024</u>	<u>Restatement</u>	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u>	<u>Due Within</u>
<u>Debt:</u>			<u>July 1, 2024</u>			<u>2025</u>	<u>One Year</u>
General Obligation Bonds:							
Current interest	\$147,790,000	\$ -	\$147,790,000	\$ -	\$ 5,695,000	\$142,095,000	\$ 6,135,000
Capital appreciation	14,555,215	-	14,555,215	765,447	6,935,000	8,385,662	5,800,000
Unamortized premiums	16,181,893	-	16,181,893	-	84,514	16,097,379	84,513
<u>Certificates of Participation:</u>							
Certificates of Participation	22,975,000	-	22,975,000	-	810,000	22,165,000	850,000
<u>Other Long-Term Liabilities:</u>							
Net pension liability (Notes 7 and 8)	72,374,000	-	72,374,000	-	4,000,000	68,374,000	-
Total OPEB liability (Note 9)	4,216,582	-	4,216,582	54,455	-	4,271,037	-
Compensated absences	342,783	6,847,467	7,190,250	-	30,387	7,159,863	1,454,964
	<u>\$278,435,473</u>	<u>\$ 6,847,467</u>	<u>\$285,282,940</u>	<u>\$ 819,902</u>	<u>\$ 17,554,901</u>	<u>\$268,547,941</u>	<u>\$ 14,324,477</u>

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund and the Certificates of Participation are made from the Capital Facilities Fund. Payments on the OPEB and net pension obligations are made from the fund for which the related employee worked.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 - FUND BALANCE

Fund balances, by category, at June 30, 2025 consisted of the following:

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Nonspendable:					
Revolving cash fund	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Stores inventory	36,953	-	-	131,702	168,655
Prepaid expenditures	<u>491,675</u>	<u>-</u>	<u>-</u>	<u>18,882</u>	<u>510,557</u>
Subtotal					
nonspendable	<u>548,628</u>	<u>-</u>	<u>-</u>	<u>150,584</u>	<u>699,212</u>
Restricted:					
Legally restricted programs:					
Unspent categorical					
revenues	10,047,191	-	-	-	10,047,191
Student body activities	-	-	-	336,656	336,656
Adult education	-	-	-	5,834	5,834
Child development	-	-	-	62,194	62,194
Cafeteria	-	-	-	(2,243)	(2,243)
Deferred maintenance	-	-	-	13,966	13,966
Capital projects	-	19,093,351	-	5,408,394	24,501,745
Debt service	-	-	16,952,739	-	16,952,739
Subtotal restricted	<u>10,047,191</u>	<u>19,093,351</u>	<u>16,952,739</u>	<u>5,824,801</u>	<u>51,918,082</u>
Assigned:					
Medical administrative activities	924,951	-	-	-	924,951
Lottery	<u>819,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>819,234</u>
Subtotal assigned	<u>1,744,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,744,185</u>
Unassigned:					
Designated for economic					
uncertainty	<u>16,072,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,072,787</u>
Total fund balances	<u>\$ 28,412,791</u>	<u>\$ 19,093,351</u>	<u>\$ 16,952,739</u>	<u>\$ 5,975,385</u>	<u>\$ 70,434,266</u>

(Continued)

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

General Information about the State Teachers' Retirement Plan

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

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

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

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

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

CalSTRS calculates retirement benefits based on one-year final compensation for members with 25 or more years of credited service, or for classroom teachers with fewer than 25 years of credited service if the employer entered into, extended, renewed or amended an agreement prior to January 1, 2014, to elect to pay the additional benefit cost for all of its classroom teachers. One-year final compensation is the member's highest average annual compensation earnable for 12 consecutive months based on the creditable compensation that the member could earn in a school year while employed on a full-time basis. For most members with fewer than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months based on the creditable compensation that the member could earn in a school year while employed on a full-time basis.

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

All CalSTRS 2% at 62 members' final compensation is based on their highest average annual compensation earnable for 36 consecutive months based on the creditable compensation that the member could earn in a school year while employed on a full-time basis.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

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

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

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

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250% of applicable member earnings for fiscal year 2023-24.

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205% as per the CalSTRS Funding Plan for a total member contribution rate of 10.205%. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% annually. Based on the June 30, 2023, actuarial valuation adopted by the CalSTRS Board in May 2024, the increase in normal cost was less than 1%. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2024.

Employers – Employers are required to contribute a base contribution rate set in statute at 8.25%. Pursuant to the CalSTRS Funding Plan, employers also have a supplemental contribution rate to eliminate their share of the CalSTRS unfunded actuarial obligation by 2046. The CalSTRS Funding Plan authorizes the CalSTRS Board to adjust the employer supplemental contribution rate up or down by a maximum of 1% annually for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2024, the CalSTRS Board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2024 - 2025 for a total employer contribution rate of 19.10%.

The CalSTRS employer contribution rates effective for fiscal year 2024-25 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Total</u>
July 1, 2024	8.250%	10.850%	19.100%
July 1, 2025 to June 30, 2046	8.250% ⁽¹⁾	⁽¹⁾	
July 1, 2046	8.250%	AB1469 rate increase ends for 2046-47 and beyond	

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

The District contributed \$7,284,281 to the STRP during the fiscal year ended June 30, 2025.

State – The State is required to contribute 10.828% of the members' creditable compensation from the two fiscal years prior.

The State is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the State also has a supplemental contribution rate, which the Board can increase by no more than 0.5% each fiscal year to help eliminate the State's share of the CalSTRS unfunded actuarial obligation by 2046. In May 2024, the CalSTRS Board voted to keep the State supplemental contribution rate at 6.311% for fiscal year 2024–25.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

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

The total State contribution rate also includes a portion to fund the Supplemental Benefit Maintenance Account (SBMA), which provides inflation protection to CalSTRS members whose current purchasing power has fallen below 85% of the purchasing power of their initial benefit. The SBMA is funded through a continuous appropriation from the State's General Fund in an amount equal to 2.5% of the total creditable compensation of the fiscal year ended in the immediately preceding calendar year, reduced by \$72.0 million, pursuant to Education Code section 22954.

The CalSTRS State contribution rates effective for fiscal year 2024-25 and beyond are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding⁽¹⁾</u>	<u>Total</u>
July 01, 2024	2.017%	6.311%	2.50%	10.828%
July 01, 2025 to June 30, 2046	2.017%	(1)	2.50%	(1)
July 01, 2046	2.017%	(2)	2.50%	(2)

- (1) The CalSTRS Board has limited authority to adjust the State contribution rate annually through June 2046 to eliminate the remaining unfunded actuarial obligation. The CalSTRS Board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
- (2) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

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

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

District's proportionate share of the net pension liability	\$ 38,245,000
State's proportionate share of the net pension liability associated with the District	<u>17,547,000</u>
Total	<u>\$ 55,792,000</u>

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, updated and rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the District's share of contributions to the STRP relative to the contributions of all participating contributing employers and the State. At June 30, 2025, the District's proportion was 0.057%, which was unchanged from its proportion at June 30, 2024.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

For the year ended June 30, 2025, the District recognized pension expense of \$6,722,764 and revenue of \$2,394,077 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,326,000	\$ 1,672,000
Changes of assumptions	167,000	2,612,000
Net differences between projected and actual earnings on investments	-	154,000
Changes in proportion and differences between District contributions and proportionate share of contributions	5,778,000	1,941,000
Contributions made subsequent to measurement date	<u>7,284,281</u>	<u>-</u>
Total	<u>\$ 17,555,281</u>	<u>\$ 6,379,000</u>

\$7,284,281 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2026	\$ (1,936,850)
2027	\$ 3,575,150
2028	\$ 245,650
2029	\$ 980,983
2030	\$ 1,172,233
2031	\$ (145,166)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2024 measurement date. Deferred outflows and deferred inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

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

Valuation Date	June 30, 2023
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry age actuarial cost method
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% purchasing power level for DB

Discount Rate: The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per the CalSTRS Funding Plan. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments, and administrative expense occur midyear.

Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was calculated using a building-block approach. This method involves developing best-estimate ranges of 20- to 30-year geometrically linked expected future real rates of return for each major asset class. These expected returns are net of pension plan investment expenses and inflation. The best estimate ranges were created using capital market assumptions provided by CalSTRS investment staff and investment consultants.

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Public Equity	38.0%	5.25%
Real Estate	15.0	4.05
Private Equity	14.0	6.75
Fixed Income	14.0	2.45
Risk Mitigating Strategies	10.0	2.25
Inflation Sensitive	7.0	3.65
Cash / Liquidity	2.0	0.05

* 20- to 30-year geometric average

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

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

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease <u>(6.10%)</u>	Current Discount Rate <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
District's proportionate share of the net pension liability	<u>\$ 68,025,000</u>	<u>\$ 38,245,000</u>	<u>\$ 13,377,000</u>

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

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

General Information about the Public Employer's Retirement Fund B

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

The Plan was established to provide retirement, death and disability benefits to non-teaching and non-certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at CalPERS' website.

Benefits Provided: The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service. All non-state Second Tier members are eligible to receive cost-of-living adjustments (COLA) up to a maximum of 2% compounded annually (up to 5% maximum as a contract option for retired members of local agencies). State Second Tier members are eligible for a COLA of 3 percent fixed compounded annually.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

Contributions: The benefits for the defined benefit pension plan are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by State statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for.

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

The Public Employees' Pension Reform Act of 2013 (PEPRA) became effective in January 2013, and changed how benefits are applied as well as placed compensation limits on certain members as listed below. Members which do not fall into the definitions below, are generally be considered "classic" members in PERF B:

- Members joining on or after January 1, 2013, with no prior membership in another California public retirement system.
- Members joining before January 1, 2013, who are hired by a different CalPERS employer after January 1, 2013, and have a break in service greater than six months.
- Members joining on or after January 1, 2013, who are ineligible for reciprocity with another California public retirement system.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2025 were as follows:

Members - The classic member contribution rate was 7.0% of applicable member earnings for fiscal year 2024-25. The PEPRA member contribution rate was 8.0% of applicable member earnings for fiscal year 2024-25.

Employers - The employer contribution rate was 27.05% of applicable member earnings for fiscal year 2024-25.

The District contributed \$5,139,592 to the plan for the fiscal year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$30,129,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, updated and rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the District's share of contributions to the PERF B plan relative to the contributions of all participating school districts. At June 30, 2025 the District's proportion was 0.084%, which was an increase of 0.003% from its proportion at June 30, 2024.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

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

For the year ended June 30, 2025, the District recognized pension expense of \$30,129,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,526,000	\$ 216,000
Changes of assumptions	666,000	-
Net differences between projected and actual earnings on investments	1,170,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	890,000	417,000
Contributions made subsequent to measurement date	<u>5,139,592</u>	<u>-</u>
Total	<u>\$ 10,391,592</u>	<u>\$ 633,000</u>

\$5,139,592 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2026	\$ 1,588,334
2027	\$ 2,822,333
2028	\$ 578,833
2029	\$ (370,500)

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the expected average remaining service life of plan members, which was 3.9 years in the June 30, 2024 measurement. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

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

Valuation Date	June 30, 2023
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.30% thereafter

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

All other actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

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

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

- (1) An expected inflation rate of 2.30% used for this period
(2) Figures are based on the 2021-22 CalPERS Asset Liability Management Study

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

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

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

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

In determining the long-term expected rate of return, CalPERS considered long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease <u>(5.90%)</u>	Current Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
District's proportionate share of the net pension liability	<u>\$ 44,756,000</u>	<u>\$ 30,129,000</u>	<u>\$ 18,045,000</u>

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

NOTE 9 - OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description: In addition to the pension benefits described in Notes 7 and 8, the District provides post-employment health care benefits under a single employer defined benefit OPEB plan to eligible retirees through an implicit rate subsidy for all retirees who elect to purchase benefits at the District's negotiated insurance premium rates. The plan does not issue separate financial statements.

The Tahoe Truckee Unified School District's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the District. The Plan, which is administered by the District, allows employees who retire and meet retirement eligibility requirements under one of the District's retirement plan to continue medical, dental and vision coverage as a participant in the District's plan. The District's Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The District's Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due. As of June 30, 2025, the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's Total OPEB Liability.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 9 - OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2025 (measurement date):

	<u>Number of Participants</u>
Inactive Employees Receiving Benefits	29
Participating Active Employees	535
	564

Benefits Provided are noted below:

	⁴ <u>Certificated</u>	² <u>Classified</u>	³ <u>Confidential</u>	³ <u>Management</u>
Benefit types provided	Medical, dental and vision	Medical, dental and vision	Medical, dental and vision	Medical, dental and vision
Duration of Benefits	To age 65	To age 65	10 years but not beyond 65	To age 65
Required Service	20 years	20 years	10 years	5 years
Minimum Age	55	55	50	50/55 ¹
Dependent Coverage	Yes	Yes	Yes	Yes
District Contribution Percent	100%	75% at age 55; 80% at age 56; 90% at age 57; 100% at age 58 or older	100%	100%
District Cap	Active cap currently \$791.66 per Month	Active cap frozen at retirement \$808.33 per month ⁵	Active cap currently \$808.33 per month	Active cap currently \$808.33 per month

¹ Depending on retirement system.
² Only employees hired prior to September 1, 1988 are eligible.
³ Only employees hired prior to October 17, 2006 are eligible.
⁴ Only employees hired prior to June 30, 1988 are eligible.
⁵ Cap for current retirees. Cap is frozen at retirement.

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District's premium rates being charged to these retirees are lower than the expected cost for a retiree population. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 - OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Contributions to the Plan from the District were \$237,659 for the year ended June 30, 2025. Employees are not required to contribute to the OPEB plan.

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions: The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<u>Valuation Date</u>	June 30, 2023
<u>Fiscal Year End</u>	June 30
<u>Actuarial Value of Assets</u>	Market Value
<u>Mortality Rate</u>	PERS - Non-work related rated developed in 2021 California PERS experience study. STRS - Match rates developed in 2020 experience study.
<u>Discount Rate</u>	3.93%. Based on the Bond Buyer 20-Bond Index, as published by the Federal Reserve.
<u>Assumed Investment Return</u>	Not applicable since the plan is unfunded.
<u>Retirement Rate</u>	Retirement rates match rates developed in the most recent experience studies for California PERS (2021) and California STRS (2020)
<u>Inflation Rate</u>	2.50% per year
<u>Dependent Coverage</u>	Female spouses are assumed to be three years younger than male spouses. 80% of retirees are assumed to be married. Current retirees are valued based on elected coverage.
<u>Funding Method</u>	Entry Age Cost Method (Level Percentage of Pay).
<u>Health Trend Rate:</u>	4%

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 - OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Discount Rate: Given the District's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 3.93%. The municipal bond rate was based on the week closest but not later than the June 30, 2025 index as published by the Federal Reserve. The June 30, 2025 index consists of general obligation bonds that mature in 20 years. The average rating of the bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

Changes in Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at June 30, 2024	\$ 4,216,582
Changes for the year:	
Service cost	227,280
Interest	153,716
Changes in assumptions	(88,882)
Benefit payments	<u>(237,659)</u>
Net change	<u>54,455</u>
Balance at June 30, 2025	<u>\$ 4,271,037</u>

There were no changes between the measurement date and the year ended June 30, 2025 which had a significant effect on the District's total OPEB liability. The discount rate for OPEB was 3.93% and 3.65% in the June 30, 2025 and 2024 actuarial reports, respectively.

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

	1% Decrease <u>(2.93%)</u>	Current Discount Rate <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
Total OPEB liability	<u>\$ 4,571,145</u>	<u>\$ 4,271,037</u>	<u>\$ 4,003,635</u>

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 - OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

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

	1% Decrease <u>(3.00%)</u>	Healthcare Cost Trend Rates Rate <u>(4.00%)</u>	1% Increase <u>(5.00%)</u>
Total OPEB liability	\$ <u>3,808,926</u>	\$ <u>4,271,037</u>	\$ <u>4,804,018</u>

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 \$511,346. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,673,372	\$ 568,700
Changes of assumptions	406,558	984,980
Contributions made subsequent to measurement date	<u>193,656</u>	<u>-</u>
Total	<u>\$ 2,273,586</u>	<u>\$ 1,553,680</u>

\$193,656 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended 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:

Years Ended <u>June 30,</u>	
2026	\$ 130,350
2027	\$ 130,350
2028	\$ 130,350
2029	\$ 130,350
2030	\$ 130,350
Thereafter	\$ (125,500)

Changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 12.5 years as of the June 30, 2024 measurement date.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 10 - JOINT POWERS AGREEMENTS

The District is a member of two Joint Powers Authorities (JPAs), Schools Insurance Group (SIG) for the common risk management and insurance related to workers' compensation and property/liability and Truckee Tahoe Workforce Housing Agency (TTWHA) to provide housing opportunities to the employees of the member agencies.

The SIG membership includes other school districts in Placer, Nevada and Sutter Counties. The JPAs provide first dollar coverage and insure risk up to statutory limits. 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 changes in insurance coverage from coverage in the prior year.

The following is a summary of financial information of SIG and TTWHA as of June 30, 2024 (the most recent information available):

	<u>SIG</u>	<u>TTWHA</u>
Total assets	\$ 139,138,108	\$ 423,365
Deferred outflows	\$ 663,376	\$ -
Total liabilities	\$ 39,022,511	\$ 58,248
Deferred inflows	\$ 600,575	\$ -
Total net position	\$ 100,178,398	\$ 365,117
Total revenues	\$ 118,419,466	\$ 474,000
Total expenditures	\$ 104,462,376	\$ 456,793
Change in net position	\$ 13,957,090	\$ 17,207

The relationship between Tahoe Truckee Unified School District and each Joint Powers Authority is such that the Joint Powers Authorities are not component units of the District for financial reporting purposes.

NOTE 11 - CONTINGENCIES

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

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

At June 30, 2025, the District had approximately \$538,000 in outstanding construction contract commitments.

REQUIRED SUPPLEMENTARY INFORMATION

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local Control Funding Formula:				
State apportionment	\$ 2,632,494	\$ 2,629,400	\$ 2,629,400	\$ -
Local sources	<u>68,113,994</u>	<u>72,147,460</u>	<u>72,147,460</u>	<u>-</u>
Total LCFF	<u>70,746,488</u>	<u>74,776,860</u>	<u>74,776,860</u>	<u>-</u>
Federal sources	1,820,558	1,720,100	1,720,100	-
Other state sources	9,661,242	9,168,462	9,168,462	-
Other local sources	<u>15,913,064</u>	<u>16,188,489</u>	<u>16,188,489</u>	<u>-</u>
Total revenues	<u>98,141,352</u>	<u>101,853,911</u>	<u>101,853,911</u>	<u>-</u>
Expenditures:				
Current:				
Certificated salaries	38,357,117	39,726,581	39,726,581	-
Classified salaries	15,694,640	17,744,788	17,744,788	-
Employee benefits	23,539,245	25,514,899	25,514,899	-
Books and supplies	4,252,164	3,547,930	3,547,930	-
Contract services and operating expenditures	12,726,547	12,393,280	12,393,280	-
Other outgo	69,406	287,705	287,705	-
Capital outlay	<u>2,616,008</u>	<u>1,745,309</u>	<u>1,745,309</u>	<u>-</u>
Total expenditures	<u>97,255,127</u>	<u>100,960,492</u>	<u>100,960,492</u>	<u>-</u>
Excess of revenues over expenditures	886,225	893,419	893,419	-
Other financing sources (uses):				
Transfers in	-	650,592	650,592	-
Transfers out	<u>(575,896)</u>	<u>(922,327)</u>	<u>(922,327)</u>	<u>-</u>
Total other financing sources (uses)	<u>(575,896)</u>	<u>(271,735)</u>	<u>(271,735)</u>	<u>-</u>
Net change in fund balance	310,329	621,684	621,684	-
Fund balance, July 1, 2024	<u>27,791,107</u>	<u>27,791,107</u>	<u>27,791,107</u>	<u>-</u>
Fund balance, June 30, 2025	<u>\$ 28,101,436</u>	<u>\$ 28,412,791</u>	<u>\$ 28,412,791</u>	<u>\$ -</u>

See accompanying note to required supplementary information.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL
OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2025

	Last 10 Fiscal Years							
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB liability								
Service cost	\$ 42,603	\$ 43,775	\$ 42,698	\$ 315,672	\$ 395,347	\$ 248,956	\$ 207,021	\$ 227,280
Interest	100,775	99,438	87,982	189,943	134,666	99,905	150,381	153,716
Change in assumptions	-	(35,278)	105,061	571,987	(871,484)	39,675	10,417	(88,882)
Experience (Gains)/Losses	-	-	3,168,638	43,885	(715,771)	(421,057)	(104,457)	-
Benefit payments	<u>(399,068)</u>	<u>(415,027)</u>	<u>(402,696)</u>	<u>(499,692)</u>	<u>(427,473)</u>	<u>(306,346)</u>	<u>(341,999)</u>	<u>(237,659)</u>
Net change in total OPEB liability	(255,690)	(307,092)	3,001,683	621,795	(1,484,715)	(338,867)	(78,637)	54,455
Total OPEB liability, beginning of year	<u>3,058,105</u>	<u>2,802,415</u>	<u>2,495,323</u>	<u>5,497,006</u>	<u>6,118,801</u>	<u>4,634,086</u>	<u>4,295,219</u>	<u>4,216,582</u>
Total OPEB liability, end of year	<u>\$ 2,802,415</u>	<u>\$ 2,495,323</u>	<u>\$ 5,497,006</u>	<u>\$ 6,118,801</u>	<u>\$ 4,634,086</u>	<u>\$ 4,295,219</u>	<u>\$ 4,216,582</u>	<u>\$ 4,271,037</u>
Covered employee payroll	\$ 2,623,098	\$ 2,623,098	\$ 2,623,098	\$ 2,623,098	\$ 2,623,098	\$ 2,623,098	\$ 2,623,098	\$ 2,623,098
Total OPEB liability as a percentage of covered-employee payroll	107%	95%	210%	233%	177%	164%	161%	163%

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

See accompanying note to required supplementary information.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2025

	State Teachers' Retirement Plan Last 10 Fiscal Years									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
District's proportion of the net pension liability	0.050%	0.050%	0.048%	0.049%	0.051%	0.051%	0.046%	0.050%	0.057%	0.057%
District's proportionate share of the net pension liability	\$ 33,980,000	\$ 40,081,000	\$ 44,518,000	\$ 44,997,000	\$ 46,475,000	\$ 49,741,000	\$ 21,047,000	\$ 34,399,000	\$ 43,060,000	\$ 38,245,000
State's proportionate share of the net pension liability associated with the District	<u>17,971,000</u>	<u>22,820,000</u>	<u>26,337,000</u>	<u>25,763,000</u>	<u>25,356,000</u>	<u>27,183,000</u>	<u>12,523,000</u>	<u>19,443,000</u>	<u>20,631,000</u>	<u>17,547,000</u>
Total net pension liability	<u>\$ 51,951,000</u>	<u>\$ 62,901,000</u>	<u>\$ 70,855,000</u>	<u>\$ 70,760,000</u>	<u>\$ 71,831,000</u>	<u>\$ 76,924,000</u>	<u>\$ 33,570,000</u>	<u>\$ 53,842,000</u>	<u>\$ 63,691,000</u>	<u>\$ 55,792,000</u>
District's covered payroll	\$ 23,426,000	\$ 24,699,000	\$ 25,613,000	\$ 26,131,000	\$ 28,423,000	\$ 28,662,000	\$ 29,378,000	\$ 31,927,000	\$ 34,015,000	\$ 37,103,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	145.05%	162.29%	174.49%	172.20%	163.51%	173.54%	71.64%	107.74%	126.59%	103.08%
Plan fiduciary net position as a percentage of the total pension liability	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%	80.62%	83.55%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 For the Year Ended June 30, 2025

	Public Employer's Retirement Fund B Last 10 Fiscal Years									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
District's proportion of the net pension liability	0.084%	0.086%	0.085%	0.083%	0.082%	0.083%	0.082%	0.084%	0.081%	0.084%
District's proportionate share of the net pension liability	\$ 12,374,000	\$ 17,015,000	\$ 20,351,000	\$ 22,066,000	\$ 23,987,000	\$ 25,572,000	\$ 16,633,000	\$ 28,870,000	\$ 29,314,000	\$ 30,129,000
District's covered payroll	\$ 9,293,000	\$ 10,335,000	\$ 10,975,000	\$ 12,316,000	\$ 11,431,000	\$ 12,077,000	\$ 11,798,000	\$ 12,684,000	\$ 14,021,000	\$ 16,626,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	133.15%	164.63%	185.43%	179.17%	209.84%	211.74%	140.98%	227.61%	209.07%	181.22%
Plan fiduciary net position as a percentage of the total pension liability	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%	69.76%	72.29%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See accompanying note to required supplementary information.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2025

State Teachers' Retirement Plan
Last 10 Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 2,650,024	\$ 3,222,130	\$ 3,770,663	\$ 4,627,338	\$ 4,901,216	\$ 4,744,473	\$ 5,402,014	\$ 6,496,813	\$ 7,086,689	\$ 7,284,281
Contributions in relation to the contractually required contribution	<u>(2,650,024)</u>	<u>(3,222,130)</u>	<u>(3,770,663)</u>	<u>(4,627,338)</u>	<u>(4,901,216)</u>	<u>(7,947,842)</u>	<u>(5,402,014)</u>	<u>(6,496,813)</u>	<u>(7,086,689)</u>	<u>(7,284,281)</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	\$ 24,699,000	\$ 25,613,000	\$ 26,131,000	\$ 28,423,000	\$ 28,662,000	\$ 29,378,000	\$ 31,927,000	\$ 34,015,000	\$ 37,103,000	\$ 38,138,000
Contributions as a percentage of covered payroll	10.73%	12.58%	14.43%	16.28%	17.10%*	16.15%**	16.92%***	19.10%	19.10%	19.10%

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

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

*** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.18 percentage points to be paid on behalf of employers pursuant to SB90.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2025

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 1,224,444	\$ 1,524,277	\$ 1,710,738	\$ 2,064,705	\$ 2,381,619	\$ 2,442,222	\$ 2,905,795	\$ 3,557,055	\$ 4,435,751	\$ 5,139,592
Contributions in relation to the contractually required contribution	<u>(1,224,444)</u>	<u>(1,524,277)</u>	<u>(1,710,738)</u>	<u>(2,064,705)</u>	<u>(2,381,619)</u>	<u>(2,442,222)</u>	<u>(2,905,795)</u>	<u>(3,557,055)</u>	<u>(4,435,751)</u>	<u>(5,139,592)</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	\$ 10,335,000	\$ 10,975,000	\$ 12,316,000	\$ 11,431,000	\$ 12,077,000	\$ 11,798,000	\$ 12,684,000	\$ 14,021,000	\$ 16,626,000	\$ 19,000,000
Contributions as a percentage of covered payroll	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%	25.37%	26.68%	27.05%

See accompanying note to required supplementary information.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1 - PURPOSE OF SCHEDULES

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

Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability: The Schedule of Changes in Total OPEB liability is presented to illustrate the elements of the District's Total OPEB liability. There is a requirement to show information for 10 years. However, until a full 10 year trend is compiled, governments should present information for those years for which information is available. The District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's Total OPEB Liability.

Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years.

Schedule of the District's Contributions: The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years.

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

Changes of Assumptions: The discount rate for OPEB was 3.50, 3.80, 3.50, 2.20, 2.16, 2.16, 3.54, 3.65 and 3.93 percent in the June 30, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024 and 2025 actuarial reports, respectively.

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

Assumption	Measurement Period									
	As of June 30, 2024	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Inflation rate	2.30%	2.30%	2.30%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Discount rate	6.90%	6.90%	6.90%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

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

Assumption	Measurement Period									
	As of June 30, 2024	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL NON-MAJOR FUNDS
 June 30, 2025

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Total
ASSETS								
Cash in County Treasury	\$ -	\$ 97,404	\$ 85,608	\$ (1,998,755)	\$ 13,921	\$ 2,035,871	\$ 2,650,966	\$ 2,885,015
Cash in banks	336,656	-	-	500	-	-	500	337,656
Collections awaiting deposit	-	-	73,731	510,531	-	-	654,846	1,239,108
Receivables	-	311	43,422	840,011	45	283,504	49,859	1,217,152
Stores inventory	-	-	-	131,702	-	-	-	131,702
Due from other funds	-	-	122,016	811,735	-	5,301	-	939,052
Prepaid expenditures	-	-	-	18,882	-	-	-	18,882
Total assets	<u>\$ 336,656</u>	<u>\$ 97,715</u>	<u>\$ 324,777</u>	<u>\$ 314,606</u>	<u>\$ 13,966</u>	<u>\$ 2,324,676</u>	<u>\$ 3,356,171</u>	<u>\$ 6,768,567</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ 91,881	\$ 4,579	\$ 26,592	\$ -	\$ 3,766	\$ 2,914	\$ 129,732
Due to other funds	-	-	500	139,673	-	265,773	-	405,946
Unearned revenue	-	-	257,504	-	-	-	-	257,504
Total liabilities	<u>-</u>	<u>91,881</u>	<u>262,583</u>	<u>166,265</u>	<u>-</u>	<u>269,539</u>	<u>2,914</u>	<u>793,182</u>
Fund balances:								
Nonspendable	-	-	-	150,584	-	-	-	150,584
Restricted	336,656	5,834	62,194	(2,243)	13,966	2,055,137	3,353,257	5,824,801
Total fund balance	<u>336,656</u>	<u>5,834</u>	<u>62,194</u>	<u>148,341</u>	<u>13,966</u>	<u>2,055,137</u>	<u>3,353,257</u>	<u>5,975,385</u>
Total liabilities and fund balances	<u>\$ 336,656</u>	<u>\$ 97,715</u>	<u>\$ 324,777</u>	<u>\$ 314,606</u>	<u>\$ 13,966</u>	<u>\$ 2,324,676</u>	<u>\$ 3,356,171</u>	<u>\$ 6,768,567</u>

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
 ALL NON-MAJOR FUNDS
 For the Year Ended June 30, 2025

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Total
Revenues:								
Local Control Funding Formula (LCFF):								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 450,000	\$ -	\$ -	\$ 450,000
Federal sources	-	-	528,597	1,141,681	-	-	-	1,670,278
Other state sources	-	-	325,241	1,803,889	-	-	-	2,129,130
Other local sources	880,359	5,246	222,648	39,667	2,725	768,789	1,837,404	3,756,838
Total revenues	880,359	5,246	1,076,486	2,985,237	452,725	768,789	1,837,404	8,006,246
Expenditures:								
Current:								
Certificated salaries	-	546	230	-	-	-	-	776
Classified salaries	-	-	735,541	1,564,710	-	88,329	78,133	2,466,713
Employee benefits	-	16	360,472	778,688	-	39,027	28,981	1,207,184
Books and supplies	898,419	12,880	25,626	1,407,775	-	-	-	2,344,700
Contract services and operating expenditures	-	-	2,559	74,197	11,692	710,336	56,396	855,180
Capital outlay	-	-	-	-	445,644	99,259	819,894	1,364,797
Debt service:								
Principal retirement	-	-	-	-	-	-	810,000	810,000
Interest	-	-	-	-	-	-	1,005,988	1,005,988
Total expenditures	898,419	13,442	1,124,428	3,825,370	457,336	936,951	2,799,392	10,055,338
Deficiency of revenues under expenditures	(18,060)	(8,196)	(47,942)	(840,133)	(4,611)	(168,162)	(961,988)	(2,049,092)
Other financing sources (uses):								
Transfers in	-	-	112,864	809,463	-	-	-	922,327
Transfers out	-	-	(8,072)	(129,966)	-	-	-	(138,038)
Total other financing (uses) source	-	-	104,792	679,497	-	-	-	784,289
Net change in fund balances	(18,060)	(8,196)	56,850	(160,636)	(4,611)	(168,162)	(961,988)	(1,264,803)
Fund balance, July 1, 2024	354,716	14,030	5,344	308,977	18,577	2,223,299	4,315,245	7,240,188
Fund balance, June 30, 2025	\$ 336,656	\$ 5,834	\$ 62,194	\$ 148,341	\$ 13,966	\$ 2,055,137	\$ 3,353,257	\$ 5,975,385

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AVERAGE DAILY ATTENDANCE
 June 30, 2025

<u>District</u>	<u>Second Period Report</u>	<u>Revised Second Period Report</u>	<u>Annual Report</u>
Certificate number	4390FF65	A66645B6	D26FA2BB
Elementary:			
Transitional Kindergarten through Third	1,093	1,094	1,094
Fourth through Sixth	759	758	754
Seventh through Eighth	<u>500</u>	<u>502</u>	<u>501</u>
	<u>2,352</u>	<u>2,354</u>	<u>2,349</u>
Secondary:			
Ninth through Twelfth	<u>1,248</u>	<u>1,280</u>	<u>1,269</u>
Total District	<u><u>3,600</u></u>	<u><u>3,634</u></u>	<u><u>3,618</u></u>

The Revised Second Period Report reflects internal changes in ADA determined by the District.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
 For the Year Ended June 30, 2025

<u>Grade Level</u>	<u>Statutory Minutes Requirement</u>	<u>2024-25 Actual Minutes Offered</u>	<u>Number of Days</u>	<u>Status</u>
<u>District*</u>				
Kindergarten	36,000	51,780	180	In Compliance
Grade 1	50,400	53,968	180	In Compliance
Grade 2	50,400	54,252	180	In Compliance
Grade 3	50,400	54,252	180	In Compliance
Grade 4	54,000	54,190	180	In Compliance
Grade 5	54,000	54,190	180	In Compliance
Grade 6	54,000	57,346	180	In Compliance
Grade 7	54,000	57,346	180	In Compliance
Grade 8	54,000	57,346	180	In Compliance
Grade 9	64,800	65,770	180	In Compliance
Grade 10	64,800	65,770	180	In Compliance
Grade 11	64,800	65,770	180	In Compliance
Grade 12	64,800	65,770	180	In Compliance

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2025

Assistance Listing <u>Number</u>	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass- Through Entity Identifying <u>Number</u>	Federal <u>Expenditures</u>
<u>U.S. Department of Education - Passed through</u>			
<u>California Department of Education</u>			
	Special Education Cluster:		
84.027	Special Ed IDEA: Part B, Sec 611 Local Assistant Private School ISPs	10115	\$ 37,233
84.173	Special Ed ARP IDEA: Part B, Sec 619, Preschool Grants	13379	704,903
84.027A	Special Ed IDEA: Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	15197	47,400
84.173	Special Ed IDEA: Preschool Grant, Part B, Section 619	13430	<u>14,678</u>
	Subtotal Special Education Cluster		<u>804,214</u>
84.425	COVID-19: American Rescue Plan - Homeless Children and Youth	15564	3,118
84.010	ESEA: Title I, Part A, Basic Grants Low Income and Neglected	14329	448,084
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	14894	27,135
84.424	ESEA: Title IV, Part A, Student Support and Academic Enrichment Grants	15396	35,530
84.365	ESSA: Title III, English Learner Student Program	14346	69,278
84.367	ESEA: Title II, Part A, Improving Teacher Quality	14341	143,968
84.126	Workability II, Transitions Partnership Program	10006	<u>65,370</u>
	Total U.S. Department of Education		<u>792,483</u>
<u>U.S. Department of Health and Human Services - Passed through</u>			
<u>California Department of Education</u>			
93.596	Early Education: Federal Child Care, Center-based	13609	<u>528,597</u>
	Total U.S. Department of Health and Human Services		<u>528,597</u>

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2025

<u>Assistance Listing Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture - Passed through California Department of Education</u>			
10.665	Forest Reserve Funds	10044	\$ 123,403
10.555	National School Lunch Program - Child Nutrition Cluster	13390	<u>1,141,681</u>
	Total U.S. Department of Agriculture		<u>1,265,084</u>
	Total Federal Programs		<u>\$ 3,390,378</u>

See accompanying notes to supplementary information.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

	Student Activity Fund
June 30, 2025 Annual Financial and Budget Report Ending Fund Balance:	\$ 391,430
Adjustment to correct Associated Student Body Revenues and Expenditures	<u>(54,774)</u>
June 30, 2025 Annual Financial and Budget Report Ending Fund Balance:	<u>\$ 336,656</u>

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

See accompanying notes to supplementary information.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2025
(UNAUDITED)

	(Budgeted) <u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>General Fund</u>				
Revenues and other financing sources	\$ 102,931,489	\$ 102,504,503	\$ 98,295,813	\$ 94,027,190
Expenditures	102,397,647	100,960,492	97,409,590	86,999,434
Other uses and transfers out	<u>1,049,530</u>	<u>922,327</u>	<u>575,896</u>	<u>61,582</u>
Total outgo	<u>103,447,177</u>	<u>101,882,819</u>	<u>97,985,486</u>	<u>87,061,016</u>
Change in fund balance	<u>\$ (515,688)</u>	<u>\$ 621,684</u>	<u>\$ 310,327</u>	<u>\$ 6,966,174</u>
Ending fund balance	<u>\$ 27,897,103</u>	<u>\$ 28,412,791</u>	<u>\$ 27,791,107</u>	<u>\$ 27,480,780</u>
Available reserves	<u>\$ 16,582,972</u>	<u>\$ 16,072,787</u>	<u>\$ 14,874,733</u>	<u>\$ 14,135,464</u>
Designated for economic uncertainties	<u>\$ 16,582,972</u>	<u>\$ 16,072,787</u>	<u>\$ 14,874,733</u>	<u>\$ 14,135,464</u>
Undesignated fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Available reserves as percentages of total outgo	<u>16.03%</u>	<u>15.78%</u>	<u>15.18%</u>	<u>16.24%</u>
Total long-term liabilities	<u>\$ 254,223,464</u>	<u>\$ 268,547,941</u>	<u>\$ 278,435,473</u>	<u>\$ 293,830,881</u>
Average daily attendance at P-2, excluding classes for adults	<u>3,625</u>	<u>3,634</u>	<u>3,599</u>	<u>3,681</u>

The General Fund balance has increased by \$7,898,185 over the past three years. The District has budgeted a decrease of \$515,688 for the fiscal year ending June 30, 2026. For a district this size, the State of California recommends available reserves of at least three percent of total General Fund expenditures, transfers out and other uses be maintained. The District met this requirement.

The District had operating surpluses in each of the past three years, and anticipates incurring an operating deficit during the 2025-2026 fiscal year.

Total long-term liabilities have decreased by \$25,282,940 over the past two years due to the re-payment of General Obligation Bonds.

Average daily attendance has decreased by 47 over the past two years. The District anticipates a decrease of 9 for the fiscal year 2025-2026.

See accompanying notes to supplementary information.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2025

Charter Schools Chartered by District

1180 – Sierra Expeditionary Learning School

Included in District
Financial Statements, or
Separate Report

Separate report

See accompanying notes to supplementary information.

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1 - PURPOSE OF SCHEDULES

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

Schedule of Instructional Time: The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District, and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

Schedule of Expenditures of Federal Awards: The Schedule of Expenditures of Federal Awards includes the federal award activity of Tahoe Truckee Unified School District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. As a sub-recipient of the State of California the District is using the approved indirect cost rate provided by the California Department of Education rather than the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Reconciliation of Annual and Financial Budget Report with Audited Financial Statements: This schedule provides the information necessary to reconcile the fund balances of all funds and the total long-term liabilities as reported on the Annual and Financial Budget Report to the audited financial statements.

Schedule of Financial Trends and Analysis - Unaudited: This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2025-26 fiscal year, as required by the State Controller's Office. The information in this schedule has been derived from audited information.

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

NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14503 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2025, the District did not adopt this program.

OTHER INFORMATION

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
ORGANIZATION
June 30, 2025

Tahoe Truckee Unified School District was established in 1949 and is comprised of an area of approximately 700 square miles located in Placer, Nevada and El Dorado Counties. There were no changes in the boundaries of the District during the current year. The District is currently operating five elementary schools, two middle schools, two high schools, one continuation high school and an adult education program.

BOARD OF TRUSTEES

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Dianna Driller	President	December 2026
Cris Hennessey	Clerk	December 2028
Kirsten Livak	Member	December 2028
Denyelle Nishimori	Member	December 2026
Patrick Mooney	Member	December 2026

ADMINISTRATION

Kerstin Kramer
Superintendent/Chief Learning Officer

Todd Rivera
Assistant Superintendent – Chief Business Officer

Shaun Roderick
Assistant Superintendent – Educational Services

Annamarie Cohen
Executive Director of Student Services

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

Board of Trustees
Tahoe Truckee Unified School District
Truckee, California

Report on Compliance

Opinion on State Compliance

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

In our opinion, the District complied, in all material respects, with the compliance requirements that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinions

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements noted in the table below 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.

(Continued)

Auditor’s Responsibilities for the Audit of Compliance

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

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

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

<u>2024-25 K-12 Audit Guide Procedures</u>	<u>Procedures Performed</u>
<i>Local Education Agencies Other than Charter Schools:</i>	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
D. Independent Study	N/A, see below
E. Continuation Education	N/A, see below
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 Program	N/A, see below
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	N/A, see below
N. Middle or Early College High Schools or Programs	N/A, see below
O. K-3 Grade Span Adjustment	Yes
Q. Apprenticeship: Related and Supplemental Instruction	N/A, see below
R. Comprehensive School Safety Plan	Yes
S. District of Choice	N/A, see below
TT. Home to School Transportation Reimbursement	Yes

(Continued)

2024-25 K-12 Audit Guide Procedures (continued)

Procedures
Performed

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

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

Charter Schools:

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

The District's Independent Study and Continuation Education ADA were below the testing threshold; therefore, we did not perform any procedures related to these programs.

The District does not offer an Early Retirement Incentive Program; therefore, we did not perform any procedures related to this program.

The District does not offer a Juvenile Court Schools Program; therefore, we did not perform any procedures related to this program.

The District does not have any Middle or Early College High Schools or Programs; therefore, we did not perform any procedures related to this program.

The District does not offer an Apprenticeship: Related and Supplemental Instruction Program; therefore, we did not perform any procedures related to this program.

The District is not reported as a District of Choice per the California Department of Education; therefore, we did not perform any procedures related to this program.

The District does not offer an Independent Study-Course Based Program; therefore, we did not perform any procedures related to this program.

The District was not included on the Immunizations listing from California Department of Education during the year; therefore, we did not perform any procedures related to this requirement.

The District does not have any expenditures from the Expanded Learning Opportunities Grant funds in the current fiscal year; therefore, we did not perform any procedures related to this requirement.

The District does not have any Charter Schools; therefore, we did not perform any of the testing related to Charter Schools, Procedures AA, BB, CC, DD, EE and FF.

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.

(Continued)

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of 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.

Purpose of this Report

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


Crowe LLP

Sacramento, California
December 8, 2025

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

Board of Trustees
Tahoe Truckee Unified School District
Truckee, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tahoe Truckee Unified School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Tahoe Truckee Unified School District's basic financial statements, and have issued our report thereon dated December 8, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

Report on Compliance and Other Matters

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

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Sacramento, California
December 8, 2025

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

Board of Trustees
Tahoe Truckee Unified School District
Truckee, California

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Tahoe Truckee Unified School District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Tahoe Truckee Unified School District's major federal program for the year ended June 30, 2025. Tahoe Truckee Unified School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Tahoe Truckee Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on Major Federal Program

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

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

(Continued)

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

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

Crowe LLP
Crowe LLP

Sacramento, California
December 8, 2025

FINDINGS AND RECOMMENDATIONS

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

	_____ Yes	_____ X _____ No
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FEDERAL AWARDS

Internal control over major programs:

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

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

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

	_____ Yes	_____ X _____ No
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Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.027A, 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

STATE AWARDS

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

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2025

2024-001 DEFICIENCY - STATE COMPLIANCE - SCHOOL ACCOUNTABILITY REPORT CARD (72000)

Condition: At Donner Trail Elementary School, overall attributes as identified on the site's school accountability report card were not consistent with the supporting documentation provided by management.

Recommendation: Management should update or implement internal control processes to ensure that all sites' school accountability report cards are completed appropriately and agree to the related supporting documentation for all reporting areas by Ed Code 33126(b)(8).

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

(Continued)

TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2025

2024-002 DEFICIENCY - STATE COMPLIANCE - TRANSITIONAL KINDERGARTEN (40000)

Condition: Kings Beach Elementary School did not maintain an appropriate adult to pupil average ratio and exceeded a class size of 20 pupils pursuant to the Education Code 48000.15(d)(1) and 48000.15(d)(3).

Recommendation: The District should implement procedures to ensure schools maintain the required adult to pupil average ratio.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

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APPENDIX C

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF TRUCKEE AND THE COUNTIES OF PLACER, NEVADA AND EL DORADO CALIFORNIA

The following information regarding the Town of Truckee (the “Town”) and the Counties of Placer, Nevada and El Dorado (collectively, the “Counties”) is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the Town or of the Counties. This material has been prepared by or excerpted from the sources noted herein and has not been reviewed for accuracy by the District or Bond Counsel.

General

The Town of Truckee. Located 103 miles northeast from the state capital of Sacramento, the Town of Truckee was incorporated in 1993 and is a charter city of 33.7 square miles. Five officials elected at large serve four-year terms and make up the Mayor and Town Council that govern it under the Council-Manager system. Its local economy is mostly recreational.

Placer County. With an area of over 1,431 square miles, Placer County is located 80 miles northeast of San Francisco. It is a charter county with a County Board of Supervisors consisting of elected supervisors from each of five districts who serve four-year staggered terms. The Sierra Nevada Mountains within the county provide the largest concentration of world class ski resorts in the Western United States and an abundance of year-round recreational opportunities.

Nevada County. With an area of 978 square miles, Nevada County is located 45 miles northeast of Sacramento. It is a general law county with a County Board of Supervisors consisting of elected supervisors from each of five districts who serve four-year staggered terms. Property tax is the largest source of Nevada County’s revenue. It is a rural area with ample open spaces, and key attractions include historical sites and outdoor recreation.

El Dorado County. Located in the Sierra Nevada of east central California, El Dorado was created in 1850 as one of California State’s original 27 counties. Its eastern boundary is also the California-Nevada State line. It is governed by a five member Board of Supervisors elected by districts to staggered four-year terms, and is a charter county. With an area of 1,805 square miles, most of it public land, and it is known for its recreational opportunities.

Population

The following table shows historical population figures for the Town, the Counties and the State of California (the “State”) for the past 10 years.

POPULATION ESTIMATES 2016 through 2025

Town of Truckee, Placer County, Nevada County, El Dorado County, and the State of California

<u>Year</u> ⁽¹⁾	<u>Town of Truckee</u>	<u>Placer County</u>	<u>Nevada County</u>	<u>El Dorado County</u>	<u>State of California</u>
2016 ⁽¹⁾	16,305	379,143	100,793	181,630	39,036,749
2017 ⁽¹⁾	16,398	386,586	100,998	182,695	39,273,915
2018 ⁽¹⁾	16,535	392,693	101,640	185,303	39,429,439
2019 ⁽¹⁾	16,537	399,659	101,719	186,714	39,503,656
2020 ⁽²⁾	16,768	404,739	102,241	191,185	39,538,223
2021 ⁽²⁾	16,781	407,282	102,185	191,211	39,369,530
2022 ⁽²⁾	16,843	409,924	101,352	190,549	39,179,680
2023 ⁽²⁾	16,744	410,319	100,608	188,063	39,228,444
2024 ⁽²⁾	16,923	420,436	100,903	190,632	39,420,663
2025 ⁽²⁾	16,928	421,446	100,354	190,770	39,529,101

⁽¹⁾ As of January 1.

⁽²⁾ As of May 1.

Source: 2016-19 (2010 Demographic Research Unit Benchmark): California Department of Finance for January 1. 2020-25 (2020 Demographic Research Unit Benchmark): California Department of Finance for May 1.

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Income

The following table summarizes per capita personal income for the Counties, the State and the United States for the past 10 years that statistics are currently available.

PER CAPITA PERSONAL INCOME
2015 through 2024
Placer County, Nevada County, El Dorado County, the State of California, and the United States

<u>Year</u>	<u>Placer County</u>	<u>Nevada County</u>	<u>El Dorado County</u>	<u>State of California</u>	<u>United States</u>
2015	\$58,511	\$53,107	\$58,842	\$53,816	\$48,062
2016	60,585	55,352	62,104	55,862	48,974
2017	62,801	55,976	63,355	58,214	51,006
2018	64,808	57,305	66,059	60,984	53,311
2019	67,667	60,440	69,023	64,219	55,567
2020	73,223	65,075	74,018	70,100	59,151
2021	79,633	70,627	79,498	77,134	64,692
2022	80,551	71,651	79,990	77,196	66,298
2023	83,911	76,225	84,850	81,196	70,002
2024	87,751	80,346	89,554	86,232	73,204

Note: Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. Last updated: February 5, 2026 – new statistics for 2024; revised statistics for 2020-2023. All dollar estimates are in current dollars (not adjusted for inflation).

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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Principal Employers

The following tables list the principal employers located in the Town and the Counties.

PRINCIPAL EMPLOYERS as of June 30, 2025 Town of Truckee

<u>Employer</u>	<u>Description</u>	<u>Number of Employees</u>
Tahoe Forest Hospital	Health Services	865
Tahoe Truckee Unified School District	Educational Services	632
Town of Truckee	Public Administration	159
Safeway	Retail Trade: Food Stores	117
Mountain Hardware and Sports	Retail Trade: General Merchandise Stores	97
Tahoe Donner Association	Membership Organizations	96
Truckee Donner Public Utility District	Public Administration	76
Truckee Fire Protection District	Public Administration	70
Truckee-Donner Recreation & Park District	Public Administration	56
Save Mart	Retail Trade: Food Stores	35

Source: *Town of Truckee Annual Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2025*

PRINCIPAL EMPLOYERS
as of June 30, 2025
Placer County

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
Sutter Health	Health Services	6,672
Kaiser Permanente	Health Services	6,154
County of Placer	Public Administration	2,905
Thunder Valley Casino Resort	Amusement and Recreation Services	2,508
Roseville City School District	Educational Services	1,861
Sierra Joint Community College District	Educational Services	1,514
City of Roseville	Public Administration	1,386
Pacific Gas and Electric Co.	Electric, Gas and Sanitary Services	1,360
Safeway	Retail Trade: Food Stores	1,181
Western Placer Unified School District	Educational Services	900

Source: County of Placer Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025

LABOR FORCE AND EMPLOYMENT
as of June 30, 2024
Nevada County

<u>Industry Title</u>	<u>Percentage</u>	<u>Number of Employees</u>
Government	18.73	6,650
Education and Health Services	16.20	5,750
Leisure and Hospitality	16.20	5,750
Retail Trade	11.50	4,080
Natural Resources, Mining & Construction	10.79	3,830
Professional and Business Services	8.59	3,050
Other Services	6.40	2,270
Manufacturing	3.83	1,360
Financial Activities	3.24	1,150
Transportation, Warehousing & Utilities	1.92	680

Source: County of Nevada Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024

PRINCIPAL EMPLOYERS
as of June 30, 2025
El Dorado County

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
Broadridge Financial Solutions	Business Services	1,000 – 4,999
Blue Shield of California	Finance: Insurance Carriers	500 - 999
Child Development Programs	Health Services	500 - 999
Sierra at Tahoe Resort	Amusement and Recreation Services	500 - 999
Sky Mountain Charter School	Educational Services	500 - 999
Camp Richardson Lake Tahoe	Amusement and Recreation Services	250 - 499
El Dorado County Sheriff	Public Administration	250 - 499
Lake Tahoe Community College	Educational Services	250 - 499
More	Business Services	250 - 499
Spare Time Inc.	Physical Fitness Facilities	250 - 499

Source: State of California Employment Development Department, as provided by Data Axel, Omaha, NE, 800/555-5211 © 2025.

Employment

The following table summarizes the labor force, employment and unemployment figures for the years 2020 through 2024 for the Town, the Counties, the State and the United States.

**LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGES
2020 through 2024⁽¹⁾
Town of Truckee, Placer County, Nevada County, El Dorado County, the State of California, and the United States**

<u>Year and Area</u>	<u>Labor Force</u>	<u>Employment⁽²⁾</u>	<u>Unemployment</u>	<u>Unemployment Rate (%)⁽³⁾</u>
<u>2020</u>				
Town of Truckee	8,610	8,080	530	6.2
Placer County	185,700	171,800	13,900	7.5
Nevada County	44,110	40,310	3,800	8.6
El Dorado County	85,800	78,200	7,700	8.9
State of California	18,821,200	16,913,100	1,908,100	10.0
United States	160,742,000	147,795,000	12,947,000	8.1
<u>2021</u>				
Town of Truckee				
Placer County	190,000	180,200	9,700	5.1
Nevada County	44,620	41,920	2,710	6.1
El Dorado County	87,100	81,700	5,300	6.1
State of California	19,041,000	18,127,700	913,300	4.8
United States	161,204,000	152,581,000	8,623,000	5.3
<u>2022</u>				
Town of Truckee	8,670	8,250	420	4.8
Placer County	195,200	189,100	6,100	3.1
Nevada County	45,390	43,690	1,700	3.8
El Dorado County	87,400	84,200	3,200	3.6
State of California	19,252,900	18,440,900	811,100	4.2
United States	164,287,000	158,291,000	5,996,000	3.6
<u>2023</u>				
Town of Truckee				
Placer County	201,700	194,400	7,400	3.6
Nevada County	46,420	44,510	1,910	4.1
El Dorado County	88,800	85,200	3,700	4.1
State of California	19,308,300	18,388,300	920,000	4.8
United States	167,116,000	161,037,000	6,080,000	3.6
<u>2024</u>				
Town of Truckee	9,600	9,070	530	5.5
Placer County	204,800	196,300	8,400	4.1
Nevada County	47,700	45,550	2,150	4.5
El Dorado County	90,200	86,000	4,200	4.7
State of California	19,644,100	18,600,900	1,043,100	5.3
United States	168,106,000	161,346,000	6,761,000	4.0

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2024 Benchmark.

Industry

Placer and El Dorado Counties are included in the Sacramento-Roseville-Folsom Metropolitan Statistical Area (the “MSA”). The distribution of employment in the MSA is presented in the following table for the last five years. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in Placer and El Dorado Counties.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES 2020 through 2024 Placer County and El Dorado County (Sacramento-Roseville-Folsom MSA)

<u>Category</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Farm	8,300	9,000	8,600	9,000	8,900
Total Nonfarm	971,400	1,013,000	1,056,900	1,072,800	1,088,400
Total Private	736,200	772,800	810,100	816,900	825,400
Goods Producing	106,800	113,200	118,200	115,900	117,000
Mining and Logging	500	500	500	500	400
Construction	70,200	74,900	77,100	74,900	76,500
Manufacturing	36,100	37,700	40,600	40,600	40,100
Durable Goods	22,900	23,700	25,900	25,800	25,600
Nondurable Goods	13,200	14,100	14,700	14,800	14,500
Service Providing	864,700	899,800	938,700	956,700	971,400
Private Service Providing	629,400	659,600	691,800	700,900	708,400
Trade, Transportation and Utilities	155,900	165,000	169,500	169,000	167,200
Wholesale Trade	26,200	26,900	28,300	28,400	28,200
Retail Trade	95,100	100,600	100,300	98,900	97,500
Transportation, Warehousing and Utilities	34,300	37,500	40,800	41,700	41,500
Information	10,200	10,100	10,500	10,000	9,400
Financial Activities	51,700	51,800	51,800	48,000	46,600
Professional and Business Services	132,600	137,200	139,800	136,000	134,900
Private Education and Health	164,000	168,800	175,600	187,300	198,900
Services					
Leisure and Hospitality	83,900	93,600	108,700	112,400	112,200
Other Services	31,000	33,300	36,100	38,200	39,200
Total State and Local Government	<u>220,500</u>	<u>225,700</u>	<u>232,500</u>	<u>241,500</u>	<u>248,200</u>
Total, All Industries	<u>979,800</u>	<u>1,021,900</u>	<u>1,065,500</u>	<u>1,081,900</u>	<u>1,097,300</u>

Note: The “Total, All Industries” data is not directly comparable to the employment data found herein.

Source: State of California, Employment Development Department, Labor Market Information Division, Annual Average Labor Force and Industry Employment. March 2024 Benchmark.

Nevada County is represented statistically as its own county. The distribution of employment in Nevada County is presented in the following table for the last five years.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
2020 through 2024
Nevada County

<u>Category</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Farm	120	140	180	170	160
Total Nonfarm	30,410	31,770	33,530	34,340	35,510
Total Private	24,240	25,700	27,170	27,740	28,690
Goods Producing	4,330	4,580	4,870	4,950	5,040
Mining, Logging and Construction	3,120	3,270	3,530	3,620	3,770
Manufacturing	1,210	1,310	1,340	1,330	1,280
Service Providing	26,080	27,190	28,660	29,390	30,470
Private Service Providing	19,920	21,120	22,300	22,800	23,650
Trade, Transportation and Utilities	4,750	5,140	5,170	5,280	5,300
Wholesale Trade	430	470	460	460	470
Retail Trade	3,810	4,090	4,030	4,170	4,150
Transportation, Warehousing and	520	580	680	660	690
Utilities					
Information	220	230	260	290	300
Financial Activities	1,310	1,370	1,370	1,180	1,190
Professional and Business Services	2,470	2,670	2,730	2,800	3,080
Private Education and Health	5,180	5,290	5,560	5,700	6,030
Services					
Leisure and Hospitality	4,220	4,560	5,170	5,380	5,530
Other Services	1,780	1,890	2,060	2,160	2,230
Government	<u>6,160</u>	<u>6,070</u>	<u>6,370</u>	<u>6,590</u>	<u>6,810</u>
Total, All Industries	<u>30,530</u>	<u>31,910</u>	<u>33,710</u>	<u>34,510</u>	<u>35,670</u>

Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.

Source: State of California, Employment Development Department, Labor Market Information Division, Annual Average Labor Force and Industry Employment. March 2024 Benchmark.

Commercial Activity

Summaries of annual taxable sales for the Town and the Counties for the last five years are shown in the tables below and on the following page.

**ANNUAL TAXABLE SALES
2020 through 2024
Town of Truckee
(Dollars in Thousands)**

<u>Year</u>	Total Retail and Food Services: <u>Permits</u>	Retail and Food		Total All Outlets: Taxable <u>Transactions</u>
		Services: Taxable <u>Transactions</u>	Total All Outlets: <u>Permits</u>	
2020	561	\$303,492	1,010	\$382,596
2021	530	354,317	962	452,788
2022	510	399,043	955	511,616
2023	489	381,588	953	489,120
2024	492	368,338	966	477,631

Source: "Taxable Sales in California," California Department of Tax and Fee Administration.

**ANNUAL TAXABLE SALES
2020 through 2024
Placer County
(Dollars in Thousands)**

<u>Year</u>	Total Retail and Food Services: <u>Permits</u>	Retail and Food		Total All Outlets: Taxable <u>Transactions</u>
		Services: Taxable <u>Transactions</u>	Total All Outlets: <u>Permits</u>	
2020	9,165	\$7,979,609	15,141	\$10,380,854
2021	8,130	9,635,979	13,720	12,632,960
2022	8,201	10,072,596	14,163	13,392,761
2023	7,964	9,627,338	13,787	13,037,448
2024	7,978	9,678,521	13,958	13,328,138

Source: "Taxable Sales in California," California Department of Tax and Fee Administration.

ANNUAL TAXABLE SALES
2020 through 2024
Nevada County
(Dollars in Thousands)

<u>Year</u>	Total Retail and Food Services: <u>Permits</u>	Retail and Food	Total All Outlets: <u>Permits</u>	Total All Outlets:
		Services: Taxable <u>Transactions</u>		Taxable <u>Transactions</u>
2020	3,048	\$1,223,139	5,420	\$1,695,478
2021	2,757	1,331,942	5,088	1,900,200
2022	2,721	1,388,390	5,054	1,983,149
2023	2,618	1,339,233	4,957	1,921,428
2024	2,580	1,294,655	4,936	1,881,172

Source: "Taxable Sales in California," California Department of Tax and Fee Administration.

ANNUAL TAXABLE SALES
2020 through 2024
El Dorado County
(Dollars in Thousands)

<u>Year</u>	Total Retail and Food Services: <u>Permits</u>	Retail and Food	Total All Outlets: <u>Permits</u>	Total All Outlets:
		Services: Taxable <u>Transactions</u>		Taxable <u>Transactions</u>
2020	4,332	\$2,031,422	7,309	2,756,589
2021	3,797	2,283,027	6,547	3,120,528
2022	3,821	2,432,789	6,664	3,382,159
2023	3,561	2,332,040	6,354	3,280,998
2024	3,563	2,286,033	6,376	3,223,346

Source: "Taxable Sales in California," California Department of Tax and Fee Administration.

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued for the past five years for the Town and the Counties are shown in the following tables.

BUILDING PERMITS AND VALUATIONS 2020 through 2024 Town of Truckee (Dollars in Thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Valuation					
Residential	\$55,782	\$91,463	\$135,000	\$59,847	\$37,412
Non-Residential	<u>26,515</u>	<u>17,614</u>	<u>12,809</u>	<u>13,051</u>	<u>27,115</u>
Total	\$82,297	\$109,077	\$147,809	\$72,898	\$64,527
Units					
Single Family	85	94	116	47	27
Multiple Family	<u>0</u>	<u>4</u>	<u>37</u>	<u>0</u>	<u>0</u>
Total	0	98	153	47	27

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS 2020 through 2024 Placer County (Dollars in Thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Valuation					
Residential	\$952,706	\$1,441,911	\$1,315,792	\$1,419,187	\$1,527,954
Non-Residential	<u>184,606</u>	<u>184,797</u>	<u>301,719</u>	<u>282,465</u>	<u>256,179</u>
Total	\$1,137,312	\$1,626,708	\$1,617,511	\$1,701,652	\$1,784,133
Units					
Single Family	2,552	4,176	3,701	3,085	3,206
Multiple Family	<u>540</u>	<u>66</u>	<u>351</u>	<u>481</u>	<u>417</u>
Total	3,092	4,242	4,052	3,566	3,623

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2020 through 2024
Nevada County
(Dollars in Thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Valuation					
Residential	\$177,256	\$216,665	\$283,878	\$121,832	\$176,278
Non-Residential	<u>88,023</u>	<u>55,757</u>	<u>70,181</u>	<u>48,222</u>	<u>91,551</u>
Total	\$265,279	\$272,422	\$354,059	\$170,054	\$267,829
Units					
Single Family	426	456	388	177	273
Multiple Family	<u>43</u>	<u>8</u>	<u>39</u>	<u>0</u>	<u>2</u>
Total	469	464	427	177	275

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2020 through 2024
El Dorado County
(Dollars in Thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Valuation					
Residential	\$304,598	\$315,158	\$365,173	\$214,179	\$313,408
Non-Residential	<u>70,423</u>	<u>105,214</u>	<u>126,199</u>	<u>66,580</u>	<u>124,274</u>
Total	\$375,021	\$420,372	\$491,372	\$280,759	\$437,682
Units					
Single Family	649	697	626	495	518
Multiple Family	<u>7</u>	<u>0</u>	<u>83</u>	<u>2</u>	<u>28</u>
Total	656	697	709	497	546

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board..

APPENDIX D

FORMS OF OPINIONS OF BOND COUNSEL

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

_____, 2026

Board of Education
Tahoe-Truckee Unified School District

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$_____ Tahoe-Truckee Unified (Placer, Nevada and El Dorado Counties, California) 2026 General Obligation Refunding Bonds, Series A (School District School Facilities Improvement District No. 1) (Placer and Nevada Counties, California) (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and a resolution adopted by the Board of Education of the Tahoe-Truckee Unified School District (the “School District”) on November 3, 2025 (the “Resolution”).

2. The Bonds constitute valid and binding general obligations of the School District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property within the School Facilities Improvement District No. 1 of the Tahoe-Truckee Unified School District subject to taxation by the School District, which taxes are unlimited as to rate or amount.

Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted that with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.

4. Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds (to the extent the redemption price at

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

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

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

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

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

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

Respectfully submitted,

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

_____, 2026

Board of Education
Tahoe-Truckee Unified School District

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$_____ Tahoe-Truckee Unified (Placer, Nevada and El Dorado Counties, California) 2026 General Obligation Refunding Bonds, Series B (School District School Facilities Improvement District No. 2) (Placer and El Dorado Counties, California) (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and a resolution adopted by the Board of Education of the Tahoe-Truckee Unified School District (the “School District”) on November 3, 2025 (the “Resolution”).

2. The Bonds constitute valid and binding general obligations of the School District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property within the School Facilities Improvement District No. 2 of the Tahoe-Truckee Unified School District subject to taxation by the School District, which taxes are unlimited as to rate or amount.

Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted that with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.

4. Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original

issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond.

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

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

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

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

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

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Tahoe-Truckee Unified School District (the “School District”) in connection with the issuance of the (i) Tahoe-Truckee Unified (Placer, Nevada and El Dorado Counties, California) 2026 General Obligation Refunding Bonds, Series A (School District School Facilities Improvement District No. 1) (Placer and Nevada Counties, California) (the “Series A Refunding Bonds”), and (ii) Tahoe-Truckee Unified (Placer, Nevada and El Dorado Counties, California) 2026 General Obligation Refunding Bonds, Series B (School District School Facilities Improvement District No. 2) (Placer and El Dorado Counties, California) (the “Series B Refunding Bonds,” and together with the Series A Refunding Bonds, the “Bonds”).

The Bonds are issued pursuant to certain provisions of the State of California Government Code and other applicable law, and pursuant to resolutions adopted by the Board of Education of the School District (such resolutions referred to collectively as the “Resolution”).

The School District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the School District for the benefit of the respective Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the School District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean initially Keygent LLC, or any successor Dissemination Agent designated in writing by the School District (which may be the School District) and which has filed with the School District a written acceptance of such designation.

“Financial Obligation” means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

“Holders” shall mean registered owners of the Bonds.

“Improvement District No. 1” means the School Facilities Improvement District No. 1 of the Tahoe-Truckee Unified School District.

“Improvement District No. 2” means the School Facilities Improvement District No. 1 of the Tahoe-Truckee Unified School District.

“Improvement Districts” means, collectively, Improvement District No. 1 and Improvement District No. 2.

“Listed Events” shall mean any of the events listed in Section 5(a) and Section 5(b) of this Disclosure Certificate.

“Official Statement” shall mean the Official Statement, dated as of _____, 2025, as updated on _____, 2026, relating to the offer and sale of the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The School District shall, or shall cause the Dissemination Agent to, not later than nine months following the end of the School District’s fiscal year (presently ending on June 30), commencing with the report for the 2024-25 Fiscal Year, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the School District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the School District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the School District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the School District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the School District). If the School District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the School District shall send a notice in a timely manner to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the School District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports. (a) The School District’s Annual Report shall contain or include by reference the following:

1. The audited financial statements of the School District for the preceding 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 School District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the School District and the Improvement Districts of the type included in the Official Statement in the following categories (to the extent not included in the School District's audited financial statements):

- (i) State funding received by the School District for the last completed fiscal year;
- (ii) average daily attendance of the School District for the last completed school year;
- (iii) outstanding indebtedness of the School District;
- (iv) summary financial information on revenues, expenditures and fund balances for the School District's general fund reflecting adopted budget for the current fiscal year;
- (v) So long as the Series A Refunding Bonds remain Outstanding:
 - (1) the assessed value of taxable property in Improvement District No. 1, as shown on the most recent equalized assessment roll,
 - (2) secured property tax charges and corresponding delinquencies for the portion of the Improvement District No. 1 located within Placer County for the most recently completed fiscal year, except to the extent the Teeter Plan, as adopted by Placer County, applies to both the 1% general purpose *ad valorem* property tax levy and to the tax levy for general obligation bonds of the District, and
 - (3) the top twenty property owners in Improvement District No. 1 for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value and their percentage of total secured assessed value;
- (vi) So long as the Series B Refunding Bonds remain Outstanding:
 - (1) the assessed value of taxable property in Improvement District No. 2, as shown on the most recent equalized assessment roll,
 - (2) secured property tax charges and corresponding delinquencies for the portion of the Improvement District No. 2 located within Placer County for the most recently completed fiscal year, except to the extent the Teeter Plan, as adopted by Placer County, applies to both the 1% general

purpose *ad valorem* property tax levy and to the tax levy for general obligation bonds of the District, and

- (3) the top twenty property owners in Improvement District No. 5 for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value and their percentage of total secured assessed value.

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 School District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The School District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the School District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.
2. tender offers.
3. defeasances.
4. rating changes.
5. the issuance by the Internal Revenue Service of adverse tax opinions, proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
6. unscheduled draws on the debt service reserves reflecting financial difficulties.
7. unscheduled draws on credit enhancement reflecting financial difficulties.
8. substitution of the credit or liquidity providers or their failure to perform.
9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the School District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5(b), the School District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. bond calls.
4. unless described under Section 5(a)(5) above, other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.
8. incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Bondholders.

(c) Whenever the School District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the School District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the School District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the School District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the School District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The School 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 School District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The School District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the School District. Upon such resignation, the School District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the School District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the School District. The School District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the School District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the School District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the School District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the School 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 School 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 School District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the School District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School 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 School District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the School District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The School District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the School District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the School District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the School District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the School District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated:

TAHOE-TRUCKEE UNIFIED SCHOOL DISTRICT

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of School District: Tahoe-Truckee Unified School District

Name of Bond Issues: Tahoe-Truckee Unified School District (Placer, Nevada and El Dorado Counties, California) 2026 General Obligation Refunding Bonds, Series A
(School Facilities Improvement District No. 1) (Placer and Nevada Counties, California)

Tahoe-Truckee Unified School District (Placer, Nevada and El Dorado Counties, California) 2026 General Obligation Refunding Bonds, Series B
(School Facilities Improvement District No. 2) (Placer and El Dorado Counties, California)

Date of Issuance:

NOTICE IS HEREBY GIVEN that the School District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The School District anticipates that the Annual Report will be filed by _____.

Dated: _____

TAHOE-TRUCKEE UNIFIED SCHOOL DISTRICT

By _____ [form only; no signature required]

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). 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.

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 certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

Redemption proceeds and distribution on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School 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 the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distribution to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School 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.

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

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

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

APPENDIX G

PLACER COUNTY INVESTMENT POOL

The following information concerning the Placer County Investment Pool (the “Investment Pool”) has been provided by the Treasurer and Tax Collector (the “Treasurer”) of Placer County (the “County”), and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriter. None of the District, the Municipal Advisor or the Underwriter have made an independent investigation of the investments in the Investment Pool and none of the District, the Municipal Advisor or the Underwriter have made an assessment of the current County investment policy. The value of the various investments in the Investment Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Investment Pool will not vary significantly from the values described herein. Finally, none of the District, the Municipal Advisor or the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Investment Pool may be obtained from the Treasurer at <https://www.placer.ca.gov/1470/Treasurer>; however, the information presented on such website is not incorporated herein by any reference.

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OFFICE OF TRISTAN BUTCHER
TREASURER-TAX COLLECTOR

COUNTY OF PLACER
TREASURER'S POOLED INVESTMENT REPORT

For the Month of February 28, 2026

2976 Richardson Drive, Auburn, CA 95603
Phone: (530) 889-4120 | Fax: (530) 889-4123
www.placer.ca.gov/tax

PREFACE

Placer County Treasurer's Pooled Investment Report

February 28, 2026

For the purpose of clarity, the following glossary of investment terms has been provided.

Book Value is the purchase price of a security plus amortization of any premium or discount. This may be more or less than face value, depending upon whether the security was purchased at a premium or at a discount.

Par Value is the principal amount of a security and the amount of principal that will be paid at maturity.

Market Value is the value at which a security can be sold at the time it is priced or the need to sell arises.

Market values are only relevant if the investment is sold prior to maturity. Profit or loss would be realized only if the specific investment were to be sold.

Government Code 53646 Compliance Report

The following information is a monthly update of funds on deposit in the Placer County Treasury pursuant to California Government code Section 53646. Further details of individual investments are included in the Treasurer's Monthly Investment Report. All investment transactions and decisions have been made with full compliance with California Government Code and Placer County's Statement of Investment Policy.

Individual securities are priced at the end of each month by Wells Fargo Bank.

The Weighted Average Maturity of the investments with the Treasury is 655 days.

The ability of the Placer County Treasury to meet its cash flow needs is demonstrated by \$687,546,630.06 in cash and investments maturing in the next 180 days.



**General Fund
Portfolio Management
Portfolio Summary
February 28, 2026**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LGIP	140,000,000.00	140,000,000.00	140,000,000.00	5.65	1	1	4.044	4.100
U.S. Treasury Coupons	795,000,000.00	778,890,463.12	772,459,939.92	31.19	1,136	626	4.050	4.106
mPower Placer - Long Term	2,698,455.85	2,659,777.61	2,699,979.99	0.11	7,337	3,822	4.044	4.100
Federal Agency Coupons	1,109,000,000.00	1,120,175,690.00	1,108,969,076.77	44.77	1,494	829	3.894	3.948
Collateralized Inactive Bank Deposits	5,000,000.00	5,000,000.00	5,000,000.00	0.20	1	1	3.877	3.931
Medium Term Notes	10,000,000.00	10,091,716.67	9,990,048.76	0.40	1,824	1,807	4.318	4.378
Negotiable Certificates of Deposit	205,000,000.00	205,078,450.00	205,000,000.00	8.28	411	271	4.010	4.066
Collateralized CDs	3,000,000.00	3,000,000.00	3,000,000.00	0.12	365	49	3.990	4.045
Supranational	50,000,000.00	49,854,101.39	49,288,846.27	1.99	1,507	1,220	3.789	3.842
Commercial Paper Disc. -Amortizing	165,000,000.00	164,770,137.50	164,770,137.50	6.65	19	14	3.577	3.627
Local Agency Bond	8,392,800.78	7,791,491.58	8,392,800.78	0.34	7,443	4,575	2.936	2.977
mPower Placer	7,061,165.54	6,733,793.31	7,061,165.54	0.29	7,705	4,785	3.660	3.711
mPower - Folsom	320,669.71	314,996.80	320,669.71	0.01	7,684	3,968	3.440	3.488
Investments	2,500,473,091.88	2,494,360,617.98	2,476,952,665.24	100.00%	1,152	655	3.935	3.990
Cash, Pending Redemptions								
Passbook/Checking (not included in yield calculations)	25,546,630.06	25,546,630.06	25,546,630.06		1	1	0.000	0.000
Pending Redemptions	10,000,000.00	10,000,000.00	10,000,000.00					
Subtotal		35,546,630.06	35,546,630.06					
Total Cash, Pending Redemptions and Investments	2,536,019,721.94	2,529,907,248.04	2,512,499,295.30		1,152	655	3.935	3.990

Total Earnings	February 28 Month Ending	Fiscal Year To Date
Current Year	7,892,131.57	62,481,493.59
Average Daily Balance	2,502,224,590.68	2,367,601,127.57
Effective Rate of Return	4.11%	3.96%

Jonathan Schmidt
 JONATHAN SCHMIDT, ASST. TREASURER-TAX COLLECTOR

Reporting period 02/01/2026-02/28/2026
 Data Updated: FUNDSNAP: 03/05/2026 15:11
 Run Date: 03/05/2026 - 15:12

**General Fund
Portfolio Management
Portfolio Details - Investments
February 28, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
LGIP											
LGIP	22486	California Asset Mgm't Prog			60,000,000.00	60,000,000.00	60,000,000.00	4.100	4.100	1	
SYS23345	23345	CalTRUST			80,000,000.00	80,000,000.00	80,000,000.00	4.100	4.100	1	
Subtotal and Average			140,000,000.00		140,000,000.00	140,000,000.00	140,000,000.00		4.100	1	
U.S. Treasury Coupons											
9128282A7	22474	U. S. TREASURY COUPON		04/21/2023	20,000,000.00	19,804,600.00	19,804,081.58	1.500	3.799	167	08/15/2026
9128282R0	22475	U. S. TREASURY COUPON		04/21/2023	20,000,000.00	19,661,800.00	19,617,319.28	2.250	3.681	532	08/15/2027
9128283W8	22476	U. S. TREASURY COUPON		04/21/2023	10,000,000.00	9,880,500.00	9,840,541.60	2.750	3.644	716	02/15/2028
9128283W8	22593	U. S. TREASURY COUPON		06/29/2023	20,000,000.00	19,761,000.00	19,501,455.38	2.750	4.161	716	02/15/2028
91282CHH7	22612	U. S. TREASURY COUPON		07/10/2023	10,000,000.00	10,013,300.00	9,986,855.16	4.125	4.614	106	06/15/2026
91282CHU8	23055	U. S. TREASURY COUPON		08/28/2023	10,000,000.00	10,031,600.00	9,986,025.51	4.375	4.705	167	08/15/2026
91282CHM6	23117	U. S. TREASURY COUPON		10/16/2023	20,000,000.00	20,061,800.00	19,977,118.64	4.500	4.829	136	07/15/2026
912828X88	23118	U. S. TREASURY COUPON		10/16/2023	20,000,000.00	19,736,800.00	19,484,506.50	2.375	4.723	440	05/15/2027
9128284N7	23119	U. S. TREASURY COUPON		10/16/2023	20,000,000.00	19,783,600.00	19,304,445.61	2.875	4.642	806	05/15/2028
91282CHM6	23130	U. S. TREASURY COUPON		10/20/2023	10,000,000.00	10,030,900.00	9,980,217.72	4.500	5.073	136	07/15/2026
912828X88	23131	U. S. TREASURY COUPON		10/20/2023	15,000,000.00	14,802,600.00	14,567,872.22	2.375	5.014	440	05/15/2027
9128284N7	23132	U. S. TREASURY COUPON		10/20/2023	15,000,000.00	14,837,700.00	14,386,535.72	2.875	4.968	806	05/15/2028
91282CHM6	23150	U. S. TREASURY COUPON		11/06/2023	10,000,000.00	10,030,900.00	9,995,239.31	4.500	4.635	136	07/15/2026
91282CHB0	23152	U. S. TREASURY COUPON		11/06/2023	10,000,000.00	9,997,900.00	9,980,150.65	3.625	4.659	75	05/15/2026
9128284V9	23203	U. S. TREASURY COUPON		12/21/2023	20,000,000.00	19,762,600.00	19,534,218.66	2.875	3.920	898	08/15/2028
91282CHM6	23204	U. S. TREASURY COUPON		12/21/2023	40,000,000.00	40,123,600.00	40,047,171.82	4.500	4.162	136	07/15/2026
91282CHB0	23205	U. S. TREASURY COUPON		12/21/2023	10,000,000.00	9,997,900.00	9,989,297.95	3.625	4.176	75	05/15/2026
9128282R0	23433	U. S. TREASURY COUPON		07/09/2024	15,000,000.00	14,746,350.00	14,568,219.96	2.250	4.383	532	08/15/2027
9128282R0	23434	U. S. TREASURY COUPON		07/09/2024	20,000,000.00	19,661,800.00	19,427,230.57	2.250	4.372	532	08/15/2027
91282CHH7	24089	U. S. TREASURY COUPON		11/08/2024	20,000,000.00	20,026,600.00	19,994,611.52	4.125	4.220	106	06/15/2026
91282CHX2	24090	U. S. TREASURY COUPON		11/08/2024	10,000,000.00	10,234,400.00	10,047,193.79	4.375	4.167	914	08/31/2028
9128284V9	24091	U. S. TREASURY COUPON		11/08/2024	15,000,000.00	14,821,950.00	14,565,602.29	2.875	4.158	898	08/15/2028
91282CKS9	24092	U. S. TREASURY COUPON		11/08/2024	15,000,000.00	15,040,950.00	15,023,614.62	4.875	4.215	91	05/31/2026
91282CHB0	24116	U. S. TREASURY COUPON		12/06/2024	30,000,000.00	29,993,700.00	29,971,205.36	3.625	4.108	75	05/15/2026
91282CHM6	24117	U. S. TREASURY COUPON		12/06/2024	50,000,000.00	50,154,500.00	50,070,712.46	4.500	4.102	136	07/15/2026
91282CJA0	24127	U. S. TREASURY COUPON		12/18/2024	10,000,000.00	10,304,300.00	10,091,787.26	4.625	4.235	944	09/30/2028
9128284V9	24128	U. S. TREASURY COUPON		12/18/2024	30,000,000.00	29,643,900.00	29,081,562.27	2.875	4.230	898	08/15/2028
9128286B1	24168	U. S. TREASURY COUPON		01/28/2025	40,000,000.00	39,137,600.00	38,206,497.21	2.625	4.290	1,082	02/15/2029
91282CKD2	24209	U. S. TREASURY COUPON		03/05/2025	20,000,000.00	20,482,000.00	20,170,388.69	4.250	3.940	1,095	02/28/2029
9128286X3	24257	U. S. TREASURY COUPON		04/25/2025	15,000,000.00	14,940,750.00	14,934,047.69	2.125	3.942	91	05/31/2026
91282CHM6	24258	U. S. TREASURY COUPON		04/25/2025	15,000,000.00	15,046,350.00	15,031,088.85	4.500	3.921	136	07/15/2026

**General Fund
Portfolio Management
Portfolio Details - Investments
February 28, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
U.S. Treasury Coupons											
91282CJT9	25117	U. S. TREASURY COUPON		12/05/2025	25,000,000.00	25,096,750.00	25,089,285.71	4.000	3.578	320	01/15/2027
91282CKZ3	25118	U. S. TREASURY COUPON		12/05/2025	50,000,000.00	50,613,500.00	50,553,436.44	4.375	3.538	501	07/15/2027
91282CAE1	25158	U. S. TREASURY COUPON		01/12/2026	30,000,000.00	26,478,600.00	26,225,354.27	0.625	3.719	1,628	08/15/2030
91282CAE1	25159	U. S. TREASURY COUPON		01/12/2026	10,000,000.00	8,826,200.00	8,740,267.00	0.625	3.723	1,628	08/15/2030
912828ZQ6	25125	U. S. TREASURY BILL		12/11/2025	20,000,000.00	17,794,977.90	17,659,472.95	0.625	3.675	1,536	05/15/2030
912828ZQ6	25134	U. S. TREASURY BILL		12/18/2025	25,000,000.00	22,246,743.78	22,143,827.37	0.625	3.600	1,536	05/15/2030
912828Z94	25156	U. S. TREASURY BILL		01/12/2026	20,000,000.00	18,570,400.00	18,415,075.25	1.500	3.673	1,447	02/15/2030
912828ZQ6	25157	U. S. TREASURY BILL		01/12/2026	30,000,000.00	26,709,041.44	26,466,405.08	0.625	3.707	1,536	05/15/2030
Subtotal and Average			799,438,477.58		795,000,000.00	778,890,463.12	772,459,939.92		4.106	626	
mPower Placer - Long Term											
2015NR-A	2015NR-A	mPower Placer		06/16/2015	750,022.91	737,287.52	750,022.91	4.000	3.999	3,472	09/02/2035
2015NR-BLT	2015NR-BLT	mPower Placer		09/02/2016	1,645,818.14	1,611,716.79	1,645,818.14	4.000	4.000	3,838	09/02/2036
72601FAC2	2018B	Public Finance Authority		06/28/2018	302,614.80	310,773.30	304,138.94	5.050	4.894	4,597	10/01/2038
Subtotal and Average			2,700,005.27		2,698,455.85	2,659,777.61	2,699,979.99		4.100	3,822	
Federal Agency Coupons											
3133EMYE6	20641	FEDERAL FARM CREDIT BANK		05/04/2021	10,000,000.00	9,951,300.00	9,999,650.00	1.000	1.021	64	05/04/2026
3133ERN72	24132	FEDERAL FARM CREDIT BANK		12/19/2024	20,000,000.00	20,237,000.00	20,000,000.00	4.220	4.221	688	01/18/2028
3133ER2R1	24171	FEDERAL FARM CREDIT BANK		01/29/2025	20,000,000.00	20,484,200.00	19,999,398.98	4.310	4.312	1,202	06/15/2029
3133ER2S9	24172	FEDERAL FARM CREDIT BANK		01/29/2025	15,000,000.00	15,364,650.00	14,999,435.72	4.310	4.312	1,209	06/22/2029
3133ER2Q3	24173	FEDERAL FARM CREDIT BANK		01/29/2025	15,000,000.00	15,366,750.00	14,999,550.19	4.310	4.312	1,192	06/05/2029
3133ER2P5	24174	FEDERAL FARM CREDIT BANK		01/29/2025	25,000,000.00	25,626,500.00	25,000,000.00	4.310	4.311	1,270	08/22/2029
3133ER2M2	24175	FEDERAL FARM CREDIT BANK		01/29/2025	25,000,000.00	25,621,500.00	25,000,000.00	4.310	4.310	1,256	08/08/2029
3133ER2N0	24176	FEDERAL FARM CREDIT BANK		01/29/2025	25,000,000.00	25,624,000.00	25,000,000.00	4.310	4.311	1,263	08/15/2029
3133ER6S5	24213	FEDERAL FARM CREDIT BANK		03/06/2025	20,000,000.00	20,280,200.00	20,000,000.00	3.970	3.970	1,285	09/06/2029
3133ETZ91	25106	FEDERAL FARM CREDIT BANK		11/21/2025	10,000,000.00	10,019,400.00	10,000,000.00	3.670	3.671	1,584	07/02/2030
3133EWAC4	25153	FEDERAL FARM CREDIT BANK		01/09/2026	20,000,000.00	20,110,600.00	20,000,000.00	3.600	3.600	1,410	01/09/2030
3133EWAC4	25154	FEDERAL FARM CREDIT BANK		01/09/2026	10,000,000.00	10,055,300.00	10,000,000.00	3.600	3.600	1,410	01/09/2030
3130ANJD3	21083	FEDERAL HOME LOAN BANK		08/26/2021	5,000,000.00	4,971,400.00	5,000,000.00	2.500	1.070	178	08/26/2026
3130ANRX0	21084	FEDERAL HOME LOAN BANK		08/26/2021	5,000,000.00	4,940,900.00	5,000,000.00	1.250	1.000	178	08/26/2026
3130ANVS6	21092	FEDERAL HOME LOAN BANK		08/30/2021	10,000,000.00	9,869,500.00	10,000,000.00	1.000	1.001	178	08/26/2026
3130APUN3	21215	FEDERAL HOME LOAN BANK		11/30/2021	4,000,000.00	3,952,240.00	4,000,000.00	1.250	1.250	180	08/28/2026
3130AQCT8	21256	FEDERAL HOME LOAN BANK		12/17/2021	5,000,000.00	4,954,900.00	5,000,000.00	1.330	1.468	138	07/17/2026
3130AVWF5	22491	FEDERAL HOME LOAN BANK		05/03/2023	10,000,000.00	10,000,200.00	10,000,000.00	3.660	3.661	123	07/02/2026
3130AVWA6	22493	FEDERAL HOME LOAN BANK		05/03/2023	20,000,000.00	20,011,400.00	20,000,000.00	3.725	3.726	488	07/02/2027

**General Fund
Portfolio Management
Portfolio Details - Investments
February 28, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupons											
3130AVWC2	22494	FEDERAL HOME LOAN BANK		05/03/2023	10,000,000.00	10,008,100.00	10,000,000.00	3.615	3.616	673	01/03/2028
3130AW2U3	22511	FEDERAL HOME LOAN BANK		05/16/2023	10,000,000.00	10,001,100.00	10,000,000.00	3.620	3.621	352	02/16/2027
3130AW2V1	22512	FEDERAL HOME LOAN BANK		05/16/2023	10,000,000.00	10,000,700.00	10,000,000.00	3.625	3.626	344	02/08/2027
3130AW2W9	22513	FEDERAL HOME LOAN BANK		05/16/2023	10,000,000.00	10,000,800.00	10,000,000.00	3.635	3.636	337	02/01/2027
3130AW7B0	22527	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	10,010,000.00	10,000,000.00	3.925	3.926	199	09/16/2026
3130AW7C8	22528	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	10,010,500.00	10,000,000.00	3.920	3.921	206	09/23/2026
3130AW7A2	22529	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	10,008,900.00	10,000,000.00	3.930	3.932	187	09/04/2026
3130AW6Z8	22530	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	10,009,500.00	10,000,000.00	3.930	3.931	193	09/10/2026
3130AWFA3	22559	FEDERAL HOME LOAN BANK		06/12/2023	10,000,000.00	10,079,800.00	10,000,000.00	4.060	4.061	556	09/08/2027
3130AWF96	22560	FEDERAL HOME LOAN BANK		06/12/2023	10,000,000.00	10,087,200.00	10,000,000.00	4.020	4.021	708	02/07/2028
3130AWFB1	22565	FEDERAL HOME LOAN BANK		06/13/2023	10,000,000.00	10,079,900.00	10,000,000.00	4.070	4.071	549	09/01/2027
3130AWFC9	22566	FEDERAL HOME LOAN BANK		06/13/2023	10,000,000.00	10,090,000.00	10,000,000.00	4.025	4.026	715	02/14/2028
3130AWL57	22602	FEDERAL HOME LOAN BANK		07/06/2023	20,000,000.00	20,155,800.00	20,000,000.00	4.460	4.461	348	02/12/2027
3130AWL73	22603	FEDERAL HOME LOAN BANK		07/06/2023	10,000,000.00	10,081,300.00	10,000,000.00	4.450	4.451	361	02/25/2027
3130AWL81	22604	FEDERAL HOME LOAN BANK		07/06/2023	10,000,000.00	10,134,300.00	10,000,000.00	4.275	4.276	708	02/07/2028
3130AWL65	22605	FEDERAL HOME LOAN BANK		07/06/2023	20,000,000.00	20,160,600.00	20,000,000.00	4.450	4.451	358	02/22/2027
3130AWL99	22606	FEDERAL HOME LOAN BANK		07/06/2023	20,000,000.00	20,276,600.00	20,000,000.00	4.270	4.271	723	02/22/2028
3130AWMN7	23031	FEDERAL HOME LOAN BANK		08/16/2023	20,000,000.00	20,407,200.00	19,977,683.19	4.375	4.430	831	06/09/2028
3130AWWZ9	23032	FEDERAL HOME LOAN BANK		08/16/2023	10,000,000.00	10,119,000.00	10,000,000.00	4.500	4.502	471	06/15/2027
3130AWX21	23033	FEDERAL HOME LOAN BANK		08/16/2023	10,000,000.00	10,133,000.00	10,000,000.00	4.480	4.480	527	08/10/2027
3130AWX62	23034	FEDERAL HOME LOAN BANK		08/16/2023	10,000,000.00	10,130,000.00	10,000,000.00	4.470	4.470	522	08/05/2027
3130AWX54	23035	FEDERAL HOME LOAN BANK		08/16/2023	10,000,000.00	10,116,800.00	10,000,000.00	4.495	4.497	466	06/10/2027
3130AYBK1	23210	FEDERAL HOME LOAN BANK		12/22/2023	15,000,000.00	15,121,200.00	15,000,000.00	3.855	3.855	862	07/10/2028
3130AYBJ4	23211	FEDERAL HOME LOAN BANK		12/22/2023	15,000,000.00	15,044,850.00	15,000,000.00	4.000	4.001	316	01/11/2027
3130AYGV2	23232	FEDERAL HOME LOAN BANK		01/11/2024	10,000,000.00	10,018,000.00	10,000,000.00	4.193	4.194	157	08/05/2026
3130AYGR1	23233	FEDERAL HOME LOAN BANK		01/11/2024	15,000,000.00	15,027,900.00	15,000,000.00	4.180	4.181	164	08/12/2026
3130AYGU4	23234	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,075,400.00	20,000,000.00	4.110	4.110	310	01/05/2027
3130AYGW0	23235	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,237,400.00	20,000,000.00	3.985	3.985	1,044	01/08/2029
3130AYGT7	23236	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,162,600.00	20,000,000.00	4.020	4.020	681	01/11/2028
3130AYGP5	23237	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,134,600.00	20,000,000.00	4.050	4.050	493	07/07/2027
3130AYGQ3	23238	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,216,200.00	20,000,000.00	3.980	3.980	857	07/05/2028
3130AYQF6	23260	FEDERAL HOME LOAN BANK		01/29/2024	30,000,000.00	30,209,100.00	30,000,000.00	4.060	4.061	498	07/12/2027
3130AYQE9	23261	FEDERAL HOME LOAN BANK		01/29/2024	15,000,000.00	15,094,050.00	15,000,000.00	4.070	4.071	457	06/01/2027
3130AYQB5	23262	FEDERAL HOME LOAN BANK		01/29/2024	20,000,000.00	20,267,800.00	20,000,000.00	4.040	4.040	1,062	01/26/2029
3130AYQ90	23263	FEDERAL HOME LOAN BANK		01/29/2024	20,000,000.00	20,249,800.00	20,000,000.00	4.057	4.058	855	07/03/2028
3130AYQA7	23264	FEDERAL HOME LOAN BANK		01/29/2024	20,000,000.00	20,242,000.00	20,000,000.00	4.062	4.063	823	06/01/2028

**General Fund
Portfolio Management
Portfolio Details - Investments
February 28, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupons											
3130AYQD1	23265	FEDERAL HOME LOAN BANK		01/29/2024	20,000,000.00	20,161,600.00	20,000,000.00	4.060	4.061	561	09/13/2027
3130AYQC3	23266	FEDERAL HOME LOAN BANK		01/29/2024	15,000,000.00	15,100,050.00	15,000,000.00	4.070	4.071	477	06/21/2027
3130B1NC7	23411	FEDERAL HOME LOAN BANK		06/05/2024	15,000,000.00	15,055,950.00	15,000,000.00	4.710	4.713	145	07/24/2026
3130B1XB8	23436	FEDERAL HOME LOAN BANK		07/10/2024	10,000,000.00	10,175,000.00	10,000,000.00	4.300	4.301	837	06/15/2028
3130B4CD1	24129	FEDERAL HOME LOAN BANK		12/19/2024	30,000,000.00	30,441,900.00	30,000,000.00	4.110	4.112	929	09/15/2028
3130B4CE94	24130	FEDERAL HOME LOAN BANK		12/19/2024	20,000,000.00	20,364,800.00	20,000,000.00	4.080	4.081	1,300	09/21/2029
3130B4CF6	24131	FEDERAL HOME LOAN BANK		12/19/2024	20,000,000.00	20,358,400.00	20,000,000.00	4.080	4.081	1,237	07/20/2029
3130B4LH2	24149	FEDERAL HOME LOAN BANK		01/13/2025	20,000,000.00	20,445,000.00	20,000,000.00	4.370	4.370	1,046	01/10/2029
3130B5GJ1	24212	FEDERAL HOME LOAN BANK		03/06/2025	20,000,000.00	20,297,400.00	20,000,000.00	3.980	3.980	1,285	09/06/2029
3130B5U48	24238	FEDERAL HOME LOAN BANK		04/07/2025	20,000,000.00	20,149,400.00	20,000,000.00	3.750	3.751	1,236	07/19/2029
3130B5W87	24247	FEDERAL HOME LOAN BANK		04/14/2025	15,000,000.00	15,133,650.00	15,000,000.00	3.875	3.876	1,047	01/11/2029
3130B6QL3	24297	FEDERAL HOME LOAN BANK		06/11/2025	10,000,000.00	10,200,300.00	10,000,000.00	4.050	4.051	1,425	01/24/2030
3130B6QM1	24298	FEDERAL HOME LOAN BANK		06/11/2025	10,000,000.00	10,200,400.00	10,000,000.00	4.050	4.051	1,426	01/25/2030
3130B8WP3	25127	FEDERAL HOME LOAN BANK		12/12/2025	25,000,000.00	25,132,250.00	25,000,000.00	3.680	3.673	1,597	07/15/2030
3130B8XZ0	25136	FEDERAL HOME LOAN BANK		12/22/2025	30,000,000.00	30,207,600.00	30,000,000.00	3.580	3.581	1,597	07/15/2030
3130B95D8	25161	FEDERAL HOME LOAN BANK		01/13/2026	10,000,000.00	10,071,700.00	10,000,000.00	3.640	3.640	1,412	01/11/2030
3130B95C0	25162	FEDERAL HOME LOAN BANK		01/13/2026	10,000,000.00	10,084,100.00	10,000,000.00	3.680	3.680	1,594	07/12/2030
3134GXHY3	21206	FED HOME LOAN MORT CORP		11/22/2021	5,000,000.00	4,953,850.00	4,993,358.69	0.750	1.190	114	06/23/2026
3136GC6R1	25108	FEDERAL NATIONAL MORT. ASSOC.		11/21/2025	10,000,000.00	9,998,400.00	10,000,000.00	4.000	4.001	1,662	09/18/2030
Subtotal and Average			1,121,467,211.34		1,109,000,000.00	1,120,175,690.00	1,108,969,076.77		3.948	829	
Collateralized Inactive Bank Deposits											
SYS19055	19055	Five Star Bank - PIMMA			5,000,000.00	5,000,000.00	5,000,000.00	3.931	3.931	1	
Subtotal and Average			5,000,000.00		5,000,000.00	5,000,000.00	5,000,000.00		3.931	1	
Medium Term Notes											
06055JQJ1	25190	BANK OF AMERICA CORP		02/12/2026	10,000,000.00	10,091,716.67	9,990,048.76	4.350	4.378	1,807	02/10/2031
Subtotal and Average			6,065,345.03		10,000,000.00	10,091,716.67	9,990,048.76		4.378	1,807	
Negotiable Certificates of Deposit											
22536JQW8	24295	Credit Agricole CIB NY		06/10/2025	10,000,000.00	10,020,100.00	10,000,000.00	4.350	4.410	131	07/10/2026
22536JZ57	25104	Credit Agricole CIB NY		11/21/2025	10,000,000.00	10,009,400.00	10,000,000.00	3.980	4.035	131	07/10/2026
22536JZ65	25105	Credit Agricole CIB NY		11/21/2025	20,000,000.00	20,022,800.00	20,000,000.00	3.980	4.035	149	07/28/2026
22536J6R1	25170	Credit Agricole CIB NY		01/21/2026	25,000,000.00	25,015,500.00	25,000,000.00	3.840	3.893	320	01/15/2027
53947B3X6	24296	Lloyds Bank Corp Mkts NY		06/10/2025	25,000,000.00	25,047,500.00	25,000,000.00	4.380	4.441	131	07/10/2026
89115DA48	24260	TORONTO DOMINION BANK NY		04/25/2025	20,000,000.00	20,013,600.00	20,000,000.00	4.220	4.279	82	05/22/2026

**General Fund
Portfolio Management
Portfolio Details - Investments
February 28, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Negotiable Certificates of Deposit											
89115D7L4	24261	TORONTO DOMINION BANK NY		04/25/2025	20,000,000.00	20,012,800.00	20,000,000.00	4.250	4.309	68	05/08/2026
90275DVT4	25171	UBS AG STAMFORD CT		01/21/2026	25,000,000.00	24,987,750.00	25,000,000.00	3.790	3.843	430	05/05/2027
90275DVU1	25172	UBS AG STAMFORD CT		01/21/2026	50,000,000.00	49,949,000.00	50,000,000.00	3.790	3.843	500	07/14/2027
Subtotal and Average			209,285,714.29		205,000,000.00	205,078,450.00	205,000,000.00		4.066	271	
Collateralized CDs											
SYS24254	24254	River City Bank		04/19/2025	3,000,000.00	3,000,000.00	3,000,000.00	3.990	4.045	49	04/19/2026
Subtotal and Average			5,857,142.86		3,000,000.00	3,000,000.00	3,000,000.00		4.045	49	
Supranational											
459058JC8	25107	INT'L BANK RECON & DEVELOP		11/21/2025	10,000,000.00	8,976,301.39	8,915,389.90	0.876	3.705	1,535	05/14/2030
45950KDH0	24236	International Finance Corp		04/04/2025	20,000,000.00	20,493,400.00	20,292,641.57	4.250	3.770	1,219	07/02/2029
4581X0EN4	24243	INTER-AMERICAN DEVELOPMENT BNK		04/11/2025	20,000,000.00	20,384,400.00	20,080,814.80	4.125	3.975	1,082	02/15/2029
Subtotal and Average			49,282,700.05		50,000,000.00	49,854,101.39	49,288,846.27		3.842	1,220	
Commercial Paper Disc. -Amortizing											
22533UC27	25202	Credit Agricole CIB		02/27/2026	135,000,000.00	134,986,687.50	134,986,687.50	3.550	3.600	1	03/02/2026
62479MEB5	25186	MUFG BANK LTD/NY		02/09/2026	30,000,000.00	29,783,450.00	29,783,450.00	3.660	3.745	71	05/11/2026
Subtotal and Average			101,806,694.20		165,000,000.00	164,770,137.50	164,770,137.50		3.627	14	
Federal Agency Disc. -Amortizing											
Subtotal and Average			27,855,452.38								
Local Agency Bond											
SYS16098	16098	Ackerman School District		04/03/2017	4,491,125.88	4,281,031.01	4,491,125.88	2.800	2.800	4,051	04/03/2037
SYS17042	17042	Mid Placer Public School Trans		12/21/2017	86,815.10	88,047.01	86,815.10	2.850	2.850	660	12/21/2027
SYS18093	18093	Mid Placer Public School Trans		01/16/2019	323,282.72	329,674.02	323,282.72	3.000	3.000	1,052	01/16/2029
16115	16115	Newcastle Elementary SD		06/30/2017	2,386,105.55	1,987,268.01	2,386,105.55	2.800	2.800	7,791	06/30/2047
SYS23342	23342	Placer Hills Fire Protection		04/03/2024	530,194.84	530,194.84	530,194.84	4.170	4.170	1,129	04/03/2029
SYS23287	23287	Placer CEO Fire		02/01/2024	575,276.69	575,276.69	575,276.69	4.000	4.000	1,068	02/01/2029
Subtotal and Average			8,392,800.78		8,392,800.78	7,791,491.58	8,392,800.78		2.977	4,575	
mPower Placer											
2016NR-A	2016NR-A	mPower Placer		08/04/2016	2,775,439.11	2,543,051.59	2,775,439.11	3.000	3.042	4,203	09/02/2037
2017 NR	2017 NR	mPower Placer		07/06/2017	18,650.43	16,961.26	18,650.43	3.000	3.042	4,568	09/02/2038

**General Fund
Portfolio Management
Portfolio Details - Investments
February 28, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
mPower Placer											
2017 R	2017 R	mPower Placer		07/06/2017	21,433.08	19,491.89	21,433.08	3.000	3.042	4,568	09/02/2038
2018 NR	2018 NR	mPower Placer		07/26/2018	37,556.42	32,797.65	37,556.42	4.500	4.563	4,933	09/02/2039
2018 R	2018 R	mPower Placer		07/12/2018	93,281.87	93,756.67	93,281.87	4.500	4.563	4,933	09/02/2039
2018 S-NR	18003	Pioneer Community Energy		08/09/2018	244,282.52	245,975.40	244,282.52	4.500	4.563	4,933	09/02/2039
2017 S NR	2017 S-NR	Pioneer Community Energy		09/28/2017	106,759.75	93,988.08	106,759.75	3.000	3.042	4,568	09/02/2038
2017 S-R	2017 S-R	Pioneer Community Energy		07/06/2017	983,336.37	897,196.10	983,336.37	3.000	3.042	4,568	09/02/2038
2018 S-R	2018 S-R	Pioneer Community Energy		07/12/2018	806,270.20	810,970.76	806,270.20	4.500	4.563	4,933	09/02/2039
2019-20 R-1	2019-20 R-1	Pioneer Community Energy		07/11/2019	626,826.71	629,741.45	626,826.71	4.500	4.563	5,299	09/02/2040
2020-21 R1	2020-21 R1	Pioneer Community Energy		07/23/2020	618,005.20	620,532.84	618,005.20	4.500	4.563	5,664	09/02/2041
2021-22 R1	2021-22 R1	Pioneer Community Energy		08/26/2021	682,361.22	685,841.26	682,361.22	4.500	4.563	6,029	09/02/2042
2016S R-1	2016S R-1	Sierra Valley Energy Authority		01/26/2017	46,962.66	43,488.36	46,962.66	3.000	3.042	4,203	09/02/2037
Subtotal and Average			7,061,165.54		7,061,165.54	6,733,793.31	7,061,165.54		3.711	4,785	
mPower - Folsom											
2016-IA3 #2	2016-IA3 #2	mPower Folsom		07/14/2016	63,240.57	63,029.98	63,240.57	3.500	3.549	4,203	09/02/2037
2017-IA3 #3	2017-IA3 #3	mPower Folsom		07/27/2017	25,631.43	25,148.28	25,631.43	2.750	2.788	4,568	09/02/2038
MFIA-3	MFIA-3	mPower Folsom		09/01/2015	141,609.14	143,015.32	141,609.14	3.500	3.549	3,838	09/02/2036
MF R-1	MFR-1	mPower Folsom		09/01/2015	90,188.57	83,803.22	90,188.57	3.500	3.549	3,838	09/02/2036
Subtotal and Average			320,669.71		320,669.71	314,996.80	320,669.71		3.488	3,968	
Total and Average			2,502,224,590.68		2,500,473,091.88	2,494,360,617.98	2,476,952,665.24		3.990	655	

**General Fund
Portfolio Management
Portfolio Details - Cash
February 28, 2026**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity
Cash at Bank										
SYS00000	00000	PLACER COUNTY CASH			23,066,508.35	23,066,508.35	23,066,508.35		0.000	1
Undeposited Receipts										
SYS00000VAULT	00000VAULT	PLACER COUNTY CASH			2,480,121.71	2,480,121.71	2,480,121.71		0.000	1
		Average Balance	0.00							1
Total Cash and Investments			2,502,224,590.68		2,526,019,721.94	2,519,907,248.04	2,502,499,295.30		3.990	655

**General Fund
Portfolio Management
Portfolio Details - Pending Redemptions
February 28, 2026**

Security #	Investment #	Issuer	Purchase Settlement Date	Mat/Sale Settlement Date	Par Value
U.S. Treasury Coupons					
91282CBQ3	20558	U. S. TREASURY COUPON	03/11/2021	02/28/2026	10,000,000.00
				Subtotal	10,000,000.00
				Total Pending Redemptions	10,000,000.00

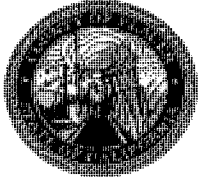


**PLACER COUNTY 2025/26
Summary by Issuer
February 28, 2026**

Issuer	Number of Investments	Par Value	Remaining Cost	% of Portfolio	Average YTM 365	Average Days to Maturity
Ackerman School District	1	4,491,125.88	4,491,125.88	0.18	2.800	4,051
BANK OF AMERICA CORP	1	10,000,000.00	9,987,500.00	0.40	4.378	1,807
Credit Agricole CIB	1	135,000,000.00	134,960,062.49	5.41	3.600	1
California Asset Mgm't Prog	1	60,000,000.00	60,000,000.00	2.41	4.100	1
Credit Agricole CIB NY	4	65,000,000.00	65,000,000.00	2.61	4.038	209
CalTRUST	1	80,000,000.00	80,000,000.00	3.21	4.100	1
FEDERAL FARM CREDIT BANK	12	215,000,000.00	214,987,850.00	8.63	3.989	1,177
FEDERAL HOME LOAN BANK	60	879,000,000.00	878,952,720.00	35.27	3.953	738
FED HOME LOAN MORT CORP	1	5,000,000.00	4,902,100.00	0.20	1.190	114
FEDERAL NATIONAL MORT. ASSOC.	1	10,000,000.00	10,000,000.00	0.40	4.001	1,662
Five Star Bank - PIMMA	1	5,000,000.00	5,000,000.00	0.20	3.931	1
INT'L BANK RECON & DEVELOP	1	10,000,000.00	8,841,890.00	0.35	3.705	1,535
International Finance Corp	1	20,000,000.00	20,372,320.00	0.82	3.770	1,219
INTER-AMERICAN DEVELOPMENT BNK	1	20,000,000.00	20,105,120.00	0.81	3.975	1,082
Lloyds Bank Corp Mkts NY	1	25,000,000.00	25,000,000.00	1.00	4.441	131
Mid Placer Public School Trans	2	410,097.82	410,097.82	0.02	2.968	969
mPower Folsom	4	320,669.71	320,669.71	0.01	3.488	3,968
mPower Placer	7	5,342,201.96	5,342,201.96	0.21	3.509	4,009
MUFG BANK LTD/NY	1	30,000,000.00	29,722,450.00	1.19	3.745	71
Newcastle Elementary SD	1	2,386,105.55	2,386,105.55	0.10	2.800	7,791
Placer Hills Fire Protection	1	530,194.84	530,194.84	0.02	4.170	1,129
Public Finance Authority	1	302,614.80	308,667.10	0.01	4.894	4,597
Pioneer Community Energy	7	4,067,841.97	4,067,841.97	0.16	4.155	5,186

PLACER COUNTY 2025/26
 Summary by Issuer
 February 28, 2026

Issuer	Number of Investments	Par Value	Remaining Cost	% of Portfolio	Average YTM 365	Average Days to Maturity
PLACER COUNTY CASH	2	25,546,630.06	25,546,630.06	1.03	0.000	1
Placer CEO Fire	1	575,276.69	575,276.69	0.02	4.000	1,068
River City Bank	1	3,000,000.00	3,000,000.00	0.12	4.045	49
Sierra Valley Energy Authority	1	46,962.66	46,962.66	0.00	3.042	4,203
TORONTO DOMINION BANK NY	2	40,000,000.00	40,000,000.00	1.60	4.294	75
UBS AG STAMFORD CT	2	75,000,000.00	75,000,000.00	3.01	3.843	477
U. S. TREASURY COUPON	35	700,000,000.00	678,274,609.38	27.21	4.161	516
U. S. TREASURY BILL	4	95,000,000.00	84,208,789.06	3.38	3.665	1,517
Total and Average	160	2,526,019,721.94	2,492,341,185.17	100.00	3.949	648



**General Fund
Purchases Report
Sorted by Fund - Fund
February 1, 2026 - February 28, 2026**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment	Principal Purchase	Accrued at Purchase	Rate at Purchas	Maturity Date	YTM	Ending Book Value
General Fund													
21687BB34	25180	1010	ACP	RABONY	110,000,000.00	02/02/2026	02/03 - At Maturity	109,989,152.77		3.550	02/03/2026	3.550	0.00
313385SR8	25181	1010	AFD	FHLBDN	115,000,000.00	02/03/2026	02/04 - At Maturity	114,988,659.71		3.550	02/04/2026	3.600	0.00
21687BB59	25182	1010	ACP	RABONY	115,000,000.00	02/04/2026	02/05 - At Maturity	114,988,659.71		3.550	02/05/2026	3.550	0.00
21687BB67	25183	1010	ACP	RABONY	120,000,000.00	02/05/2026	02/06 - At Maturity	119,988,166.66		3.550	02/06/2026	3.550	0.00
21687BB91	25184	1010	ACP	RABONY	95,000,000.00	02/06/2026	02/09 - At Maturity	94,971,895.83		3.550	02/09/2026	3.551	0.00
22533UBA0	25185	1010	ACP	CACPNY	65,000,000.00	02/09/2026	02/10 - At Maturity	64,993,590.27		3.550	02/10/2026	3.550	0.00
62479MEB5	25186	1010	ACP	MUFGBK	30,000,000.00	02/09/2026	05/11 - At Maturity	29,722,450.00		3.660	05/11/2026	3.694	29,783,450.00
313385SY3	25187	1010	AFD	FHLBDN	70,000,000.00	02/10/2026	02/11 - At Maturity	69,993,097.22		3.550	02/11/2026	3.600	0.00
313385SZ0	25188	1010	AFD	FHLBDN	90,000,000.00	02/11/2026	02/12 - At Maturity	89,991,125.00		3.550	02/12/2026	3.600	0.00
06055JQJ1	25190	1010	MTN	BAC	10,000,000.00	02/12/2026	08/10 - 02/10	9,987,500.00	2,416.67	4.350	02/10/2031	4.378	9,990,048.76
21687BBD2	25189	1010	ACP	RABONY	75,000,000.00	02/12/2026	02/13 - At Maturity	74,992,604.16		3.550	02/13/2026	3.550	0.00
313385TE6	25191	1010	AFD	FHLBDN	80,000,000.00	02/13/2026	02/17 - At Maturity	79,968,444.45		3.550	02/17/2026	3.601	0.00
21687BBJ9	25192	1010	ACP	RABONY	120,000,000.00	02/17/2026	02/18 - At Maturity	119,988,166.66		3.550	02/18/2026	3.550	0.00
313385TG1	25193	1010	AFD	FHLBDN	100,000,000.00	02/18/2026	02/19 - At Maturity	99,990,083.34		3.570	02/19/2026	3.620	0.00
21687BBK6	25194	1010	ACP	RABONY	25,000,000.00	02/18/2026	02/19 - At Maturity	24,997,534.72		3.550	02/19/2026	3.550	0.00
22533UBL6	25196	1010	ACP	CACPNY	25,000,000.00	02/19/2026	02/20 - At Maturity	24,997,534.72		3.550	02/20/2026	3.550	0.00
21687BBL4	25195	1010	ACP	RABONY	100,000,000.00	02/19/2026	02/20 - At Maturity	99,990,138.88		3.550	02/20/2026	3.550	0.00
21687BBP5	25197	1010	ACP	RABONY	115,000,000.00	02/20/2026	02/23 - At Maturity	114,965,979.16		3.550	02/23/2026	3.551	0.00
21687BBQ3	25198	1010	ACP	RABONY	115,000,000.00	02/23/2026	02/24 - At Maturity	114,988,659.71		3.550	02/24/2026	3.550	0.00
21687BBR1	25199	1010	ACP	RABONY	140,000,000.00	02/24/2026	02/25 - At Maturity	139,986,194.44		3.550	02/25/2026	3.550	0.00
21687BBS9	25200	1010	ACP	RABONY	145,000,000.00	02/25/2026	02/26 - At Maturity	144,985,701.38		3.550	02/26/2026	3.550	0.00
21687BBT7	25201	1010	ACP	RABONY	195,000,000.00	02/26/2026	02/27 - At Maturity	194,980,770.82		3.550	02/27/2026	3.550	0.00
22533UC27	25202	1010	ACP	CACPNY	135,000,000.00	02/27/2026	03/02 - At Maturity	134,960,062.49		3.550	03/02/2026	3.551	134,986,687.50
				Subtotal	2,190,000,000.00			2,189,406,172.10	2,416.67				174,760,186.26
				Total Purchases	2,190,000,000.00			2,189,406,172.10	2,416.67				174,760,186.26

