

PRELIMINARY OFFICIAL STATEMENT DATED MAY 21, 2026

NEW ISSUE—BOOK-ENTRY ONLY

RATING
Moody's: "MIG 1"
See "RATING" herein

In the opinion of Stradling Yocca Carlson & Rauth, LLP, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described in this Official Statement, interest (and original issue discount) on the Notes 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 Notes is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences with respect to the Notes, including with respect to the alternative minimum tax imposed on certain large corporations.



\$17,000,000*
WESTERN PLACER UNIFIED SCHOOL DISTRICT
(Placer County, California)
2026 Tax and Revenue Anticipation Notes

Dated: Date of Delivery

Due: June 30, 2027

The above-captioned Notes (the "Notes") issued by the Board of Supervisors of Placer County, California (the "County") on behalf of the Western Placer Unified School District (the "District") will be issued in fully registered form, without coupons. The Notes will be registered in the name of Cede & Co., as the nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Notes. Individual purchases of Notes will be made in book-entry form only in denominations of \$5,000 or any integral multiple thereof. Purchasers of the Notes will not receive securities certificates representing their ownership interest in the Notes. The principal of and interest on the Notes will be paid at maturity by the Treasurer-Tax Collector of the County, as paying agent (the "Paying Agent"), to DTC, which is obligated in turn to remit such principal and interest to its DTC participants for subsequent disbursement to the Beneficial Owners of the Notes, as described herein. See "THE NOTES" herein.

The Notes are not subject to redemption prior to maturity.

The Notes are issued to finance, in part, the general fund cash flow requirements of the District for fiscal year 2026-27.

The Notes, in accordance with California law, are general obligations of the District but are payable only out of taxes, income, revenue, cash receipts and other moneys of the District attributable to fiscal year 2026-27 and legally available for payment thereof. See "THE NOTES—Security for and Sources of Payment" herein. The Notes are secured by a pledge of the first taxes, income, revenues, cash receipts, and other monies to be received (a) in an amount equal to fifty percent (50%) of the principal amount of the Notes to be received by the County on behalf of the District in January, 2027, and (b) in an amount equal to fifty percent (50%) of the principal amount of the Notes and all interest due on the Notes to be received by the County on behalf of the District in April, 2027, intended as receipts for the General Fund of the District for Fiscal Year 2026-27 and generally available for the payment of current expenses and obligations of the District.

THE NOTES ARE SECURED BY AND PAYABLE FROM THE PLEDGED REVENUES OF THE DISTRICT. THE OBLIGATION OF THE DISTRICT TO PAY THE PRINCIPAL OF AND INTEREST ON THE NOTES IS A GENERAL OBLIGATION OF THE DISTRICT AND NEITHER THE GENERAL FUND, CREDIT NOR TAXING POWER OF THE DISTRICT ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE NOTES.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Coupon Yield Price CUSIP[†]

The Notes are offered when, as and if issued by the District and accepted by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel. Certain disclosure matters will be passed upon for the District by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Disclosure Counsel. It is expected that the Notes in definitive form will be available for delivery to DTC in New York, New York, on or about July 1, 2026.*

Dated: June __, 2026

* Preliminary, subject to change.

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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 buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the District with respect to the Notes that has been deemed "final" by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

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

This Official Statement should be considered in its entirety. Where statutes, ordinances, reports or other documents are referenced in this Official statement, reference should be made to those documents and those sources for complete information regarding the subject matter.

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

The issuance and sale of the Notes have not been registered under the Securities Act of 1933 in reliance upon an exemption under Section 3(a)2 thereof.

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

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

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

No Securities Laws Registration. The issuance and sale of the Notes have not been registered under the Securities Act of 1933 in reliance upon an exemption under Section 3(a)2 thereof. The Notes have not been registered or qualified under the securities laws of any state.

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

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

Website. The District maintains a website. Unless specifically indicated otherwise, the information presented on such website is not incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Notes.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

600 Sixth Street, Suite 400
Lincoln, California 95648
(916) 645-6350
<http://www.wpusd.org/>*

**PLACER COUNTY
Board of Supervisors**

Shanti Landon, *Chair, District 2*
Cindy Gustafson, *Vice Chair, District 5*
Bonnie Gore, *Supervisor, District 1*
Anthony M. DeMattei, *Supervisor, District 3*
Suzanne Jones, *Supervisor, District 4*

WESTERN PLACER UNIFIED SCHOOL DISTRICT

Board of Trustees

April Nitsos, *President*
Marjorie Proffitt, *Vice President*
Criste Freymond, *Clerk*
George Dykstra, *Member*
Jason Price, *Member*

District Administration

Kerry Callahan, *Superintendent*
Carrie Carlson, *Chief Business Officer*
Jennifer Hladun, *Assistant Superintendent, Educational Services*
Michael Maul, *Assistant Superintendent, Personnel Services*

SPECIAL SERVICES

Municipal Advisor

Capitol Public Finance Group, LLC
Roseville, California

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

Paying Agent

Placer County Treasurer-Tax Collector
Auburn, California

* Information therein is not incorporated by reference into this Official Statement.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
General.....	1
The District	1
Authority for Issuance of the Notes.....	1
Purpose of the Notes.....	2
Continuing Disclosure	2
Professionals Involved in the Offering	2
Other Information	2
THE NOTES.....	3
Authority for Issuance	3
Purpose of the Notes.....	3
Description of the Notes	3
Limitations on Remedies; Bankruptcy.....	3
Investment of Note Proceeds	4
Book-Entry-Only System	4
Paying Agent.....	6
Registration and Transfer of Notes	6
SECURITY FOR AND SOURCES OF PAYMENT OF THE NOTES	7
Security for the Notes	7
Available Sources of Payment	7
Other District Funds	8
PLACER COUNTY POOLED INVESTMENT FUND.....	8
CASH FLOW PROJECTIONS	10
Note Coverage Ratio.....	14
DISTRICT INFORMATION	14
General Information.....	14
Board of Trustees and Administration	14
DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION	15
Allocation of State Funding to School Districts; Restructuring of the K-12 Funding System	15
Average Daily Attendance	15
District Budget and County Review	17
Accounting Practices	19
Financial Statements.....	20
Summary of District Revenues and Expenditures	23
Developer Fees and CFD Revenues	27
Effect of State Budget on District Revenues	28
District Expenditures	28
District Retirement Programs	29
Other Post-Employment Benefits	32
Charter Schools.....	33
District Debt Structure	34
STATE BUDGET INFORMATION	36
General Overview	37
2025-26 State Budget	37
Proposed 2026-27 State Budget.....	40
Future Actions and Events	45
ECONOMY OF THE DISTRICT.....	45
Introduction	45
Population.....	46

Employment.....	46
Major Employers	47
Construction Activity.....	49
Personal Income.....	49
CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS	50
Article XIII A of the California Constitution.....	50
Legislation Implementing Article XIII A	51
Proposition 50 and Proposition 171.....	51
Proposition 19.....	52
Article XIII B of the California Constitution.....	52
Article XIII C and XIII D of the California Constitution	53
Propositions 98 and 111	54
<i>Jarvis v. Connell</i>	55
Proposition 1A and Proposition 22	56
Proposition 55.....	56
Proposition 2.....	57
Future Initiatives	58
TAX MATTERS	58
LEGALITY FOR INVESTMENT IN CALIFORNIA	60
NO LITIGATION	60
APPROVAL OF LEGALITY	60
RATING.....	61
MUNICIPAL ADVISOR	61
UNDERWRITING.....	61
CONTINUING DISCLOSURE.....	61
ADDITIONAL INFORMATION	62
 APPENDIX A: AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025.....	 A-1
APPENDIX B: FORM OF CONTINUING DISCLOSURE CERTIFICATE	B-1
APPENDIX C: FORM OF OPINION OF BOND COUNSEL.....	C-1

OFFICIAL STATEMENT

\$17,000,000*

WESTERN PLACER UNIFIED SCHOOL DISTRICT (Placer County, California) 2026 Tax and Revenue Anticipation Notes

INTRODUCTION

This introduction is not a summary of this official statement (the “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, the inside cover page and the appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Notes to potential investors is made only by means of the entire Official Statement.

This Official Statement is provided to furnish information in connection with the issuance and sale of \$17,000,000* 2026 Tax and Revenue Anticipation Notes (the “Notes”) by the Board of Supervisors (the “County Board”) of Placer County (the “County”), in the name and on behalf of the Western Placer Unified School District (the “District”).

General

The Notes are general obligations of the District but are payable only out of taxes, income, revenue, cash receipts and other moneys of the District attributable to the fiscal year ending June 30, 2027, and legally available therefor (the “Pledged Revenues”). The District may, under existing law, issue the Notes only if the principal of and interest on the Notes will not exceed 85% of the estimated moneys which will be lawfully available for the payment of the Notes. The Notes will be dated their date of delivery and will mature on the date set forth on the cover hereof.

Pursuant to the State of California (the “State”) Constitution and laws of the State, specifically section 53850 *et seq.* of the California Government Code (the “Government Code”), the District has pledged for the payment of the Notes and the interest thereon certain unrestricted moneys to be received by the District in the months of January and April of 2027.

The District

The District was established in 1966 and encompasses approximately 170 square miles. The District is located in the western portion of the County. The District currently operates eight elementary schools, two middle schools, one high school, one continuation high school, and one independent study school program.

More detailed information regarding the District, the student population of the District, and the financial position of the District may be found under “DISTRICT INFORMATION,” and “ECONOMY OF THE DISTRICT” herein.

Authority for Issuance of the Notes

The Notes are issued under the authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with section 53850) of the Government Code (the “Act”) and pursuant to a resolution adopted by the District Board on April 21, 2026 (the “District Resolution”), and a resolution adopted by the County Board

* Preliminary, subject to change.

on May 19, 2026 (the “County Resolution” and, with the District Resolution, the “Resolutions”), and, under such statute, are obligations of the District but are payable solely from Pledged Revenues. See “THE NOTES—Authority for Issuance.”

Purpose of the Notes

Proceeds of the Notes will be used and expended for any purpose for which the District is authorized to expend funds from the general fund of the District, including, but not limited to, current expenses, capital expenditures, investment, and reinvestment, and the discharge of other obligations or indebtedness of the District. See “THE NOTES—Purpose of the Notes.”

Continuing Disclosure

The District has covenanted for the benefit of the registered owners of the Notes to provide notice of the occurrence of certain enumerated events which notice will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the notices of enumerated events is summarized in APPENDIX B—FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Professionals Involved in the Offering

Several professional firms have provided services to the District with respect to the sale and delivery of the Notes. Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, will deliver its legal opinion in substantially the form set forth in APPENDIX C—FORM OF OPINION OF BOND COUNSEL. Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, is also serving as Disclosure Counsel to the District with respect to the Notes. Capitol Public Finance Group, LLC, Roseville, California, will act as Municipal Advisor to the District with respect to the Notes. The payment of fees and expenses of such firms with respect to the Notes is contingent on the sale and delivery of the Notes. The District’s financial statements for the Fiscal Year ended June 30, 2025, have been audited by Crowe LLP, Sacramento, California. See APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information in this Official Statement.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Notes is available for inspection at the office of the Superintendent, Western Placer Unified School District, 600 Sixth Street, Suite 400, Lincoln, CA, 95648, Telephone: (916) 645-6350. The District may impose a charge for copying, mailing and handling.

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

THE NOTES

Authority for Issuance

The Notes are issued pursuant to the Act, and pursuant to the Resolutions.

Purpose of the Notes

The Notes are issued in anticipation of future receipt of moneys intended as general revenues of the District. Proceeds of the Notes will be deposited in the general fund of the District in the treasury of the County and shall be used and expended by the District for any purpose for which the District is authorized to expend funds from its general fund, including, but not limited to, current expenses, capital expenditures, investment and reinvestment and the discharge of other obligations or indebtedness of the District.

Description of the Notes

The Notes will be issued in fully registered form without coupons, initially registered in the name of Cede & Co. (“Cede & Co.”), nominee of The Depository Trust Company (“DTC”). As long as the Notes are held by DTC or a successor securities depository, ownership of the Notes will be evidenced by book-entry. See “THE NOTES—Book-Entry Only System.”

The Notes will be dated their date of delivery, will mature on June 30, 2027, will bear interest (payable at maturity and calculated on the basis of a 360-day year of twelve 30-day months) at the rate indicated on the cover page hereof, and will be issued in fully registered form in denominations of \$5,000 principal amount or any integral multiple thereof. Both the principal of and the interest on the Notes will be payable to the registered owners of the Notes (the “Owners”). The Treasurer-Tax Collector of the County (the “Treasurer-Tax Collector”) will act as Paying Agent, Registrar, and Transfer Agent (the “Paying Agent”) with respect to the Notes.

The Notes are not subject to redemption prior to their stated maturity date.

Limitations on Remedies; Bankruptcy

The rights of the Owners of the Notes are subject to the limitations on legal remedies against public agencies in the State. Additionally, enforceability of the rights and remedies of the Owners of the Notes, and the obligations incurred by the District, may become subject to the following: the Federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor’s rights generally, now or hereafter in effect; equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of the powers delegated to it by the Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the Owners of the Notes 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.

As described in “THE NOTES – Investment of Note Proceeds,” Pledged Revenues will be invested with the County Pool. See “PLACER COUNTY POOLED INVESTMENT FUND.” In the event of a petition for the adjustment of debts of the District under Chapter 9 of the Bankruptcy Code, or in the event of a bankruptcy of the County, while Pledged Revenues are invested in the County Pool, a court might hold that the Owners of the Notes payable from such Pledged Revenues do not have a valid prior lien on such Pledged Revenues. In that case, unless the Owners could “trace” Pledged Revenues deposited into the County Pool, the Owners would be unsecured (rather than secured) creditors of the District. The District can make no assurance that Pledged Revenues can be so traced. As such, the filing of bankruptcy by the District could delay or impair the payment

of all or a portion of the Notes. Further, the opinion of Bond Counsel as to the enforceability of the Notes is expressly qualified by a declaration of bankruptcy. See “APPENDIX C – FORM OF OPINION OF BOND COUNSEL.”

Investment of Note Proceeds

Pursuant to the Resolutions, proceeds from the sale of the Notes and the Pledged Revenues will be deposited by the Treasurer-Tax Collector in a proceeds fund to the credit of the District. Moneys in such proceeds fund shall be invested as permitted by the laws of the State and the Resolutions, including the County’s pooled investment fund, the State Treasurer’s Local Agency Investment Fund and in investment agreements. The proceeds of the Notes and the Pledged Revenues in such proceeds fund will be invested to mature on or before the maturity date of the Notes. See “PLACER COUNTY POOLED INVESTMENT FUND.”

Book-Entry-Only System

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof. The 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 or principal with respect to the Notes, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Notes, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Notes, 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, New York, will act as securities depository for the Notes. The Notes 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 Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, the 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, and 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 and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of Notes ("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 Notes 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 Notes representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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.

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, the District or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants shall 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 Notes at any time by giving reasonable notice to the County or the District, or the County or the District may decide to discontinue use of the system of book-entry transfers through DTC. Under such circumstances, in the event that a successor securities depository is not obtained, fully registered physical certificates are required to be printed and delivered.

In the event that the book-entry-only system is discontinued, payments of principal and interest with respect to the Notes shall be payable as described herein under the caption "THE NOTES—Payment," and transfers will be governed as described herein under the caption "Registration and Transfer of Notes."

Paying Agent

Payments of principal of and interest on the Notes will be paid by the Paying Agent directly to DTC. DTC will remit such payments to DTC Participants and such payments will thereafter be paid by DTC Participants to the Beneficial Owners. No assurance is given by the District that DTC or DTC Participants will make prompt transfer of payments to Beneficial Owners. The District is not responsible or liable for payments or failures to pay by DTC or any DTC Participant, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or any DTC Participant, or for any other act or omission of DTC or any DTC Participants. The Paying Agents, the District, the County and the Underwriter of the Notes have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Notes.

The Paying Agent cannot and does not give any assurances that DTC, DTC Participants or others will distribute payments with respect to the Notes received by DTC or its nominee as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will provide service and act in the manner described in this Official Statement.

The Paying Agent shall be entitled to treat the person in whose name any Note is registered as the owner thereof for all purposes of the County Resolution and for purposes of payment of interest on and principal of the Notes, notwithstanding any notice to the contrary received by the Paying Agent; and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Notes; and the Paying Agent will have no responsibility or obligations, legal or otherwise, to the Beneficial Owners or to any other party, including DTC or its successors (or substitute depository or its successor), except as the registered owner of any Notes, and the Paying Agent may rely conclusively on its records as to the identity of the registered owners of the Notes.

So long as the outstanding Notes are registered in the name of Cede & Co. or its registered assigns, the Paying Agent shall cooperate with Cede & Co., as sole registered owner, or its registered assigns in effecting payment of the principal of and interest on the Notes by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Registration and Transfer of Notes

The Notes shall be initially issued and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, and shall be evidenced by a single Note. Registered ownership of the Notes, or any portion thereof, may not thereafter be transferred except as set forth in the County Resolution.

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

Subject to the provisions of the County Resolution, the registration of any Note may, in accordance with its terms, be transferred or exchanged for a like aggregate principal amount of Notes in authorized denominations, upon the registration books kept by the Paying Agent for such purpose, by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Note for cancellation, and in the case of a transfer, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Paying Agent.

Whenever any Note shall be surrendered for transfer or exchange, the County shall execute and the Paying Agent shall deliver a new Note or Notes of authorized denominations, for a like aggregate principal amount. The Paying Agent shall require the registered owner requesting such registration of transfer to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

The Paying Agent will keep, or cause to be kept, at its office in Auburn, California, sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, the Notes as hereinbefore provided.

All Notes surrendered for payment or registration of transfer, if surrendered to any person other than the Paying Agent, shall be delivered to the Paying Agent and shall be promptly canceled. No Note shall be delivered in lieu of or in exchange for any canceled Notes except as expressly permitted under the terms of the County Resolution.

SECURITY FOR AND SOURCES OF PAYMENT OF THE NOTES

Security for the Notes

Unrestricted Revenues. The principal amount of the Notes, together with interest thereon will be payable only out of taxes, income, revenue, cash receipts and other moneys which are received by the District for fiscal year 2026-27 and which are lawfully available for the payment of current expenses and other obligations of the District (the “Unrestricted Revenues”). Pursuant to the Act, the District has, as described below, pledged certain Unrestricted Revenues for the payment of the Notes and the interest thereon.

Pledged Revenues. As security for the payment of the principal of and interest on the Notes, the District has agreed to deposit in trust in a special fund (the “Repayment Fund”): the first Unrestricted Revenues to be received by the District (a) in an amount equal to fifty percent (50%) of the principal amount of the Notes to be received by the District in January, 2027, and (b) in an amount equal to fifty percent (50%) of the principal amount of the Notes and all interest due on the Notes, to be received by the County on behalf of the District in April, 2027, intended as receipts for the District’s general fund for Fiscal year 2026-27 and generally available for the payment of the District’s current expenses and obligations (the “Pledged Revenues”).

Amount of Pledges

<i>Principal</i>	<i>Principal</i>	<i>Interest</i>
January, 2027 \$8,500,000*	April, 2027 \$8,500,000*	April, 2027 TBD

In the event insufficient Unrestricted Revenues are received by the District to permit the deposit into the Repayment Fund of the full amount of the Pledged Revenues required to be deposited with respect to such month, then the amount of any deficiency in the Repayment Fund shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of and interest on the Notes (all as provided in the Resolutions and sections 53856 and 53857 of the Government Code).

The Notes are, by statute, general obligations of the District and to the extent the Notes are not paid from the Pledged Revenues, the principal of and interest on the Notes shall be paid from any other moneys of the District lawfully available therefor.

No additional notes may be issued and secured by the Pledged Revenues.

Available Sources of Payment

The Notes, in accordance with California law, are general obligations of the District, and to the extent not paid from taxes, income, revenue, cash receipts and other moneys received by the District during or allocable to the fiscal year pledged for the payment thereof, will be paid with interest thereon from any other moneys of

* Preliminary, subject to change.

the District legally available therefor. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS.” The District may, under existing law, issue the Notes only if the principal of and interest on the Notes and any other short-term debt will not exceed 85% of the moneys estimated to be legally available for the payment of the Notes and such other debt during the applicable fiscal year.

In addition to the District’s obligation to repay the Notes, the District has other contractual commitments that must be paid from general fund revenues. For information regarding the levels of the District’s expenditure commitments for the fiscal year 2025-26 and its projected commitments for fiscal year 2026-27, see “CASH FLOW PROJECTIONS,” “DISTRICT FINANCIAL INFORMATION—Budget” and “DISTRICT FINANCIAL INFORMATION—Significant Accounting Policies and Audited Financial Statements.”

Other District Funds

The District maintains a substantial balance in the following funds. Such funds are generally restricted in purpose but may be used on a temporary basis by Board action.

<i>Fund Name</i>	<i>Estimated Balance as of June 30, 2026</i>	<i>Estimated Balance as of January, 31 2027</i>	<i>Estimated Balance as of June 30, 2027</i>
Special Reserve Fund for Other Than Capital Outlay Projects	\$ 562,435	\$ 570,635	\$ 574,135
Capital Facilities Fund	14,272,589	15,269,969	15,697,418
Special Reserve Fund for Capital Outlay Projects	1,942,477	1,986,227	2,004,977
Capital Projects Fund for Blended Component Units	21,020,650	21,137,317	21,187,317
Foundation Private-Purpose Trust Fund	<u>181,119</u>	<u>179,619</u>	<u>181,119</u>
Total	\$ 37,979,270	\$ 39,143,767	\$ 39,644,965

Source: Western Placer Unified School District.

PLACER COUNTY POOLED INVESTMENT FUND

The following information has been provided by the County, and the District and Underwriter take no responsibility for the accuracy or completeness thereof. Further information may be obtained from the County Treasurer.

General. Under the California Education Code, the District is required to deposit all monies received from any source into the County Treasury to be held on behalf of the District. The County maintains a written policy (the “Investment Policy”) with respect to the investment of public funds which provides a means to implement the basic objectives of its investment program pursuant to California Code Section 53630. The objective of the Investment policy is to invest public funds in a manner which provides for the safety of the funds on deposit, the cash flow demands, or liquidity needs of the treasury pool participants, and the highest possible yield after first considering the first two objectives of safety and liquidity. The County’s Investment Policy is reviewed and adopted by resolution by the County Board of Supervisors on an annual basis.

County Treasury Pool. The daily investment of Pool funds has been delegated to the County Treasurer/Tax Collector (“Treasurer”) pursuant to Government Code section 53635 and by ordinance of the County Board of Supervisors. According to the Investment Policy, the primary objective of the investment of short term operating funds is to maintain the principal of such funds (safety) in investment vehicles which are easily converted to cash (liquidity) while obtaining a competitive market rate of return (yield) for the risk taken at the time of investing.

Safety of principal. Investments of the County shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses do not exceed the income generated from the remainder of the portfolio.

Liquidity. The investment portfolio shall remain sufficiently liquid to enable the depositors to meet all expenditure requirements that might be reasonably anticipated. A minimum of 30% of the invested assets, including cash held in commercial bank accounts, shall be kept in overnight liquid assets. In the event that unforeseen cash-flow fluctuations temporarily cause the ratio of overnight liquid assets to decline below 30% of the portfolio balance, no new investments will be made until the minimum ratio is restored.

Return on Investment. The county’s investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the County’s investment risk constraints and the cash flow characteristics of the portfolio.

The table below shows the investments held in the County Pool, as of April 30, 2026.

**PLACER COUNTY POOLED INVESTMENT FUND
PORTFOLIO COMPOSITION
(as of April 30, 2026)**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LGIP	120,000,000.00	120,000,000.00	120,000,000.00	4.22	1	1	3.778	3.830
U.S. Treasury Coupons	805,000,000.00	782,741,696.27	782,672,287.84	27.53	1,144	579	4.045	4.101
mPower Placer - Long Term	2,653,169.12	2,613,269.94	2,654,381.55	0.09	7,336	3,748	4.031	4.087
Federal Agency Coupons	1,159,000,000.00	1,162,850,920.56	1,162,901,179.30	40.91	1,494	800	3.888	3.942
Collateralized Inactive Bank Deposi	5,000,000.00	5,000,000.00	5,000,000.00	0.18	1	1	3.774	3.826
Medium Term Notes	50,000,000.00	49,847,816.67	49,990,465.89	1.76	1,826	1,798	4.355	4.416
Negotiable Certificates of Deposit	275,000,000.00	274,822,250.00	275,000,000.00	9.67	399	246	4.018	4.074
Supranational	130,000,000.00	128,526,156.95	129,403,243.70	4.55	1,598	1,452	3.774	3.827
Commercial Paper Disc. -Amortizing	90,000,000.00	89,969,500.00	89,969,500.00	3.17	31	3	3.598	3.648
Federal Agency Disc. -Amortizing	210,000,000.00	209,649,027.78	209,649,027.78	7.38	30	17	3.656	3.707
Local Agency Bond	8,154,801.26	7,561,297.99	8,154,801.26	0.29	7,495	4,554	2.930	2.970
mPower Placer	6,846,344.40	6,517,909.93	6,846,344.40	0.24	7,705	4,698	3.634	3.684
mPower - Folsom	320,669.71	314,996.80	320,669.71	0.01	7,684	3,907	3.440	3.488
Investments	2,861,974,984.49	2,840,214,842.89	2,842,561,901.43	100.00%	1,121	638	3.912	3.967
Cash								
Passbook/Checking (not included in yield calculations)	17,072,007.77	17,072,007.77	17,072,007.77		1	1	0.000	0.000
Total Cash and Investments	2,879,046,992.26	2,857,286,850.66	2,859,633,909.20		1,121	638	3.912	3.967
Total Earnings								
	April 30 Month Ending	Fiscal Year To Date						
Current Year	9,088,668.98	79,894,084.77						
Average Daily Balance	2,793,070,056.87	2,422,582,862.67						
Effective Rate of Return	3.96%	3.96%						

Source: Placer County Treasurer-Collector.

CASH FLOW PROJECTIONS

The District's general fund operating expenditures tend to occur in level amounts throughout the fiscal year. Conversely, receipts have followed an uneven pattern, primarily as a result of secured and unsecured property tax installment payment dates in December and April. As a result, the District's general fund cash balance has typically been negative for a portion of each fiscal year and has been covered by temporary borrowings under the pooled-investments program from the District's restricted funds, which the District is obligated to pay back during the ensuing fiscal year. The District has prepared the accompanying monthly cash-flow statements covering the actual 2024-25 fiscal year, estimated 2025-26 fiscal year and projected 2026-27 fiscal year. The projected fiscal 2026-27 cash flow shows and takes into consideration the Notes. Without the proceeds of the Notes, a cumulative cash-flow deficit of \$15,148,379 is anticipated in November, 2026. The anticipated deficit occurs due to the timing of expenditures occurring prior to the timing of the receipts during the fiscal year.

The estimates of amounts and timing of receipts and disbursements in the tables on the following pages are based on certain assumptions and should not be construed as statements of fact. The assumptions are based on present circumstances and currently available information and are believed to be reasonable. The assumptions may be affected by numerous factors, and there can be no assurance that such estimates will be achieved.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
2026 TAX AND REVENUE ANTICIPATION NOTES
2024-2025 GENERAL FUND ACTUAL CASHFLOW**

	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>Total</i>
Beginning Cash	\$24,284,303	\$17,924,753	\$10,486,697	\$5,464,026	\$ (205,492)	\$ (5,234,071)	\$41,651,354	\$26,728,788	\$20,955,553	\$ 14,261,330	\$35,703,882	\$ 30,544,488	\$ 24,284,303
Receipts:													
Revenue Limit	1,962,176	685,176	2,737,999	1,815,151	2,007,399	43,913,285	3,078,517	2,090,436	644,636	30,481,081	3,039,566	7,320,552	99,775,975
Federal Sources	0	0	108,877	0	0	118,523	0	0	43,742	0	323,553	3,301,571	3,896,266
Other State Sources	251,678	251,678	1,203,278	2,229,640	1,107,897	1,100,143	536,793	1,829,725	2,270,031	537,701	642,895	4,618,173	16,579,632
Local Sources	525,646	460,591	931,800	598,326	939,894	1,434,816	1,071,608	510,360	701,650	573,205	1,677,119	571,143	9,996,158
Transfers In/Other Sources	0	0	0	0	0	0	0	0	0	0	0	290,000	290,000
2024 TRAN Deposit	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Receipts	\$1,239,500	\$1,397,445	\$4,981,954	\$4,643,117	\$4,055,190	\$46,566,767	\$ 4,686,918	\$4,430,521	\$3,660,060	\$31,591,987	\$ 5,683,134	\$16,101,439	\$130,538,031
Disbursements:													
Salaries and Benefits	6,977,056	8,122,040	7,877,592	7,991,214	8,039,210	477,678	15,689,727	7,936,277	8,451,860	8,086,561	8,218,035	13,223,043	101,090,293
Supplies and Services	2,026,387	1,506,595	1,795,224	2,063,007	1,247,261	1,117,659	2,841,710	2,056,242	1,416,431	1,858,735	1,559,782	9,339,941	28,828,973
Capital Outlay	0	53,966	172,353	30,452	0	51,421	0	6,000	7,056	66,956	4,671	403,400	796,276
Other Outgo	527,568	0	0	0	0	0	0	0	0	0	0	3,049,016	3,576,584
Transfers Out	0	0	0	0	0	0	0	0	0	0	0	778,569	778,569
2024 TRAN Payment Pledge	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Disbursements	\$9,531,011	\$9,682,601	\$9,845,169	\$10,084,673	\$9,286,471	\$ 1,646,758	\$18,531,437	\$9,998,519	\$9,875,347	\$10,012,252	\$ 9,782,488	\$26,793,969	\$135,070,695
Prior Year Transactions	1,931,961	847,100	(159,456)	(227,962)	202,702	1,965,416	(1,078,047)	(205,237)	(478,936)	(137,183)	(1,060,040)	(2,396,944)	(796,626)
Net Increase/ Decrease	(6,359,550)	(7,438,056)	(5,022,671)	(5,669,518)	(5,028,579)	46,885,425	(14,922,566)	(5,773,235)	(6,694,223)	21,442,552	(5,159,394)	(13,089,474)	(6,829,290)
Ending Balance	\$17,924,753	\$10,486,697	\$5,464,026	\$ (205,492)	\$(5,234,071)	\$41,651,354	\$26,728,788	\$20,955,553	\$14,261,330	\$35,703,882	\$30,544,488	\$17,455,013	\$ 18,955,013

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
2026 TAX AND REVENUE ANTICIPATION NOTES
2025-2026 GENERAL FUND ESTIMATED CASHFLOW**

	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>Total</i>
Beginning Cash	\$24,284,303	\$32,793,362	\$25,355,306	\$20,332,635	\$14,663,117	\$9,634,538	\$56,519,963	\$34,247,397	\$28,575,240	\$22,145,135	\$36,738,871	\$31,579,477	\$24,284,303
Receipts:													
Revenue Limit	1,962,176	685,176	2,737,999	1,815,151	2,007,399	43,913,285	3,078,517	2,091,906	(255,589)	30,914,657	3,039,566	7,785,732	99,775,975
Federal Sources	0	0	108,877	0	0	118,523	0	402,403	200,338	0	323,553	2,742,572	3,896,266
Other State Sources	251,678	251,678	1,203,278	2,229,640	1,107,897	1,100,143	536,793	1,958,204	1,340,359	641,702	642,895	5,315,365	16,579,632
Local Sources	525,646	460,591	931,800	598,326	939,894	1,434,816	1,071,608	609,967	763,571	879,130	1,677,119	345,538	10,238,006
Transfers In/Other Sources	0	0	0	0	0	0	0	0	0	0	0	290,000	290,000
2025 TRAN Deposit	14,868,609	0	0	0	0	0	0	0	0	0	0	0	14,868,609
Total Receipts	\$17,608,109	\$1,397,445	\$4,981,954	\$4,643,117	\$4,055,190	\$46,566,767	\$4,686,918	\$5,062,480	\$2,048,679	\$32,435,489	\$5,683,134	\$16,479,206	\$145,648,488
Disbursements:													
Salaries and Benefits	6,977,056	8,122,040	7,877,592	7,991,214	8,039,210	477,678	15,689,727	7,936,277	8,206,492	8,129,400	8,218,035	13,425,572	101,090,293
Supplies and Services	2,026,387	1,506,595	1,795,224	2,063,007	1,247,261	1,117,659	2,841,710	2,056,242	1,280,029	1,585,627	1,559,782	9,749,450	28,828,973
Capital Outlay	0	53,966	172,353	30,452	0	51,421	0	6,000	14,250	750	4,671	462,413	796,276
Other Outgo	527,568	0	0	0	0	0	0	0	0	0	0	3,049,012	3,576,580
Transfers Out	1,500,000	0	0	0	0	0	0	0	0	0	0	778,569	2,278,569
2025 TRAN Payment Pledge	0	0	0	0	0	0	7,350,000	0	0	7,760,457	0	0	15,110,457
Total Disbursements	\$11,031,011	\$9,682,601	\$9,845,169	\$10,084,673	\$9,286,471	\$1,646,758	\$25,881,437	\$9,998,519	\$9,500,771	\$17,476,234	\$9,782,488	\$27,465,016	\$151,681,148
Prior Year Transactions	1,931,961	847,100	(159,456)	(227,962)	202,702	1,965,416	(1,078,047)	(736,118)	1,021,987	(365,519)	(1,060,040)	(2,396,944)	(54,920)
Net Increase/Decrease	8,509,059	(7,438,056)	(5,022,671)	(5,669,518)	(5,028,579)	46,885,425	(22,272,566)	(5,672,157)	(6,430,105)	14,593,736	(5,159,394)	(13,382,754)	(6,087,580)
Ending Balance	\$32,793,362	\$25,355,306	\$20,332,635	\$14,663,117	\$9,634,538	\$56,519,963	\$34,247,397	\$28,575,240	\$22,145,135	\$36,738,871	\$31,579,477	\$18,196,723	\$18,196,723

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
2026 TAX AND REVENUE ANTICIPATION NOTES
2026-2027 GENERAL FUND PROJECTED CASHFLOW**

	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>Total</i>
Beginning Cash	\$18,196,723	\$26,561,168	\$18,387,559	\$13,525,933	\$6,858,700	\$2,001,621	\$46,672,854	\$23,347,375	\$18,043,786	\$11,474,475	\$24,384,183	\$19,341,964	\$18,196,723
Receipts:													
Revenue Limit	2,051,580	794,204	2,916,871	1,995,055	2,181,698	44,035,989	1,995,068	1,995,055	769,548	30,598,257	3,156,742	11,685,665	104,175,733
Federal Sources	0	0	0	307,260	115,250	122,179	183,553	0	43,742	0	323,553	1,905,728	3,001,266
Other State Sources	292,587	292,587	526,656	1,282,595	984,511	526,656	1,237,306	576,975	2,270,031	537,701	642,895	4,567,134	13,737,632
Local Sources	18,270	659,702	564,721	954,670	907,457	1,359,042	880,492	661,500	701,650	931,788	1,677,119	(641,164)	8,675,246
2026 TRAN Deposit	17,150,000	0	0	0	0	0	0	0	0	0	0	0	17,150,000
Total Receipts	\$19,512,437	\$1,746,493	\$4,008,248	\$4,539,580	\$4,188,915	\$46,043,867	\$4,296,419	\$3,233,529	\$3,784,972	\$32,067,746	\$5,800,309	\$18,017,362	\$147,239,877
Disbursements:													
Salaries and Benefits	7,217,078	8,224,570	7,861,764	7,923,925	7,969,018	487,183	15,652,125	7,938,425	8,451,860	8,086,561	8,218,035	14,031,971	102,062,515
Supplies and Services	1,665,741	2,337,849	1,943,315	2,024,655	1,256,652	1,320,221	2,783,821	1,853,448	1,416,431	1,858,735	1,559,782	1,648,468	21,669,117
Capital Outlay	(168,323)	47,874	207,444	150,390	(162,611)	197,196	20,021	2,642	7,056	66,956	4,671	(49,041)	324,276
Other Outgo	0	0	0	0	0	0	666,826	0	0	0	0	3,078,871	3,745,697
Transfers Out	0	0	0	0	0	0	0	0	0	0	0	1,133,060	1,133,060
Unidentified Budget Cuts	0	0	0	0	0	0	0	0	0	0	0	0	0
2026 TRAN Payment Pledge	0	0	0	0	0	0	8,500,000	0	0	9,008,603	0	0	17,508,603
Total Disbursements	\$8,714,495	\$10,610,293	\$10,012,524	\$10,098,970	\$9,063,059	\$2,004,601	\$27,622,792	\$9,794,516	\$9,875,347	\$19,020,855	\$9,782,488	\$19,843,329	\$146,443,268
Prior Year Transactions	(2,433,497)	690,191	1,142,650	(1,107,843)	17,065	631,967	894	1,257,397	(478,936)	(137,183)	(1,060,040)	(3,298,719)	(4,776,054)
Net Increase/Decrease	8,364,445	(8,173,609)	(4,861,626)	(6,667,233)	(4,857,079)	44,671,233	(23,325,479)	(5,303,589)	(6,569,311)	12,909,708	(5,042,218)	(5,124,686)	(3,979,444)
Ending Balance	\$26,561,168	\$18,387,559	\$13,525,933	\$6,858,700	\$2,001,621	\$46,672,854	\$23,347,375	\$18,043,786	\$11,474,475	\$24,384,183	\$19,341,964	\$14,217,279	\$14,217,279

Note Coverage Ratio

Projected Unrestricted Moneys available for Note repayment on June 30, 2027, provides an estimated coverage of 2.08* times the principal of and interest due on the Notes at maturity. See “THE NOTES—Security for and Sources of Payment.”

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
Estimated Note Coverage Ratio ***

Projected Beginning Cash Balance 7/1/26	\$18,196,723
Plus: Projected 2026-27 Cash Receipts (including Note Proceeds)	147,239,877
Less: Projected 2026-27 Disbursement (excluding Note Repayment)	128,934,665
Ending Cash Balance	<u>\$36,501,935</u>
Note Repayment	\$17,508,603
NOTE COVERAGE RATIO	2.08x

Source: Western Placer Unified School District.

DISTRICT INFORMATION

General Information

The District was established in 1966 and encompasses approximately 170 square miles. The District is located in the western portion of the County. The District currently operates eight elementary schools, two middle schools, one high school, one continuation high school, and one independent study school program.

Enrollment in the District for grades K-12 in Fiscal Year 2025-26 was 8,230 students and is projected to be 8,230 in Fiscal Year 2026-27. The District operates under the jurisdiction of the County Superintendent of Schools.

Board of Trustees and Administration

The District is governed by a five-member District Board, each member of which is elected to a four-year term. Elections for positions to the District Board are held every two years, alternating between two and three available positions.

<i>Board Member</i>	<i>Office</i>	<i>Current Term Expires (December)</i>
April Nitsos	President	2026
Marjorie Proffitt	Vice President	2026
Criste Freymond	Clerk	2028
George Dykstra	Member	2026
Jason Price	Member	2028

The administrative staff of the District includes Superintendent Kerry Callahan and Assistant Superintendent, Business & Operational Services, Carrie Carlson.

* Preliminary, subject to change.

DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION

Unless otherwise indicated, the financial, statistical and demographic data in this Official Statement has been provided by the District. Additional information concerning the District and copies of subsequent audited financial reports of the District may be obtained by contacting: Western Placer Unified School District, Attention: Assistant Superintendent, Business Services.

Allocation of State Funding to School Districts; Restructuring of the K-12 Funding System

Most California school districts receive a significant portion of their funding from State appropriations. As a result, changes in State revenues may affect appropriations made by the Legislature to school districts. Commencing with the fiscal year 2013-14, the State budget restructured the manner in which the State allocates funding for K-12 education. In fiscal year 2013-14, State legislation replaced the majority of revenue limit and categorical funding formulas with a new set of funding formulas. The new formula for school funding is known as the “Local Control Funding Formula” (the “Local Control Funding Formula” or “LCFF”). The State budget provided funding in fiscal year 2013-14 to begin implementing the new formulas. Under the prior funding system, school districts received different per-pupil funding rates based on historical factors and varying participation in categorical programs. The new system provides a base rate per student multiplied by the school district’s average daily attendance (“ADA”) for each of several grade levels. The base rates are augmented by several funding supplements such as for (1) students needing additional services, defined as English learners, students from lower income families, and foster youth; and (2) school districts with high concentrations of English learners and lower income families. The new funding system requires school districts to develop local control and accountability plans describing how the school district intends to educate its students and achieve annual education goals to be achieved in state-mandated areas of priority.

Under the prior system, California Education Code Section 42238 and following, each school district was determined to have a target funding level: a “base revenue limit” per student multiplied by the school district’s ADA. The base revenue limit was calculated from the school district’s prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district was the amount needed to reach that district’s base revenue limit after considering certain other revenues, in particular, locally generated property taxes. This was referred to as State “equalization aid.” To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State’s contribution. A school district whose local property tax revenues exceed its base revenue limit is entitled to receive no State equalization aid, and receives only its special categorical aid, which is deemed to include the “basic aid” of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as “basic aid districts,” which are now referred to as “community funded districts.” School districts that received some equalization aid were commonly referred to as “revenue limit districts,” which are now referred to as “LCFF districts.” The District is a LCFF district.

The Local Control Funding Formula is also based on ADA. ADA can fluctuate due to factors such as population growth or decline, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Losses in ADA will cause a school district to lose operating revenues, without necessarily permitting the school district to make adjustments in fixed operating costs.

Average Daily Attendance

In the past, annual State apportionments of basic and equalization aid to school districts were computed based on a revenue limit per unit of ADA. Prior to fiscal year 1998-99, daily attendance numbers included students who were absent from school for an excused absence, such as illness. Effective in fiscal year 1998-99, only actual attendance is counted in the calculation of ADA. This change was essentially fiscally neutral for school districts which maintain the same excused absence rate. The rate per student was recalculated to provide

the same total funding to school districts in the base year as would have been received under the old system. After fiscal year 1998-99, school districts that improved their actual attendance rate received additional funding.

As indicated above, commencing with the fiscal year 2013-14, the State budget restructured the manner in which the State allocates funding for K-12 education using the Local Control Funding Formula. Under the prior funding system, school districts received different per-pupil funding rates based on historical factors and varying participation in categorical programs. The following table shows the District’s enrollment, ADA and LCFF Revenues for the most recent fiscal years.

**AVERAGE DAILY ATTENDANCE,
LCFF AND ENROLLMENT**

<i>Fiscal Year Ending June 30,</i>	<i>Average Daily Attendance ⁽¹⁾</i>	<i>Revenue Limit/LCFF Revenues ⁽²⁾</i>	<i>Enrollment ⁽³⁾</i>
2015	6,444	\$44,848,447	6,638
2016	6,509	52,075,823	6,725
2017	6,547	54,665,615	6,833
2018	6,667	56,718,677	6,960
2019	6,798	61,801,015	7,081
2020	6,947	65,401,867	7,209
2021	6,947	65,674,366	7,034
2022	6,676	69,814,218	7,296
2023	7,076	78,533,791	7,560
2024	7,446	89,550,690	7,865
2025 ⁽⁴⁾	7,532	93,708,535	8,051
2026 ⁽⁵⁾	7,795	99,304,810	8,293

⁽¹⁾ Except for Fiscal Year 2020-21, 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. In response to the impacts on enrollment caused by the COVID-19 pandemic, the State permitted the District to use ADA figures from Fiscal Year 2019-20 for Fiscal Year 2020-21.

⁽²⁾ Deficit revenue limit funding, when provided for in State budgetary legislation, reduced the revenue limit allocations received by school districts by applying a deficit factor to the base revenue limit for the given fiscal year, and resulted from an insufficiency of appropriation funds in the State budget to provide for State aid owed to school districts. The State’s practice of deficit revenue limit funding was most recently reinstated beginning in Fiscal Year 2008-09 and discontinued following the implementation of the LCFF.

⁽³⁾ Enrollment as of October report submitted to the California Basic Educational Data System (“CBEDS”) in each school year.

⁽⁴⁾ Estimated actuals set forth in the District’s 2025-26 Adopted Budget adopted on June 17, 2025.

⁽⁵⁾ Projections from the District’s 2025-26 Adopted Budget adopted on June 17, 2025.

Source: Western Placer Unified School District.

Effect of Changes in ADA. Changes in local property tax income and student enrollment (or ADA) affect community funded districts and revenue limit districts, now known as “LCFF districts,” differently. In a LCFF district, such as the District, increasing enrollment increases the amount allocated under LCFF and thus generally increases a district’s entitlement to State aid, while increases in property taxes do nothing to increase district revenues, but only offset the State aid funding requirement. Operating costs typically increase disproportionately slower than enrollment growth until the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State aid, while operating costs typically decrease slowly until the district decides to lay off teachers, close schools, or initiate other cost-saving measures.

In community funded districts the opposite is generally true: increasing enrollment does increase the amount allocated under LCFF, but since all LCFF income (and more) is already generated by local property taxes, there is typically no increase in State income. New students impose increased operating costs, but typically

at a slower pace than enrollment growth, and the effect on the financial condition of a community funded district would depend on whether property tax growth keeps pace with enrollment growth. Declining enrollment typically does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

For LCFF districts, such as the District, any loss of local property taxes is made up by an increase in State aid. For community funded districts, the loss of tax revenues is not reimbursed by the State.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, and public charter schools, inter-district transfers in and out, and other causes. Losses in enrollment will cause a school district to lose operating revenues, without necessarily permitting the district to make adjustments in fixed operating costs. The District's enrollment has increased in recent years. The District expects enrollment to continue at the current level or to grow in fiscal year 2026-27.

The District cannot make any predictions regarding how the current economic environment or changes thereto will affect the State's ability to meet the revenue and spending assumptions in the State's adopted budget, and the effect of these changes on school finance. The District's Second Interim Report and projected ADA are used for planning purposes only, and do not represent a prediction as to the actual financial performance, attendance, or the District's actual funding level for fiscal year 2026-27 or beyond. Certain adjustments will have to be made throughout the year based on actual State funding and actual attendance.

Treatment of Declining Enrollment Under LCFF. Since the inception of the LCFF, school districts have received their LCFF apportionment based on the higher of their prior fiscal year or current fiscal year ADA. This apportionment method helped to temporarily mitigate the impact of LCFF funding losses on school districts that result from declining enrollment.

District Budget and County Review

Budgeting Procedures. State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the County's Superintendent of Schools.

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

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

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

If at any time during the fiscal year the county superintendent determines that a school district may be unable to meet its financial obligations for the current or two subsequent fiscal years or if a school district has a qualified or negative certification (as describe below), the county superintendent will notify the governing board of the school district and the State Superintendent of that determination and report to the State Superintendent the financial condition of the school district. The county superintendent will also report proposed remedial actions and take at least one of the following and all actions that are necessary to ensure that the school district meets its financial obligations: (a) assign a fiscal expert, (b) conduct a study of the financial and budgetary conditions of the school district that includes, but is not limited to, a review of internal controls, (c) direct the school district to submit a financial projection of all fund and cash balances of the school district as of June 30 of the current year and subsequent fiscal years, (d) require the school district to encumber all contracts and other obligations, to prepare appropriate cashflow analyses and monthly or quarterly budget revisions, and to appropriately record all receivables and payables, (e) direct the school district to submit a proposal for addressing the fiscal conditions that resulted in the determination that the school district may not be able to meet its financial obligations, (f) withhold compensation of the members of the governing board of the school district and the school district superintendent for failure to provide requested financial information, and (g) assign the County Office of Education and Fiscal Crisis and Management Assistance Team to review and provide recommendations related to teacher hiring practices, teacher retention rate, percentage of provision of highly qualified teachers, and the extent of teacher misassignment in the school district.

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

Interim Reporting. A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 et seq.), each school district is required to file two interim certifications with the county superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, will not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or

qualified certification by the county superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent, the State Controller and the Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30.

Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent determines that the school district's repayment of indebtedness is probable. The District has received positive certifications on its interim financial reports for fiscal year 2023-24, 2024-25, and 2025-26.

Emergency Appropriation from the State. 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* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the State Superintendent and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent will assume control of the school district in order to ensure the school district's return to fiscal solvency.

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

Accounting Practices

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

The District's expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Delinquent taxes not received after the fiscal year end are not recorded as revenue until received. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State

Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

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

Financial Statements

The District's general fund finances the basic operating activities of the District. 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. Audited financial statements for the District for the fiscal year ended June 30, 2025, and prior fiscal years are on file with the District and available for public inspection at the office of the Superintendent of the District, 600 Sixth Street, Lincoln, California 95648, telephone number (916) 645-6350. Copies of such financial statements will be mailed to prospective investors and their representatives upon request directed to the District at such address. For further information, see also APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025.

General Fund Revenues, Expenditures, and Changes in Fund Balances. The following table shows the District's audited revenues, expenditures and changes in fund balances for the past four fiscal years and budgeted projections for fiscal year 2026-27 based on the District's 2nd Interim Report adopted on March 17, 2026.

The budgeted projections for Fiscal Year 2025-26 set forth below reflect the District's assumptions concerning the State Budget and concerning local property tax collections from property located within the District. While the District believes it has made reasonable assumptions, the District's Fiscal Year 2025-26 Budget will be revised as new information becomes available.

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Fiscal Years 2021-22 to 2025-26

	<i>Fiscal Year Ending June 30,</i>				
	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026⁽¹⁾</i>
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audit</i>	<i>Projected</i>
REVENUES					
LCFF Sources	\$ 69,814,218	\$ 80,118,799	\$ 91,780,093	\$ 93,918,856	\$ 99,775,975
Federal Sources	9,712,548	4,199,272	3,652,102	3,286,889	3,896,266
Other State Sources	9,159,250	21,394,208	13,835,122	14,529,969	16,579,632
Other Local Sources	5,763,895	7,518,678	9,932,366	9,939,499	9,996,158
Total Revenues	<u>\$ 94,449,911</u>	<u>\$ 113,230,957</u>	<u>\$ 119,199,683</u>	<u>\$ 121,675,213</u>	<u>\$ 130,248,031</u>
EXPENDITURES					
Certificated Salaries	\$ 39,135,549	\$ 43,214,445	\$ 47,174,748	\$ 49,422,360	\$ 50,039,453
Classified Salaries	11,990,218	14,379,367	16,773,684	18,387,780	19,397,648
Employee Benefits	23,317,919	26,333,436	29,098,475	30,510,453	31,653,192
Books and Supplies	5,169,359	5,270,897	5,411,318	4,686,876	17,274,901
Contract Services and Op. Ex.	9,860,923	13,085,818	15,653,950	16,983,679	19,530,705
Capital Outlay	1,728,468	617,276	3,386,530	3,313,392	796,276
Other Outgo	1,922,871	1,711,753	2,176,086	925,419	3,817,674
Other Outgo - Transfers of	-	-	-	-	(241,090)
Indirect Costs	-	-	-	-	-
Debt Service – Principal	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-
Total Expenditures	<u>\$ 93,125,307</u>	<u>\$ 104,612,992</u>	<u>\$ 119,674,791</u>	<u>\$ 124,229,959</u>	<u>\$ 142,268,759</u>
Revenues over Expenditures	\$ 1,324,604	\$ 8,617,965	\$ (475,108)	\$ (2,554,746)	\$ (12,020,728)
OTHER FINANCING SOURCES					
Operating transfers in	\$ 100,949	\$ 152,787	\$ 233,138	\$ 257,452	\$ 290,000
Operating transfers out	(25,392)	(533,154)	(793,028)	(543,984)	778,569
Total financing sources (uses)	<u>\$ 75,557</u>	<u>\$ (380,367)</u>	<u>\$ (559,890)</u>	<u>\$ (286,532)</u>	<u>\$ (488,569)</u>
Net change in fund balances	\$ 1,400,161	\$ 8,237,598	\$ (1,034,998)	\$ (2,841,278)	\$ (12,509,297)
Beginning Fund Balance, July 1	<u>21,163,000</u>	<u>22,563,161</u>	<u>30,800,759</u>	<u>29,765,761</u>	<u>27,632,047</u>
Ending Fund Balance, June 30	<u>\$ 22,563,161</u>	<u>\$ 30,800,759</u>	<u>\$ 29,765,761</u>	<u>\$ 26,924,483</u>	<u>\$ 13,622,750</u>

⁽¹⁾ From the District's 2025-26 2nd Interim Report, adopted March 17, 2025.
Source: Western Placer Unified School District's Audited Financial Statements for fiscal years 2021-22 to 2024-25 and 2025-26 2nd Interim Report.

Budget to Actuals Comparison. The following table shows a comparison of the District's General Fund revenues, expenditures and changes in fund balances for fiscal years 2023-24 and 2024-25, as projected in the District's original budget, final budget, and audited actuals for each year.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGET TO ACTUALS COMPARISON
Fiscal Years 2023-24 and 2024-25**

	<i>Fiscal Year Ending June 30, 2024</i>			<i>Fiscal Year Ending June 30, 2025</i>		
	<i>Original Budget</i>	<i>Final Budget</i>	<i>Audited Actuals</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Audited Actuals</i>
REVENUES						
LCFF Sources	\$ 87,661,627	\$ 92,124,333	\$ 91,780,093	\$ 94,305,250	\$ 93,708,535	\$ 93,918,856
Federal Sources	3,033,162	4,136,759	3,652,102	3,179,002	3,716,212	3,286,889
Other State Sources	10,327,017	13,641,826	13,835,122	12,247,878	13,931,894	14,529,969
Other Local Sources	<u>6,409,557</u>	<u>8,931,804</u>	<u>9,932,366</u>	<u>6,847,000</u>	<u>9,931,379</u>	<u>9,939,499</u>
Total Revenues	\$107,431,363	\$ 118,834,722	\$ 119,199,683	\$ 116,579,130	\$ 121,288,020	\$ 121,675,213
EXPENDITURES						
Certificated Salaries	\$ 44,709,462	\$ 47,036,059	\$ 47,174,748	\$ 48,885,877	\$ 48,744,077	\$ 49,422,360
Classified Salaries	15,483,745	16,631,715	16,773,684	17,723,660	18,402,987	18,387,780
Employee Benefits	27,908,904	29,105,152	29,098,475	30,835,736	30,581,398	30,510,453
Books and Supplies	9,358,069	12,763,853	5,411,318	9,450,681	9,654,851	4,686,876
Contract Services and Operating Expenditures	11,391,894	17,129,329	15,653,950	13,524,160	18,269,953	16,983,679
Other Outgo	2,541,310	2,021,223	2,176,086	2,181,785	3,439,037	3,313,392
Capital Outlay	<u>120,000</u>	<u>3,044,665</u>	<u>3,386,530</u>	<u>120,000</u>	<u>1,247,737</u>	<u>925,419</u>
Total Expenditures	\$111,513,384	\$127,731,996	\$ 119,674,791	\$122,721,899	\$130,340,040	\$124,229,959
Revenues Over Expenditures	\$ (4,082,021)	\$ (8,897,274)	\$ (475,108)	\$ (6,142,769)	\$ (9,052,020)	\$ (2,554,746)
Other Sources/(Uses)	\$ (500,360)	\$ (750,360)	\$ (559,890)	\$ (449,598)	\$ (522,725)	\$ (286,532)
Net change in fund balances	\$ (4,582,381)	\$ (9,647,634)	\$ (1,034,998)	\$ (6,592,367)	\$ (9,574,745)	\$ (2,841,278)
Fund Balance, July 1	<u>30,800,759</u>	<u>30,800,759</u>	<u>30,800,759</u>	<u>29,765,761</u>	<u>29,765,761</u>	<u>29,765,761</u>
Fund Balance, June 30	\$ 26,218,378	\$ 21,153,125	\$ 29,765,761	\$ 23,173,394	\$ 20,191,016	\$ 26,924,483

Source: Western Placer Unified School District Fiscal Year 2023-24 and Fiscal Year 2024-25 Audited Financial Statements.

Balance Sheet. The following table shows the District's audited balance sheet for the past five fiscal years.

**GENERAL FUND
BALANCE SHEET
Fiscal Years 2020-21 to 2024-25**

	<i>Fiscal Year Ending June 30,</i>				
	<i>2021 Audited</i>	<i>2022 Audited</i>	<i>2023 Audited</i>	<i>2024 Audited</i>	<i>2025 Audited</i>
ASSETS					
Cash in County Treasury	\$ 10,641,578	\$ 21,378,038	\$ 34,482,698	\$ 31,371,171	\$ 25,217,700
Cash Awaiting Deposit	1,266	3,823	-	3,439	3,939
Cash in Revolving Fund	5,000	5,000	5,000	5,000	5,000
Receivables	15,475,589	8,449,569	7,989,155	6,733,155	10,183,388
Prepaid Expenditures	83,744	248,805	566,239	563,013	707,618
Other Current Assets	-	-	-	-	-
Due from Other Funds	<u>1,975,065</u>	<u>101,030</u>	<u>153,782</u>	<u>233,138</u>	<u>257,886</u>
Total Assets	\$ 28,182,242	\$ 30,186,262	\$ 43,199,115	\$ 38,908,916	\$ 36,375,531
LIABILITIES					
Accounts Payable	\$ 6,425,834	\$ 5,332,829	\$ 9,129,842	\$ 7,627,153	\$ 8,032,696
Deferred Revenue	467,788	2,090,037	2,719,153	695,252	832,170
Due to Other Funds	<u>125,620</u>	<u>200,235</u>	<u>549,361</u>	<u>820,750</u>	<u>586,182</u>
Total Liabilities	\$ 7,019,242	\$ 7,623,101	\$ 12,398,356	\$ 9,143,155	\$ 9,451,048
FUND BALANCES					
Nonspendable	\$ 88,744	\$ 235,805	\$ 571,239	\$ 568,013	\$ 712,618
Restricted	5,958,880	6,128,604	18,034,695	14,887,350	15,360,561
Assigned	722,765	724,776	738,029	762,643	792,435
Unassigned	<u>14,392,611</u>	<u>15,455,976</u>	<u>11,456,796</u>	<u>13,547,755</u>	<u>10,058,869</u>
Total Fund Balances	\$ 21,163,000	\$ 22,563,161	\$ 30,800,759	\$ 29,765,761	\$ 26,924,483
Total Liabilities and Fund Balances	\$ 28,182,242	\$ 30,186,262	\$ 43,199,115	\$ 38,908,966	\$ 36,375,531

Source: Western Placer Unified School District Audited Financial Statements for fiscal years 2020-21 through 2024-25.

Summary of District Revenues and Expenditures

The District's audited financial statements for the year ending June 30, 2025, are reproduced in Appendix A. The final (unaudited) statement of receipts and expenditures for each fiscal year ending June 30 is required by State law to be approved by the District Board by September 15, and the audit report must be filed with the County Superintendent of Schools and State officials by December 15 of each year.

The District is required by State law and regulation to maintain various reserves. The District is generally required to maintain a reserve for economic uncertainties in the amount of 3% of its total general fund expenditures, based on total student attendance below 30,000. Substantially all funds of the District are required by law to be deposited with and invested by the County Treasurer-Tax Collector on behalf of the District, pursuant to law and the investment policy of the County. See "PLACER COUNTY POOLED INVESTMENT FUND" in the front portion of this Official Statement.

Local Control Funding Formula. The State Constitution requires that from all State revenues there will be funds set aside to be allocated by the State for support of the public school system and public institutions of higher education. As discussed below, school districts in the State receive a significant portion of their funding from these State allocations. The general operating income of school districts in California is comprised of two major components: (i) a State portion funded from the State's general fund, and (ii) a local portion derived from the school district's share of the 1% local *ad valorem* property tax authorized by the State Constitution. School districts may also be eligible for special categorical and grant funding from State and federal government programs.

As part of the State Budget for fiscal year 2013-14 (the "2013-14 State Budget"), State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97") was enacted to establish a new system for funding State school districts,

charter schools and county offices of education by the implementation of the Local Control Funding Formula or LCFF. This formula replaced the 40-year revenue limit funding system for determining State apportionments and the majority of categorical programs. Subsequently, AB 97 was amended and clarified by Senate Bill 91 (Stats. 2013 Chapter 49). The LCFF consists primarily of base, supplemental and concentration funding formulas that focus resources based on a school district’s student demographic. Each school district and charter school receives a base grant per its ADA used to support the basic costs of instruction and operations. The implementation of the LCFF began in fiscal year 2013-14 and was fully implemented during fiscal year 2018-19.

The LCFF includes the following components:

- An average base grant for each local education agency per unit of ADA as detailed in the CALIFORNIA SCHOOL DISTRICTS AND CHARTER SCHOOLS GRADE SPAN FUNDING AT FULL LCFF IMPLEMENTATION LOCAL CONTROL TARGET FUNDING FORMULA 2022-23 summary table herein.
- A 20% supplemental grant for students classified as English learners (“EL”), those eligible to receive a free or reduced-price meal (“FRPM”) and foster youth, to reflect increased costs associated with educating those students. These supplemental grants are only attributed to each eligible student once, and the total student population eligible for the additional funding is known as an “unduplicated count.”
- An additional concentration grant equal to 50% of a local education agency’s base grant, based on the number of unduplicated EL, FRPM and foster youth served by the local agency that comprise more than 55% of the school district’s or charter school’s total enrollment.

The following table shows a breakdown of the District’s ADA by grade span, total enrollment, and the percentage of unduplicated student enrollment, for fiscal years 2015-16 through 2025-26.

ADA, ENROLLMENT AND UNDUPLICATED ENROLLMENT PERCENTAGE
Fiscal Years 2015-16 through 2025-26

<i>Fiscal Year Ending June 30,</i>	<i>Average Daily Attendance</i>				<i>Total District ADA⁽¹⁾</i>	<i>Total District Enrollment⁽²⁾</i>	<i>% of EL/LI Enrollment⁽³⁾</i>
	<i>K-3</i>	<i>4-6</i>	<i>7-8</i>	<i>9-12</i>			
2016	2,118.50	1,613.49	1,061.41	1,715.64	6,509.04	6,725	36.52
2017	2,131.55	1,619.45	1,066.71	1,729.28	6,547.03	6,833	35.17
2018	2,101.55	1,571.26	1,070.82	1,923.29	6,666.92	6,960	33.86
2019	2,166.60	1,518.89	1,079.83	2,013.82	6,779.14	7,081	33.71
2020	2,158.37	1,564.07	1,112.89	2,111.38	6,946.71	7,209	32.61
2021	2,158.37	1,564.07	1,112.89	2,111.38	6,946.71	7,034	36.70
2022	1,995.43	1,490.73	1,003.29	2,164.37	6,653.82	7,235	32.59
2023	2,153.01	1,560.08	1,041.40	2,321.29	7,075.78	7,560	33.86
2024	2,241.8	1,657.86	1,100.49	2,446.23	7,446.38	7,865	33.50
2025	2,352.49	1,735.76	1,107.45	2,414.50	7,608.20	8,051	34.42
2026 ⁽⁴⁾	2,375.27	1,729.77	1,162.28	2,516.74	7,784.06	8,230	35.36

(1) Reflects P-2 ADA.

(2) Reflects CBEDS enrollment.

(3) For purposes of calculating Supplemental and Concentration Grants, a school district’s fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district’s percentage of unduplicated EL/LI students is based on a rolling average of such district’s EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

(4) From the District’s 2025-26 2nd Interim Report, adopted March 17, 2026.

Source: Western Placer Unified School District.

Of the more than \$25 billion in funding to be invested through the LCFF through full implementation of the LCFF, the vast majority of new funding is provided for base grants. Specifically, of every dollar invested through the LCFF, 84 cents will go to base grants, 10 cents will go to supplemental grants, and 6 cents will go to concentration grants. Under the 2013-14 State Budget, the target average base grant was \$7,643, which was an increase of \$2,375 from the prior year’s average revenue limit. Base grants are adjusted for cost-of-living increases by applying the implicit price deflator for government goods and services. As the LCFF has been fully implemented, the provision of COLAs will be subject to appropriation for such adjustment in the annual State budget on an ongoing basis. 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. 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 and restoration of categorical funding to pre-recession levels. The sum of a school district’s adjusted base, supplemental and concentration grants will be multiplied by such district’s Second Principal Apportionment (P-2) ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with categorical block grant add-ons, will yield a school district’s total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and the individual school district’s share of applicable local property taxes allocations. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues in a particular year may significantly affect appropriations made by the State Legislature to school districts.

The legislation includes a “hold harmless” provision which provides that a school district or charter school will maintain total revenue limit and categorical funding at its fiscal year 2012-13 level, unadjusted for changes in ADA, or cost of living adjustments.

A summary of the target LCFF funding amounts for California school districts and charter schools based on grade levels and targeted students classified as English learners, those eligible to receive a free or reduced price meal, foster youth, or any combination of these factors (“unduplicated” count) is shown below:

**CALIFORNIA SCHOOL DISTRICTS AND CHARTER SCHOOLS
GRADE SPAN FUNDING AT FULL LCFF IMPLEMENTATION
LOCAL CONTROL TARGET FUNDING FORMULA FISCAL YEAR 2023-24**

<i>Grade Levels</i>	<i>Fiscal Year 2024-25 Base Grant per Average Daily Attendance (ADA)</i>	<i>Fiscal Year 2025-26 COLA (A*2.30%)</i>	<i>2025-26 Base Grant Per ADA before Grade Span Adjustments (A+B)</i>	<i>Grade Span Adjustments (TK-3: (C*10.4%) 9-12: C*2.6%)</i>	<i>Fiscal Year 2025-26 Grant/Adjusted Base Grant Per ADA (C+D)</i>
K-3	\$10,025	\$231	\$10,256	\$1,067	\$11,323
4-6	10,177	234	10,411	N/A	10,411
7-8	10,479	241	10,719	N/A	10,719
9-12	12,144	279	12,423	323	12,746

Source: California Department of Education.

Since July 1, 2015, school districts have been required to develop a three-year Local Control and Accountability Plan (each, a “LCAP”). County Superintendents of Schools and the State Superintendent review and provide support to school districts and county offices of education under their jurisdictions. In addition, the 2013-14 State budget created the California Collaborative for Education Excellence (the “Collaborative”) to advise and assist school districts, county offices of education, and charter schools in achieving the goals

identified in their plans. The State Superintendent may direct the Collaborative to provide additional assistance to any district, county office, or charter school. For those entities that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent has authority to make changes to school district or county office's local plan. For charter schools, the charter authorizer will be required to consider revocation of a charter if the Collaborative finds that the inadequate performance is so persistent and acute as to warrant revocation. The State will continue to measure student achievement through statewide assessments, maintain a dashboard system for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

Federal Sources. The federal government provides funding for several District programs, including the Every Student Succeeds Act, special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Education for Economic Security, and the free and reduced lunch program.

Other State Sources. In addition to LCFF revenues, the District receives substantial other State revenues. As described above, the LCFF replaced most of the State categorical program funding that existed prior to fiscal year 2013-14. Categorical funding for certain programs was excluded from the LCFF, and school districts continue to receive restricted State revenues to fund these programs. These other State revenues are primarily restricted revenue funding items such as the Special Education Master Plan, Economic Impact Aid, and Tier 3 Funding.

Other State revenues include the California State Lottery (the "Lottery"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research.

Other Local Sources. In addition to property taxes, the District receives additional local revenues from items such as leases and rentals, interest earnings, transportation fees, interagency services, and other local sources.

Developer Fees and CFD Revenues

The District collects developer fees to finance essential school facilities within the District. The following table shows the collection of developer fees for the most recent fiscal years.

DEVELOPER FEES

<i>Fiscal Year Ending June 30,</i>	<i>Developer Fees</i>
2012	\$ 916,106
2013	1,543,566
2014	2,094,990
2015	1,771,964
2016	1,631,721
2017	1,398,404
2018	674,748
2019	567,054
2020	686,988
2021	3,314,333
2022	7,188,198
2023	4,283,223
2024	3,502,844
2025	3,489,110
2026 ⁽¹⁾	4,600,000

⁽¹⁾ Estimated.

Source: Western Placer Unified School District.

The District collects revenues from a portion of the special taxes collected in the community facilities districts established in the District (“CFD Revenues”) to finance essential school facilities within the District. The following table shows the collection of CFD Revenues for the most recent fiscal years.

CFD REVENUES

<i>Fiscal Year Ending June 30,</i>	<i>CFD Revenues</i>
2012	\$ 5,591,019
2013	5,985,525
2014	5,832,256
2015	5,936,744
2016	5,920,582
2017	6,069,375
2018	6,054,481
2019	6,846,051
2020	9,941,724
2021	12,423,306
2022	10,685,692
2023	11,323,175
2024	9,682,922
2025	12,450,227
2026 ⁽¹⁾	6,904,063

⁽¹⁾ Estimated.

Source: Western Placer Unified School District.

The District has historically applied the developer fees and the CFD Revenues to make lease payments with respect to its certificates of participation and expects to continue to do so in the future. Neither the Developer fees nor the CFD Revenues are specifically pledged to the payment of such lease payments.

Effect of State Budget on District Revenues

Most public school districts in California, including the District, are dependent on revenues from the State for a large portion of their operating budgets, because the primary source of funding for school districts is LCFF funding, which is derived from a combination of State funds and local property taxes as previously described herein (see “—Education Funding Generally” above). School districts which are Community Funded however are an exception to this and derive most of their revenues from local property taxes.

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

District Expenditures

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

Labor Relations. Currently the District employs 431.0 full-time equivalent (FTE) certificated employees, 386.0 FTE classified employees, and 81.6 management, supervisor, or confidential employees. There are two formal bargaining organizations operating in the District which are described in the table below.

LABOR ORGANIZATIONS

<i>Labor Organization</i>	<i>Members</i>	<i>Contract Expiration</i>
Western Placer Teachers’ Association	379	June 30, 2028
California School Employees’ Association	337	June 30, 2028

Source: Western Placer Unified School District.

District Retirement Programs

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the 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.

Contributions by employers to STRS are based upon rates determined annually in the State’s budgets. The District is currently required to contribute to STRS at an actuarially determined rate, which was 19.10% of eligible salary expenditures for fiscal year 2022-23 and is 19.10% for fiscal year 2023-24.

The District’s contribution to STRS for the most recent fiscal years was as follows:

<i>Fiscal Year Ending June 30,</i>	<i>District STRS Contribution</i>
2014	\$ 2,018,571
2015	2,294,702
2016	3,031,542
2017	3,812,851
2018	4,465,253
2019	5,121,861
2020	5,493,192
2021	5,458,596
2022	6,248,644
2023	7,894,168
2024	8,550,213
2025	8,889,050
2026 ⁽¹⁾	9,220,587

⁽¹⁾ From the District’s 2nd Interim Report, adopted March 17, 2026. Fiscal Year 2025-26 contribution is a budgeted projection. Source: Western Placer Unified School District.

The State also contributes to STRS on behalf of the District. 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 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. 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 Public Employees’ Retirement System (“PERS”). PERS provides retirement and disability benefits, annual COLA’s, 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, 2014, included 1,580 public agencies and 1,513 K-14 school districts. 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. The District is currently required to contribute to PERS at an actuarially determined rate, which was 27.05% of eligible salary expenditures for fiscal year 2024-25 and is 26.81% for fiscal year 2025-26

The District’s contribution to PERS for the most recent fiscal years was as follows:

<i>Fiscal Year Ending June 30,</i>	<i>District PERS Contribution</i>
2014	\$ 752,269
2015	843,887
2016	961,530
2017	1,229,817
2018	1,431,741
2019	1,689,812
2020	1,917,766
2021	2,062,049
2022	2,595,917
2023	3,684,457
2024	4,553,536
2025	5,024,735
2026 ⁽¹⁾	4,742,808

⁽¹⁾ From the District’s 2nd Interim Report, adopted March 17, 2026. Fiscal Year 2025-26 contribution is a budgeted projection. Source: Western Placer Unified School District.

For further information about the District’s contributions to STRS and PERS, see APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025—Notes 7 and 8.

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

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 (the "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 (currently, 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.

The District’s proportionate shares of the net pension liabilities, pension expense, deferred outflow of resources and deferred inflow of resources for STRS and PERS, as of June 30, 2025, are as shown in the following table.

<i>Pension Plan</i>	<i>Net Pension Liability</i>	<i>Deferred Outflows Related to Pensions</i>	<i>Deferred Inflows Related to Pensions</i>	<i>Pension Expenses</i>
STRS	\$ 45,719,000	\$ 22,149,050	\$ 7,187,000	\$ 8,179,784
PERS	<u>30,875,000</u>	<u>11,553,735</u>	<u>221,000</u>	<u>6,631,879</u>
Totals	\$ 76,594,000	\$ 33,702,785	\$ 7,408,000	\$ 14,811,663

Source: Western Placer Unified School District 2025-26 Audited Financial Statements.

For additional information, see APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025—Notes 7 and 8.

Other Post-Employment Benefits

Post-Employment Health Care Plan and Other Postemployment Benefits (OPEB) Obligation. In addition to the pension benefits described above, the District has established an Other Postemployment Benefits Plan (the “Plan”) which is a single employer defined benefit healthcare plan. The District participates in the California Employer’s Retiree Benefit Trust Program (CERBT) to pre-fund OPEB liabilities. The CERBT is an agent multiple employer plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions that are administered by PERS.

Membership of the Plan consists of 24 retirees and their beneficiaries currently receiving benefits, and 686 active plan members.

Contribution Information. 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 under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost. Contributions to the Plan from the District were \$228,439 for the year ended June 30, 2025. Employees are not required to contribute to the OPEB plan.

Annual OPEB Cost and Net OPEB Obligation. The District’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation to the Plan:

CHANGES IN NET OPEB OBLIGATION
Fiscal Year 2024-25

Service cost	\$ 717,160
Interest	142,803
Administrative expense	1,865
Employer contribution	(228,439)
Experience gains/losses	-
Changes in assumptions	(200,872)
Changes in benefit terms	-
Increase in net OPEB obligation	432,517
Net OPEB obligation, beginning of the year	6,349,996
Net OPEB obligation, end of the year	\$ 6,782,513

Source: Western Placer Unified District 2024-25 Audited Financial Statements.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

See also APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025, Note 9.

Charter Schools

The State Legislature enacted the Charter Schools Act of 1992 (California Education Code Sections 47600-47616.5) 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 panels can appeal 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.

School districts have certain fiscal oversight and other responsibilities with respect to both affiliated independent and district operated charter schools established within their 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 charter schools receive their funding from the District and would be reflected in the District’s audited financial statements.

The District has two K-12 charters operating within its boundaries, the Horizon Charter School and John Adams Academy.

The District makes no representations regarding how many District students will transfer to charter schools, back to the District from charter schools, or will transfer between the District and other school districts due to the presence of charter schools in the future, and the District cannot predict the corresponding financial impacts of such transfers on the District.

Assembly Bill 1505 was recently enacted (the “AB 1505”), which aims to slow the growth of charter schools. AB 1505 will give school districts increased leverage to deny applications for new charter schools by providing school districts additional discretion when authorizing charter schools to consider the number and

enrollment in proposed charter schools, academic outcomes and offerings and a statement of need for the school. The District cannot predict the impact such legislation will have on its operations and finances.

District Debt Structure

General Obligation Bonds. The District received authorization at an election held on November 4, 2014, by at 55% of the votes cast by eligible voters within the District (the “2014 Authorization”) to issue not to exceed \$60,000,000 of General Obligation Bonds. In 2015, the District issued \$20,000,000 of general obligation bonds from the 2014 Authorization. In 2017, the District issued \$25,000,000 from the 2014 Authorization. In 2018, the District issued \$15,000,000 from the 2014 Authorization.

The District received authorization at an election held on November 8, 2016, by at 55% of the votes cast by eligible voters within the District (the “2016 Authorization”) to issue not to exceed \$60,000,000 of General Obligation Bonds. In 2017, the District issued \$30,000,000 from the 2016 Authorization. In 2018, the District issued \$30,000,000 from the 2016 Authorization.

The following table shows the District’s outstanding general obligation bonds.

**ISSUED AND OUTSTANDING GENERAL OBLIGATION BONDS
As of May 1, 2026**

<i>Date</i>	<i>Series</i>	<i>Final Maturity Date</i>	<i>Original Principal Amount</i>	<i>Outstanding Amount as of May 1, 2026</i>
6/04/15	General Obligation Bonds, Election of 2014, Series A	8/1/40	\$ 20,000,000	\$ 14,305,000
6/13/17	General Obligation Bonds, Election of 2014, Series B	8/1/47	25,000,000	21,035,000
11/6/18	General Obligation Bonds, Election of 2014, Series C	8/1/43	15,000,000	12,070,000
6/13/17	General Obligation Bonds, Election of 2016, Series A	8/1/47	30,000,000	25,200,000
11/6/18	General Obligation Bonds, Election of 2016, Series B	8/1/43	<u>30,000,000</u>	<u>24,225,000</u>
			\$ 120,000,000	\$ 96,835,000

The following table shows the District's debt service obligations with respect to its outstanding general obligation bonds.

DEBT SERVICE OBLIGATIONS ON OUTSTANDING GENERAL OBLIGATION BONDS
As of May 1, 2026

<i>Bond Year Ending August 1</i>	<i>2014A Bonds</i>	<i>2014B Bonds</i>	<i>2014C Bonds</i>	<i>2016A Bonds</i>	<i>2016B Bonds</i>	<i>Total</i>
2026	\$ 1,276,831.26	\$ 1,433,312.50	\$ 951,981.26	\$ 1,784,937.50	\$ 2,020,762.50	\$ 7,467,825.02
2027	1,279,081.26	1,432,562.50	948,381.26	1,783,937.50	2,019,562.50	7,463,525.02
2028	1,279,146.88	1,435,312.50	949,181.26	1,786,187.50	2,021,962.50	7,471,790.64
2029	1,277,906.25	1,433,112.50	949,181.26	1,784,387.50	2,017,962.50	7,462,550.01
2030	1,275,312.50	1,434,912.50	947,931.26	1,786,387.50	2,021,712.50	7,466,256.26
2031	1,274,800.00	1,432,862.50	950,431.26	1,785,587.50	2,017,712.50	7,461,393.76
2032	1,276,175.00	1,432,662.50	951,431.26	1,785,187.50	2,021,212.50	7,466,668.76
2033	1,275,300.00	1,431,262.50	950,843.76	1,783,387.50	2,021,712.50	7,462,506.26
2034	1,277,100.00	1,434,775.00	948,793.76	1,787,350.00	2,017,962.50	7,465,981.26
2035	1,276,900.00	1,435,975.00	950,231.26	1,782,750.00	2,021,362.50	7,467,218.76
2036	1,275,100.00	1,435,775.00	950,762.50	1,786,750.00	2,017,562.50	7,465,950.00
2037	1,276,600.00	1,435,025.00	949,512.50	1,783,950.00	2,020,250.00	7,465,337.50
2038	1,276,300.00	1,431,425.00	947,325.00	1,785,100.00	2,017,250.00	7,457,400.00
2039	1,279,100.00	1,431,775.00	949,200.00	1,782,600.00	2,017,000.00	7,459,675.00
2040	1,275,000.00	1,430,900.00	948,000.00	1,787,350.00	2,018,000.00	7,459,250.00
2041	--	1,433,800.00	950,600.00	1,783,850.00	2,020,000.00	6,188,250.00
2042	--	1,435,300.00	951,800.00	1,782,350.00	2,017,750.00	6,187,200.00
2043	--	1,435,400.00	951,600.00	1,782,600.00	2,021,250.00	6,190,850.00
2044	--	1,433,200.00	--	1,784,000.00	--	3,217,200.00
2045	--	1,434,200.00	--	1,783,000.00	--	3,217,200.00
2046	--	1,433,200.00	--	1,784,600.00	--	3,217,800.00
2047	--	1,435,200.00	--	1,783,600.00	--	3,218,800.00
Total	\$ 19,150,653.15	\$ 31,541,950.00	\$17,097,187.60	\$ 39,259,850.00	\$ 36,350,987.50	\$143,400,628.25

General Fund Obligations. In October 2016, the District delivered \$69,520,000 in certificates of participation (the "2016 Certificates") for the purpose of refinancing certificates of participation delivered by the District in 2003 and 2008. The District is required to make lease payments of principal and interest in conjunction with the 2016 Certificates. Interest is due and payable semiannually on each February 1 and August 1. The outstanding principal balance of 2016 Certificates is \$58,810,000.

In October 2017, the District delivered \$51,795,000 in certificates of participation (the "2017 Certificates") for the purpose of refinancing certificates of participation delivered by the District in 2006. The District is required to make lease payments of principal and interest in conjunction with the 2017 Certificates. Interest is due and payable semiannually on each February 1 and August 1. The outstanding principal balance of 2017 Certificates is \$45,510,000.

In November 2019, the District delivered \$8,285,000 in certificates of participation (the "2019 Certificates") for the purpose of refinancing certificates of participation delivered by the District in 2011. The District is required to make lease payments of principal and interest in conjunction with the 2019 Certificates. Interest is due and payable semiannually on each February 1 and August 1. The outstanding principal balance of 2019 Certificates is \$7,585,000.

In August 2025, the District delivered \$24,250,000 in certificates of participation, in two series (collectively, the "2025 Certificates") for the purpose of financing capital improvements of the District. The District is required to make lease payments of principal and interest in conjunction with the 2025 Certificates. Interest is due and payable semiannually on each February 1 and August 1. The outstanding principal balance of 2019 Certificates is \$24,250,000.

The following table shows the District's debt service obligations with respect to its outstanding certificates of participation.

DEBT SERVICE OBLIGATIONS ON OUTSTANDING GENERAL FUND OBLIGATIONS
As of May 1, 2026

<i>Bond Year Ending August 1</i>	<i>2016 COPs</i>	<i>2017 COPs</i>	<i>2019 COPs</i>	<i>2025 COPs</i>	<i>Total</i>
2026	\$ 2,618,868.76	\$ 3,355,637.50	\$ 580,226.26	\$ 1,150,114.86	\$ 7,704,847.38
2027	2,687,118.76	3,227,887.50	956,695.00	1,858,037.50	8,729,738.76
2028	2,711,918.76	3,132,637.50	1,062,170.00	1,303,287.50	8,210,013.76
2029	2,714,718.76	3,093,387.50	892,955.00	1,529,537.50	8,230,598.76
2030	2,711,318.76	3,337,387.50	527,255.00	1,509,037.50	8,084,998.76
2031	3,031,918.76	3,270,387.50	525,180.00	1,408,537.50	8,236,023.76
2032	3,463,518.76	3,267,137.50	522,755.00	1,457,037.50	8,710,448.76
2033	3,421,118.76	3,388,487.50	524,980.00	1,497,287.50	8,831,873.76
2034	3,317,668.76	3,289,437.50	521,680.00	1,534,537.50	8,663,323.76
2035	3,377,068.76	3,675,237.50	523,030.00	1,503,787.50	9,079,123.76
2036	3,098,318.76	1,022,987.50	523,045.00	1,633,287.50	6,277,638.76
2037	6,676,468.76	1,022,987.50	2,452,505.00	1,670,037.50	11,821,998.76
2038	5,830,868.76	1,022,987.50	--	1,718,287.50	8,572,143.76
2039	5,866,068.76	1,257,987.50	--	1,772,287.50	8,896,343.76
2040	5,437,868.76	1,170,056.26	--	1,731,537.50	8,339,462.52
2041	5,529,468.76	1,139,825.00	--	1,865,537.50	8,534,837.26
2042	5,560,468.76	1,065,437.50	--	1,926,137.50	8,552,043.76
2043	5,635,000.00	1,623,412.50	--	1,976,462.50	9,234,875.00
2044	5,097,500.00	2,367,487.50	--	2,027,062.50	9,492,050.00
2045	4,376,875.00	3,835,743.76	--	1,987,712.50	10,200,325.26
2046	2,969,218.76	4,282,868.76	--	2,147,237.50	9,399,325.02
2047	2,526,562.50	4,361,600.00	--	2,211,975.00	9,100,137.50
2048	--	7,631,000.00	--	2,269,787.50	9,900,787.50
2049	--	7,638,800.00	--	2,330,675.00	9,969,475.00
Total	\$ 88,659,925.18	\$ 72,480,806.28	\$ 9,612,476.26	\$ 44,303,377.36	\$ 215,056,585.08

Special Tax Bonds. In 2005, the District issued Community Facilities District No. 1 Special Tax Bonds in the amount of \$15,000,000 (the “2005 CFD Bonds”), to pay for the acquisition and construction of certain school facilities. The outstanding principal balance of the 2005 CFD Bonds as of June 30, 2014, was \$12,330,000. On March 10, 2015, the 2005 Bonds were defeased by the Community Facilities District No. 1 2015 Special Tax Refunding Bonds (the “2015 CFD Bonds”). The outstanding principal amount of the 2015 CFD Bonds is \$6,895,941. The 2015 CFD Bonds are not secured by the District’s general fund.

Short-Term Obligations. The District has, in the past, issued short-term tax and revenue anticipation notes, most recently on July 1, 2025 in the amount of \$14,700,000 (the “2025 TRAN”), and in all cases the funds pledged to repayment were set aside in the months and in the amounts required. All amounts required for the 2025 TRAN have been set aside for payment on June 30, 2026, The District has never defaulted on any of its short-term obligations.

STATE BUDGET INFORMATION

The following information concerning the State’s budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information.

General Overview

Financial Stress on State Budget. For the first several fiscal years after the onset of the COVID-19 pandemic the State experienced a series of budget surpluses; however, in the 2024-25 State Budget (defined below), the State projects that it will operate at a deficit for the next several fiscal years. According to the State, there remain a number of other major risks and pressures that threaten the State’s financial condition, including potential changes to federal fiscal policies and large unfunded liabilities for PERS and STRS, rising health care costs and trade policy. The State’s revenues (particularly the personal income tax) can be volatile and correlate to overall economic conditions. The District is unable to predict the degree to which the COVID-19 pandemic or other factors will materially adversely affect the financial condition of the State.

Cash Management by State and Impact on Schools. To conserve cash in light of declining revenues resulting from the last recession, the State enacted several statutes deferring the payment of amounts owed to public schools, until a later date in the current, or in a subsequent, fiscal year. This technique was used in all of the State’s budget bills from fiscal year 2008-09 through fiscal year 2012-13. Some of these statutory deferrals were made permanent, and others were implemented only for one fiscal year. These deferrals reduced amounts paid to K-12 districts and resulted in deferred payments that at one point totaled more than \$10 billion. These deferrals also created cash flow shortages for certain K-12 districts which required an increased level of cash flow borrowings. In fiscal years 2013-14 and 2014-15, the State repaid the majority of these deferrals and the remaining \$992 million was repaid in fiscal year 2015-16. The State included LCFF apportionment deferrals in its budget for fiscal year 2020-21 but repaid these deferrals in fiscal year 2021-22. The 2024-25 State Budget includes LCFF apportionment deferrals from fiscal year 2023-24 to fiscal year 2024-25 and from fiscal year 2024-25 to fiscal year 2026-27. See “—2024-25 State Budget.”

School Reserves – 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. See also “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS—Proposition 2.”

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

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.

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 information is drawn from the State Department of Finance’s (“DOF”) summary of the 2025-26 State Budget.

The 2025-26 State Budget reports 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 notes that the budget does not reflect the impact of substantial cuts in federal spending included in the federal omnibus tax and spending bill signed in early July. The State continues to monitor the impacts of the federal spending cuts and may need to make adjustments to the 2025-26 State Budget as a result. The 2025-26 State Budget solves the projected \$11.8 billion deficit through significant reductions in ongoing programs and a mix of other broad-based measures.

For fiscal year 2024-25, the 2025-26 State Budget projects total general fund revenues and transfers of \$226.7 billion and authorizes expenditures of \$233.6 billion. The State is 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 maintains the scheduled \$7.1 billion withdrawal for fiscal year 2025-26. For fiscal year 2025-26, the 2025-26 State Budget projects total general fund revenues and transfers of \$215.7 billion and authorizes expenditures of \$228.4 billion. The State is 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 are projected to have zero balances in fiscal year 2025-26.

The 2025-26 State Budget sets 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 is set at \$114.6 billion. The 2025-26 State Budget also makes 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 appropriates \$118 billion, instead of the currently 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 projects 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 rebenchs 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 includes an LCFF COLA of 2.3%. When combined with population growth adjustments, these result 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. The 2025-26 State Budget authorizes a mandatory deposit of \$455 million into the PSSSA in fiscal year 2024-25, of which the entirety is exhausted in fiscal year 2025-26, including \$405.3 million to support LCFF costs.

Deferrals – The 2025-26 State Budget reflects LCFF apportionment deferrals from fiscal years 2024-25 to 2025-26 of approximately \$246.6 million, and from fiscal years 2025-26 to 2026-27 of approximately \$1.9 billion.

Universal Transitional Kindergarten (TK) – The 2025-26 State Budget provides \$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 provides \$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 shifts \$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 seeks 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 includes 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 includes investments such as literacy coaches, reading specialists, trainings for educators, administering screenings and providing materials. The 2025-26 State Budget also provides \$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 provides \$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 provides 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.

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 website at www.dof.ca.gov. However, the information presented on such website is not incorporated herein by any reference.

Proposed 2026-27 State Budget

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

The Proposed 2026-27 Budget reports that the State experienced a welcome surge in revenues since the 2025-26 State Budget, with a projection approximately \$42 billion higher over the three-year budget window, from fiscal year 2024-25 through 2026-27, than the projection at the 2025-26 State Budget. Much of the revenue surge is attributable to a relatively small number of technology companies that have experienced a substantial increase in their share prices due to investor enthusiasm in artificial intelligence. Additionally, the increase in revenues is due to higher cash receipts, higher stock market levels and an improved economic outlook. However, the Proposed 2026-27 Budget reports that the constitutional funding requirements, need for an adequate budget reserve and higher program costs exceed the level of increased revenues, resulting in a projected shortfall of \$2.9 billion for fiscal year 2026-27. Despite the \$12 billion in ongoing expenditure reductions included in the 2025-26 Budget, the State continues to be confronted with structural operating deficits that need to be addressed. The Proposed 2026-27 Budget identifies dominant risks to the State budget as stock market and asset price declines and unpredictable federal policies, including continued uncertainty regarding tariffs and immigration, as well as their impact on inflation, the labor market, investment and overall demand. Additionally, significant federal policy changes for health and human services programs due to the adoption of House of Representatives (“H.R.”) 1 of 2025, which increased projected costs for the State’s Medicaid Program and Supplemental Nutrition Assistance Program in fiscal year 2026-27 by approximately \$1.4 billion. The Proposed 2026-27 Budget reports a balanced budget for fiscal year 2026-27, with a discretionary reserve of \$4.5 billion and projects a deficit of roughly \$22 billion in fiscal year 2027-28, with additional shortfalls in the two subsequent fiscal years.

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

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

BSA and \$4.10 billion in the PSSSA. The Safety Net Reserve is projected to have a zero balance across both fiscal years 2025-26 and 2026-27.

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

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

- *LCFF* – The Proposed 2026-27 Budget includes an LCFF COLA of 2.41%. When combined with population growth adjustments, this would result in an increase of roughly \$2 billion in discretionary funds for local educational agencies. The Proposed 2026-27 Budget fully repays budgetary deferrals of \$1.9 billion in 2026-27, and includes an ongoing increase of \$30.7 million to provide an increase in LCFF for necessary small schools. The Proposed 2026-27 Budget also provides \$228 million in ongoing Proposition 98 funding to reflect a 2.41% COLA for specific categorical programs and the LCFF Equity Multiplier. Finally, the Proposed 2026-27 Budget reflects a \$15.6 million decrease in ongoing Proposition 98 funding to reflect ADA changes applicable to LCFF funding for county offices of education, as well as a 2.41% COLA.
- *Master Plan for Career Education/Student Support and Professional Development Discretionary Block Grant* – \$100 million in one-time Proposition 98 funding to increase access to college and career pathways for high school students, including expanding access to dual enrollment and dual credit opportunities. \$2.8 billion in one-time Proposition 98 funding for a discretionary block grant to implement statewide priorities including: professional development for teachers in English language arts and mathematics, teacher recruitment and retention, professional development related to transitional kindergarten and career pathways and dual enrollment expansion consistent with the Master Plan for Career Education. Additionally, \$250 million in one-time Proposition 98 funding to continue teacher residency programs through fiscal year 2029-30.
- *Before School, After School and Summer School* – An additional \$62.4 million in ongoing Proposition 98 funding to provide a guarantee of \$1,800 per pupil for local educational agencies with less than 55 percent unduplicated pupils, bringing the total \$4.7 billion in ongoing Proposition 98 funding for the Expanded Learning Opportunities Program.
- *Facilities* – \$1.5 billion in one-time funds from bonds issued under Proposition 2 (2024) to support school construction projects in fiscal year 2026-27.
- *Learning Recovery Emergency Block Grant* – \$757.3 million in one-time Proposition 98 funding to support the Learning Recovery Emergency Block Grant, which supports local educational agencies in establishing learning recovery initiatives through the 2027-28 school year.

- *Home-to-School Transportation* – \$322 million in one-time and \$239.2 million in ongoing Proposition 98 funding to reflect higher costs in the Home-to-School Transportation Program.
- *Kitchen Infrastructure and Training* – \$100 million in one-time Proposition 98 funding for specialized kitchen equipment, infrastructure, and training to support schools in providing more freshly prepared meals made with locally grown ingredients.
- *Reading Difficulties Risk Screening* – \$40 million in one-time Proposition 98 funding to support continued implementation of student reading difficulties screenings.
- *Los Angeles County Wildfire Recovery* – \$22.9 million in one-time Proposition 98 funding to support local educational agencies that are continuing to recover from the January 2025 Los Angeles County wildfires.
- *Universal and Targeted Assistance* – An additional \$13.3 million ongoing Proposition 98 funding, for a total of \$131.9 million ongoing, for county offices of education to provide universal and targeted support to school districts and charter schools, including those eligible for differentiated assistance.
- *Financial Crisis and Management Assistance Team (FCMAT)* – \$994,000 in additional ongoing Proposition 98 funding to support increased FCMAT workload.
- *Nutrition* – An ongoing decrease of \$67.9 million in ongoing Proposition 98 funding to fully fund the Universal School Meals Program, reflecting a reduction in fiscal year 2025-26 estimates compared to the 2025-26 State Budget and an increase in meal reimbursement rates.
- *Local Property Tax Adjustments* – A decrease of \$1.4 billion in fiscal year 2026-27 and \$18 million in fiscal year 2025-26 in ongoing Proposition 98 funding for school districts and county offices of education.
- *Technology Initiatives* – \$629,000 in additional ongoing Proposition 98 funding to support the K-12 High Speed Network program and \$966,000 in additional ongoing Proposition 98 funding to support increased California School Information System costs.
- *Curriculum-Embedded Performance Tasks for Science* – \$890,000 in ongoing Proposition 98 funding to maintain performance task resources at the Los Angeles County Office of Education in support of inquiry-based science instruction.

For additional information regarding the Proposed 2026-27 Budget, see the DOF and LAO websites www.dof.ca.gov and www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by any reference.

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

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

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

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

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

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

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

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

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

districts and will need to schedule this payment in State budgetary legislation for fiscal year 2027-28, either from available funds or scheduled over multiple fiscal years.

In addition, adjustments in capital gains revenues as of the May Revision are projected to eliminate a mandatory withdrawal from the PSSSA in fiscal year 2026-27 that was projected by the Proposed 2026-27 Budget, and require mandatory deposits across the three-year budget window totaling \$8.7 billion. The May Revision also proposes to increase the discretionary deposit in fiscal year 2025-26 to \$1.6 billion, resulting in a final balance in that year of \$10.3 billion. Much of the overall increase in the minimum funding guarantee across the three-year budget window is allocated to the deposits authorized to be made to the PSSSA.

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

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

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

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

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

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

Future Actions and Events

The District cannot predict what additional actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State’s ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District.

ECONOMY OF THE DISTRICT

Although reasonable efforts have been made to include up-to-date information in this section, some of the information is not current due to delays in reporting of information by various sources. It should not be assumed that the trends indicated by the following data would continue beyond the specific periods reflected herein.

Introduction

The City. The City of Lincoln (the “City”) is located on the eastern edge of the Sacramento Valley floor at the base of the Sierra Nevada foothills. It is located on State Route 65 and State Route 193 approximately 25 miles northeast of Sacramento and 10 miles north of Roseville. The City is one of six incorporated cities within Placer County (the “County”), with the other being the Cities of Roseville, Rocklin, Auburn, Loomis, and Colfax. The City consists of approximately 19 square miles.

The County. Placer County is located in northeastern California and covers approximately 1,500 square miles of diverse geography between Sacramento and the Nevada border. The County is bounded by Sacramento and El Dorado Counties on the south; Nevada and Yuba Counties to the north; Nevada, Yuba, and Sutter Counties on the west; and the State of Nevada to the east.

The western part of the County, which is part of the Sacramento Valley, is generally flat and ranges in elevation from 45 to 1,000 feet. This part of the County, called South Placer, contains the cities of Roseville, Rocklin, Lincoln, and Loomis, as well as the unincorporated communities of Sheridan and Granite Bay. The South Placer area has experienced the County’s most significant growth in recent years, in terms of both new housing and commercial and industrial development. Most of the County’s major manufacturing facilities are located in this part of the County. The South Placer area also supports the bulk of the County’s agricultural activities, including over 86,000 acres of land enrolled in the California Land Conservation Act (Williamson Act) contracts.

The central part of the County consists of the Foothill region, which includes the Cities of Auburn and Colfax, and the unincorporated communities of Foresthill, Penryn, Newcastle, Applegate, Weimar, Gold Run, Meadow Vista, Dutch Flat, Alta, and Baxter. The Foothills area is in the heart of what constituted Gold Rush Country in the 1800s.

The eastern part of the County is the High Sierra region. The High Sierra area includes the resort communities and ski areas around Lake Tahoe. This is an internationally known resort area, with visitors coming to hike, fish, golf, enjoy the outdoors, visit nearby Nevada casinos in the summer, and ski at the many resorts in the winter. Tourism and recreation are the dominant industries in the region, providing jobs for the residents of the unincorporated communities of Tahoe City, Tahoe Vista, Carnelian Bay, Homewood, Kings Beach, Tahoma, Emigrant Gap, Soda Springs, and Squaw Valley.

Population

The table below summarizes population of the City, the County, and the State of California for the last five years.

**CITY OF LINCOLN, PLACER COUNTY, and CALIFORNIA
Population**

<i>Year</i>	<i>City of Lincoln</i>	<i>Placer County</i>	<i>State of California</i>
2021	50,267	407,282	39,369,530
2022	51,237	409,924	39,179,680
2023	52,286	410,319	39,228,444
2024	54,167	420,436	39,420,663
2025	54,520	421,446	39,529,101

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2021-2025, with 2020 Census Benchmark. Sacramento, California, May 2025.

Employment

The following table summarizes historical employment and unemployment for the County, the State of California and the United States:

PLACER COUNTY, CALIFORNIA, and UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)

<i>Year</i>	<i>Area</i>	<i>Labor Force⁽²⁾</i>	<i>Employment</i>	<i>Unemployment</i>	<i>Unemployment Rate⁽¹⁾</i>
2020	Placer County	185,700	171,800	13,900	7.5%
	California	18,956,600	17,039,800	1,916,800	10.1
	United States	160,742,000	147,795,000	12,947,000	8.1
2021	Placer County	190,000	180,200	9,700	5.1
	California	18,954,600	17,564,900	1,389,700	7.3
	United States	161,204,000	152,581,000	8,623,000	5.3
2022	Placer County	195,200	189,100	6,100	3.1
	California	19,218,300	18,393,900	824,400	4.3
	United States	164,287,000	158,291,000	5,996,000	3.6
2023	Placer County	201,700	194,400	7,400	3.6
	California	19,471,000	18,551,800	919,200	4.7
	United States	167,116,000	161,037,000	6,080,000	3.6
2024	Placer County	204,800	196,300	8,400	4.1
	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

⁽¹⁾ The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.

⁽²⁾ Labor force data for all geographic areas now reflect the March 2024 Benchmark and Census Vintage 2023 population controls at the state level.

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2020-24, and US Department of Labor.

Major Employers

The following table lists the top 10 employers within Placer County according to Placer County’s Fiscal Year 2024-25 Annual Comprehensive Financial Report.

PLACER COUNTY
Top 10 Employers
as of June 30, 2025

<i>Employer</i>	<i>Employees</i>	<i>% of Total County Employment</i>
Sutter Health	6,672	3.37%
Kaiser Permanente	6,154	3.11
Placer County	2,905	1.47
Thunder Valley Casino Resort	2,508	1.27
Roseville City School District	1,861	0.94
Sierra Joint CCD	1,514	0.76
City of Roseville	1,386	0.70
Pacific Gas and Electric Co.	1,360	0.69
Safeway	1,181	0.60
Western Placer Unified School District	<u>900</u>	<u>0.45</u>
Total Top 10	26,746	13.36%

Source: Placer County Fiscal Year 2024-25 Annual Comprehensive Financial Report.

Construction Activity

The following table reflects the five-year history of building permit valuation for the City and the County:

CITY OF LINCOLN Building Permits and Valuation (Dollars in Thousands)

	2020	2021	2022	2023 ⁽¹⁾	2024 ⁽¹⁾
<u>Permit Valuation:</u>					
New Single-family	\$ 150,214	\$ 301,933	\$ 315,089	\$ 266,449	\$ 294,499
New Multi-family	-	-	-	1,075	38,097
Res. Alterations/Additions	<u>3,909</u>	<u>5,552</u>	<u>3,497</u>	<u>4,455</u>	<u>4,763</u>
Total Residential	154,124	307,485	318,586	271,979	337,359
Total Nonresidential	<u>18,871</u>	<u>26,284</u>	<u>39,970</u>	<u>46,377</u>	<u>48,893</u>
Total All Building	172,995	333,769	358,556	318,356	386,252
<u>New Dwelling Units:</u>					
Single Family	503	969	997	718	733
Multiple Family	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>218</u>
Total	503	969	997	731	951

PLACER COUNTY Building Permits and Valuation (Dollars in Thousands)

	2020	2021	2022	2023	2024 ⁽¹⁾
<u>Permit Valuation:</u>					
New Single-family	\$ 827,822	\$ 1,323,114	\$ 1,193,148	\$ 1,144,269	\$ 1,270,170
New Multi-family	72,442	11,183	40,312,609	91,865	129,899
Res. Alterations/Additions	<u>52,440</u>	<u>107,613</u>	<u>82,331</u>	<u>124,850</u>	<u>127,881</u>
Total Residential	952,705	1,441,911	1,315,792	1,360,984	1,527,950
Total Nonresidential	<u>184,605</u>	<u>184,797</u>	<u>301,719</u>	<u>331,339</u>	<u>256,178</u>
Total All Building	1,137,311	1,626,708	1,617,512	1,692,323	1,784,128
<u>New Dwelling Units:</u>					
Single Family	2,552	4,176	3,701	3,037	3,030
Multiple Family	<u>540</u>	<u>66</u>	<u>351</u>	<u>1,595</u>	<u>593</u>
Total	3,092	4,242	4,052	4,632	3,623

⁽¹⁾ Last available full-year data.

Note: Totals may not add due to independent rounding.

Source: Construction Industry Research Board: "Building Permit Summary."

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

Total personal income in Placer County increased by 86.24% between 2014 and 2024. The following tables summarize personal income for Placer County for 2014 through 2024.

**PERSONAL INCOME
Placer County
2015-2024
(Dollars in Thousands)**

<i>Year</i>	<i>Placer County</i>	<i>Annual Percent Change</i>
2015	\$21,893,973	--%
2016	23,059,644	5.06
2017	24,314,724	5.16
2018	25,586,686	4.97
2019	27,150,590	5.76
2020	29,725,079	9.48
2021	32,886,037	10.63
2022	33,705,721	2.49
2023	35,628,496	5.70
2024	38,068,254	6.84

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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

Articles XIII A, XIII B, XIII C and XIII D of the California Constitution, Propositions 98, 111, 218 and 39, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes and of the District to spend tax proceeds.

Article XIII A of the California Constitution

Article XIII A (“Article XIII A”) of the State Constitution limits the amount of ad valorem 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.

Article XIII A requires a vote of two-thirds 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 (i) on any indebtedness approved by the voters prior to July 1, 1978, or (ii) as the result of an amendment approved by State voters on July 3, 1986, on any bonded indebtedness approved by two-thirds of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast of the proposition, but only if certain accountability measures are included in the proposition. In addition, Article XIII A requires the approval of two-thirds of all members of the State 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 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.

That portion of annual property tax revenues generated by increases in assessed valuations within each tax rate area within a county, subject to redevelopment agency, if any, claims on tax increment and subject to changes in organizations, if any, of affected jurisdictions, is allocated to each jurisdiction within the tax rate area in the same proportion that the total property tax revenue from the tax rate area for the prior year was allocated to such jurisdictions.

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.

Beginning in fiscal year 1981-82, assessors in California no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as \$4 per \$100 of assessed value. All taxable property is now shown at 100% of assessed value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of 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 California State Supreme Court have upheld the general validity of Article XIII A.

Proposition 50 and Proposition 171

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

Under Proposition 50, the base year value of the replacement property (the “Replacement Base Year Value”) depends on the relation of the full cash value of the replacement property (the “Replacement Cash Value”) to the Original Cash Value: if the Replacement Cash Value exceeds 120 percent of the Original Cash Value, then the Replacement Base Year Value is calculate by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120 percent of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

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

Proposition 19

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

Article XIII B of the California Constitution

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

(a) “change in the cost of living” with respect to school districts to mean the percentage change in California 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 average daily attendance 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, (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 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See “Propositions 98 and 111” below.

Article XIII C and XIII D of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIII C and 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 California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as community college districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than ad valorem property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one percent ad valorem property tax levied and collected by the County pursuant to Article XIII A of the California Constitution.

The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Propositions 98 and 111

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

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

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

- 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 California per capita personal income. The definition of “change in population” specifies that a portion of the State’s spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. “Excess” tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be

transferred to K 14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K 14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K 14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit: (i) all appropriations for "qualified capital outlay projects" as defined by the Legislature, and (ii) any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which 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. A complex adjustment was made to the formula enacted in Proposition 98 which guarantees K 14 school districts a certain amount of State general fund revenues. Under prior law, K 14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "first test") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools (also referred to as a "maintenance factor") which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Jarvis v. Connell

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

limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Beginning in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also 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 reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was projected approximately \$1 billion in fiscal year 2011-12, 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, will be an increase in the State's general fund costs by approximately \$1 billion annually for several decades.

Proposition 55

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

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community college

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

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

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

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

Future Initiatives

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

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, LLP, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Notes 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 Notes 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 Notes is exempt from State of California personal income tax.

In the opinion of Bond Counsel, the difference between the issue price of a Note (the first price at which a substantial amount of the Notes of a maturity is to be sold to the public) and the stated redemption price at maturity of such Note constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Beneficial Owner will increase the Beneficial Owner’s basis in the applicable Note. The amount of original issue discount that accrues to the Beneficial Owner a Note is excluded from the gross income of such Beneficial Owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and is exempt from State of California personal income tax.

Bond Counsel’s opinion as to the exclusion from gross income for federal income tax purposes of interest on the Notes (including any original issue discount) is based upon certain representations of fact and certifications made by the District, the Underwriters and others and is subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes to assure that interest on the Notes (including any 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 on the Notes (including any original issue discount) to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. The District will covenant to comply with all such requirements.

The amount by which a Beneficial Owner’s original basis for determining loss on sale or exchange in the applicable Note (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 Beneficial Owner’s basis in the applicable Note (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 Beneficial Owner realizing a taxable gain when a Note is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the Note to the Beneficial Owner. Purchasers of the Notes 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 Notes will be selected for audit by the IRS. It is also possible that the market value of the Notes might be affected as a result of such an audit of the Notes (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 Notes to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Notes or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE NOTES 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 NOTES INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE NOTES. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE NOTES. NO ASSURANCE CAN BE GIVEN THAT

SUBSEQUENT TO THE ISSUANCE OF THE NOTES 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 NOTES, 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 NOTES.

Bond Counsel's opinion may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Notes 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 exclusion from gross income for federal income tax purposes of interest (and original issue discount) with respect to any Note if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth LLP.

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

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the Notes is set forth in APPENDIX C—FORM OF OPINION OF BOND COUNSEL.

LEGALITY FOR INVESTMENT IN CALIFORNIA

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

NO LITIGATION

No litigation is pending or threatened concerning the validity of the Notes, and a certificate of the District from the District to that effect will be furnished to the Underwriter at the time of the original delivery of the Notes. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to collect pledged revenues or contesting the District's ability to issue and retire the Notes.

There may be one or more lawsuits and claims pending against the District. The aggregate amount of the liabilities of the District which may result from existing suits and claims is not expected to not materially affect the District's ability to repay the Notes.

APPROVAL OF LEGALITY

Legal matters incident to the issuance and delivery of the Notes are subject to the approving opinion of Bond Counsel. See APPENDIX C—FORM OF OPINION OF BOND COUNSEL. Certain disclosure matters will be passed upon for the District by Disclosure Counsel. The compensation of Bond Counsel and Disclosure Counsel, in each case, is contingent upon the sale and delivery of the Notes.

RATING

Moody's Investors Service ("Moody's"), has assigned a credit rating of "MIG 1" to the Notes. Certain information was supplied by the District to Moody's to be considered in evaluating the Notes. Such rating reflects only the view of Moody's and an explanation of the significance of such rating may be obtained from the following: Moody's, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, tel. (212) 553-1653. There is no assurance that the rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating obtained may have an adverse effect on the market price of the Notes.

MUNICIPAL ADVISOR

Capitol Public Finance Group, LLC, Roseville, California (the "Municipal Advisor"), is an independent financial advisory firm registered as a "Municipal Advisor" with the Securities Exchange Commission and Municipal Securities Rulemaking Board. The Municipal Advisor does not underwrite, trade or distribute municipal or other public securities. The Municipal Advisor has assisted the District in connection with the planning, structuring, sale and issuance of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibilities for the accuracy, completeness or fairness of the information contained in this Official Statement not provided by the Municipal Advisor.

UNDERWRITING

Following a competitive sale, the Notes are being purchased by _____ (the "Underwriter") at a price of \$ _____ (equal to the principal amount of the Notes of \$ _____, plus a premium of \$ _____, less an Underwriter's discount of \$ _____). After a bona fide initial public offering at the price stated on the cover page hereof, the Underwriter may offer and sell the Notes to certain dealers and others at prices lower than the initial public offering price. The offering price may be changed from time to time by the Underwriter.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the registered owners of the Notes to provide notice of the occurrence of certain enumerated events which notice of material events will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the notices is summarized below under the caption APPENDIX B—FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule").

The District has filed all annual reports on a timely manner within the last five years.

ADDITIONAL INFORMATION

Quotations from and summaries and explanations of the Notes and the Resolutions providing for issuance of the Notes, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

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

WESTERN PLACER UNIFIED SCHOOL DISTRICT

By _____
Superintendent

APPENDIX A

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

WESTERN PLACER UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
June 30, 2025

WESTERN PLACER UNIFIED SCHOOL DISTRICT

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

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	13
STATEMENT OF ACTIVITIES	14
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET - GOVERNMENTAL FUNDS	15
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	16
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	17
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	18
STATEMENT OF FIDUCIARY NET POSITION - TRUST FUNDS.....	19
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION - TRUST FUNDS	20
NOTES TO FINANCIAL STATEMENTS.....	21
REQUIRED SUPPLEMENTARY INFORMATION:	
GENERAL FUND BUDGETARY COMPARISON SCHEDULE	51
SCHEDULE OF CHANGES IN NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY	52
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	53
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS	55
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	57

WESTERN PLACER UNIFIED SCHOOL DISTRICT

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

CONTENTS

SUPPLEMENTARY INFORMATION:

COMBINING BALANCE SHEET - ALL NON-MAJOR FUNDS	58
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - ALL NON-MAJOR FUNDS	59
SCHEDULE OF AVERAGE DAILY ATTENDANCE.....	60
SCHEDULE OF INSTRUCTIONAL TIME	61
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	62
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS	63
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS – UNAUDITED.....	64
SCHEDULE OF CHARTER SCHOOLS.....	65
NOTES TO SUPPLEMENTARY INFORMATION	66

OTHER INFORMATION:

ORGANIZATION	67
INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS	68
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>	72
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AS REQUIRED BY THE UNIFORM GUIDANCE	74

FINDINGS AND RECOMMENDATIONS:

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS.....	77
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS	85

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Western Placer Unified School District
Lincoln, 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 Western Placer Unified School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Western Placer 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 Western Placer 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 Western Placer 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.

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.

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 position of \$5,062,789. Our opinions are not modified with respect to this matter.

(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 Western Placer 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 Western Placer 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 Western Placer 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 12 and the General Fund Budgetary Comparison Schedule, the Schedule of Changes in Net 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 51 to 56 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 Western Placer 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 basic 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 opinion on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026 on our consideration of Western Placer 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 Western Placer 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 Western Placer Unified School District's internal control over financial reporting and compliance.


Crowe LLP

Sacramento, California
January 27, 2026

WESTERN PLACER UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The management's discussion and analysis of Western Placer Unified School District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis. The intent of this discussion and analysis is to look at the District's financial performance as a whole.

To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report on pages 1 through 3, notes to the financial statements on pages 21 through 50, and the District's financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

In 2024-25, the District's Total Assets decreased by \$1.9 million which represents a 0.45% decrease from the 2023-24 fiscal year. The decrease was primarily due to decreases in cash and investments of \$21.9 million, which were spent primarily on the addition of capital assets. Correspondingly, capital assets (net of accumulated depreciation) increased by \$16.3 million due to the net increase in buildings, equipment and work-in-progress in District capital assets.

- The District's Net Position decreased by \$1.6 million from June 30, 2024. Total revenues were \$153.3 million, compared to \$149.9 million in expenses. In addition to the current year revenues and expenses, the District recognized a reduction in net position of \$5.1 million due to the implementation of GASB 101.
- The fund balance of the General Fund decreased overall by \$2.8 million from the prior year, ending the year at \$26.9 million. The fund balance in the unassigned fund balance category decreased by \$3.5 million, having begun the year with a balance of \$13.5 million. This reserve also includes the 3% Reserve for Economic Uncertainty of \$3.7 million. Deficit spending was projected in the 2024-25 fiscal year in both the original and revised budgets adopted by the board. Fund balance increased at year-end due to restricted federal, state ongoing and one-time program carryovers.
- District enrollment in 2024-25 was 8,051 at CalPADS reporting, an increase of 182 students, or 2.3%. The attendance rate for 2024-25 was 93.6%. District enrollment is projected to increase by 242 students during 2025-26 due to full Transitional Kindergarten implementation and increased enrollment growth in the Twelve Bridges and downtown attendance areas. The 2025-26 projected attendance rate is 94.0%.
- The District continues to see construction growth and updates projected enrollment accordingly.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements are organized to first present the District's overall financial position, followed by more detailed information on specific financial activities. This annual report consists of three parts:

- Management's Discussion and Analysis – this section, which provides an overall review of the financial activity for the past fiscal year as well as a look at the future years.
- Basic Financial Statements – a look at Western Placer Unified School District's financial statement as a whole for the entire operating entity. The financial statements also include notes that explain some of the information in the statements and provide more detailed data.
- Required Supplementary Information – detailed information for specific financial activities including required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Reporting on the District as a Whole

Statement of Net Position and Statement of Activities

These two statements provide information about the District as a whole using the accrual accounting methods similar to those used by private-sector companies. They help answer the question, "How did we do financially during 2024-25?"

The change in net position is reported in the Statement of Net Position. This change in net position is important because it tells the reader whether the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some of them financial and some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating.

All current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. The relationship between revenues and expenses indicates the District's operating results. It is important to remember, the District's goal is to provide services to its students, not to generate profits as is necessary in commercial entities. One must consider many other non-financial factors, such as the quality of education provided and the safety of the schools, in order to assess the overall health of the District.

In the District-wide financial statements, the District's activities are divided into two categories:

- Governmental Activities – All of the District's services are reported here, including regular and special education, general administration, transportation, food services, plant services, facilities acquisition and construction, interest, and long-term debt. State support from LCFF and categorical apportionments finance most of these activities.
- Business-type Activities – The District does not currently have any business type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required to be established by State law, bond covenants, or through grant or program restrictions.
- The District establishes other funds to control and manage money for specific purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

A District may have three kinds of funds:

- **Governmental Funds** – Most of the District's activities are reported in governmental funds. The major governmental funds of the District are the General Fund, Capital Facilities Fund, and Mello Roos Fund. Governmental funds focus on short-term financial resources—how money comes in, how it is spent, and what remains available at year-end. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
- **Proprietary Funds** – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds use the full accrual basis of accounting, the same as the District-wide statements. The District does not have programs classified in this category.
- **Fiduciary Funds** – The District is the trustee, or fiduciary, for assets that belong to others, such as the Retiree Benefits fund. The District is responsible for ensuring that the assets that are reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The District as a Whole

Statement of Net Position

The District's total assets decreased by \$1.9 million to \$425.2 million during the 2024-25 fiscal year. Cash and cash equivalent accounts decreased \$21.9 million, mostly due to the purchase of Capital Assets. Deferred outflows of resources for pensions and OPEB decreased by \$2.7 million due to current year actuarially determined amounts.

Total liabilities decreased \$4.7 million primarily due to the decrease of long-term liabilities due after one year by \$4.6 million. Deferred inflows of resources for pensions and OPEB increased by \$1.4 million due to current year actuarially determined amounts.

The District's net position for 2024-25 was \$113.8 million, a decrease of \$1.6 million (1.36%) from 2023-24. Of this balance, \$61.9 million was restricted while (\$61.0) million was unrestricted. Net investment in capital assets accounted for \$112.9 million of the total net position. The Statement of Net Position is included in the table below and provides the detail information for 2023-24 and 2024-25, along with the variances between the years.

Table 1
Net Position
June 30, 2024 and 2025
Governmental Activities

	2023-24	2024-25	\$ Difference	% Difference
Assets:				
Cash and investments	\$ 94,409,783	\$ 72,543,848	\$ (21,865,935)	-23.16%
Receivables	8,191,584	11,761,890	3,570,306	43.59%
Prepaid expenses	563,013	707,618	144,605	25.68%
Stores inventory	98,076	47,079	(50,997)	-52.00%
Other current assets	1,342	1,342	-	0.00%
Capital assets (net of accumulated depreciation)	323,907,984	340,174,480	16,266,496	5.02%
Total assets	427,171,782	425,236,257	(1,935,525)	-0.45%
Deferred Outflows of Resources:				
Deferred outflows of resources-pensions and OPEB	40,044,328	37,338,858	(2,705,470)	-6.76%
Deferred outflow from advance refunding of debt	5,671,955	5,426,266	(245,689)	-4.33%
Total deferred outflows of resources - pensions	45,716,283	42,765,124	(2,951,159)	-6.46%
Liabilities:				
Accounts payable	14,258,078	14,000,071	(258,007)	-1.81%
Unearned revenue	785,252	832,170	46,918	5.97%
Long-term liabilities				
Due within one year	7,551,352	7,632,416	81,064	1.07%
Due after one year	321,969,071	317,412,811	(4,556,260)	-1.42%
Total liabilities	344,563,753	339,877,468	(4,686,285)	-1.36%
Deferred Inflows of Resources:				
Deferred inflows of resources-pensions and OPEB	12,934,053	14,304,553	1,370,500	10.60%
Net Position				
Invested in capital assets, net of related debt	129,642,199	112,859,883	(16,782,316)	-12.95%
Restricted	36,933,333	61,869,468	24,936,135	67.52%
Unrestricted	(51,185,273)	(60,909,991)	(9,724,718)	19.00%
Net Investment in Capital Assets	\$ 115,390,259	\$ 113,819,360	\$ (1,570,899)	-1.36%

Statement of Activities

The District's total expenses were \$149.9 million; \$1.1 million higher in 2024-25 than 2023-24. Program revenues were \$32.8 million; \$66.1 million lower in 2024-25 than 2023-24. General revenues were \$120.5 million; \$4.0 million higher in 2024-25 than 2023-24.

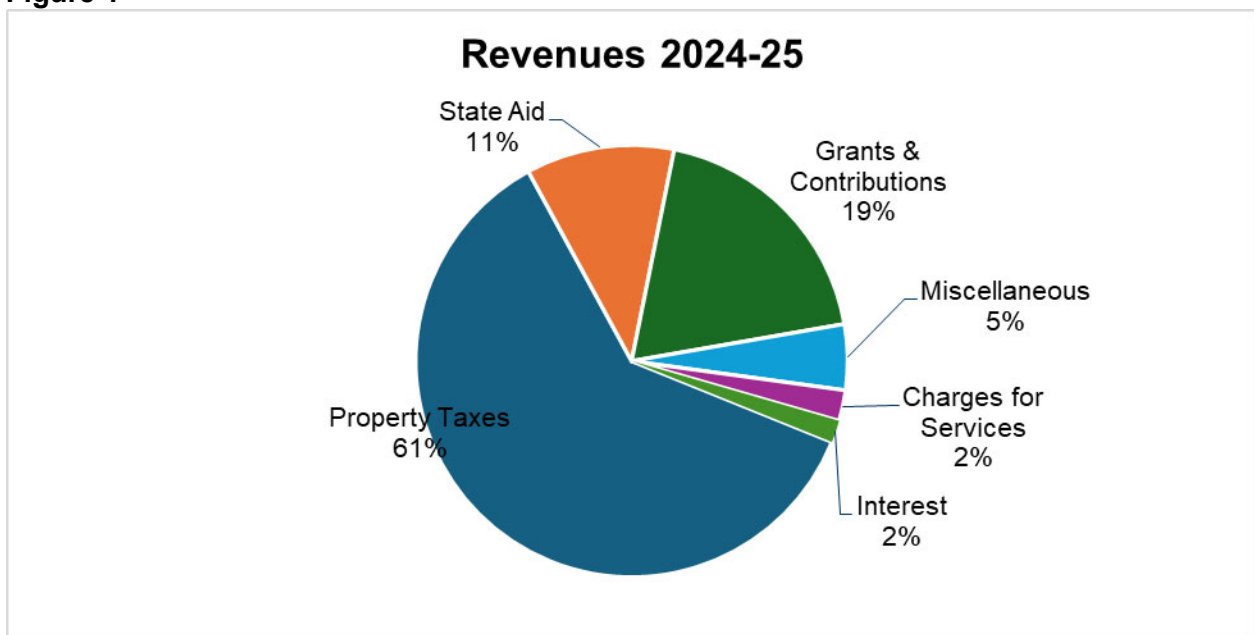
Table 2
Statement of Activities
June 30, 2024 and 2025
Governmental Activities

	2023-24	2024-25	\$ Difference	% Difference
General Revenues				
Taxes Levied for General Purposes	\$ 74,553,132	\$ 78,347,151	\$ 3,794,019	5.09%
Taxes Levied for Debt Service	7,540,837	7,217,706	(323,131)	-4.29%
Taxes Levied for Specific Purposes	7,286,323	7,892,019	605,696	8.31%
Unrestricted Federal and State Aid	20,047,619	17,037,674	(3,009,945)	-15.01%
Interest and Investment Earnings	2,175,636	2,524,128	348,492	100.00%
Interagency Revenues	361,295	404,015	42,720	11.82%
Miscellaneous	4,520,235	7,108,014	2,587,779	57.25%
Total General Revenues	116,485,077	120,530,707	4,045,630	3.47%
Program Revenues				
Charges for Services	3,500,435	3,528,438	28,003	0.80%
Operating Grants & Contributions	30,164,722	29,269,346	(895,376)	-2.97%
Capital Grants & Contributions	65,224,639	14,895	(65,209,744)	100.00%
Total Program Revenues	98,889,796	32,812,679	(66,077,117)	100.00%
Total Revenues	215,374,873	153,343,386	(62,031,487)	-28.80%
Expenses				
Instruction	82,518,177	80,052,291	(2,465,886)	-2.99%
Supervision of Instruction	3,974,834	4,981,171	1,006,337	25.32%
Instructional Library, Media & Technology	1,098,183	1,074,029	(24,154)	-2.20%
School Administration	7,724,409	8,125,549	401,140	5.19%
Home-to-School Transportation	2,636,307	2,668,576	32,269	1.22%
Food Service	5,371,435	6,367,193	995,758	18.54%
Pupil Support Services	6,703,136	6,931,126	227,990	100.00%
General Administration	9,342,860	10,883,008	1,540,148	16.48%
Plant Services	13,047,047	12,280,830	(766,217)	-5.87%
Ancillary Services	3,914,895	4,669,332	754,437	19.27%
Community Services	39,739	79,046	39,307	98.91%
Transfer Between Agencies	2,189,626	3,313,392	1,123,766	51.32%
Interest on Debt and Fiscal Charges	10,226,158	8,425,953	(1,800,205)	-17.60%
Total Expenses	148,786,806	149,851,496	1,064,690	0.72%
Change in Net Position	66,588,067	3,491,890	(63,096,177)	-94.76%
Net Position - Beginning	48,802,192	115,390,259	66,588,067	136.44%
Restatement due to implementation GASB 101	-	(5,062,789)	(5,062,789)	100.00%
Net Position - Ending	\$ 115,390,259	\$ 113,819,360	\$ (1,570,899)	-1.36%

The users of the District's programs paid \$3.5 million (Charges and Services) of the cost. The federal and state governments subsidized certain programs with grants and contributions of \$29.3 million (Grants & Contributions). This included over \$12 million in federal and state special education funds, \$1 million in Proposition 28 Arts & Music in School grant funds, \$2.3 million in state lottery revenues, and \$2.6 million for state Expanded Learning Opportunity Programs. Most of the governmental activities were paid with \$93.5 million in property taxes, \$17.0 million of unrestricted state aid based on the statewide Local Control Funding Formula, and \$2.5 million of investment interest earnings. Miscellaneous revenues of \$7.5 million is comprised of a number of items, including facilities use fees, developer fees, State construction facilities reimbursements, Mello-Roos receipts, interagency revenues and site co-curricular revenues.

Figure 1 charts the District's revenues for the 2024-25 school year.

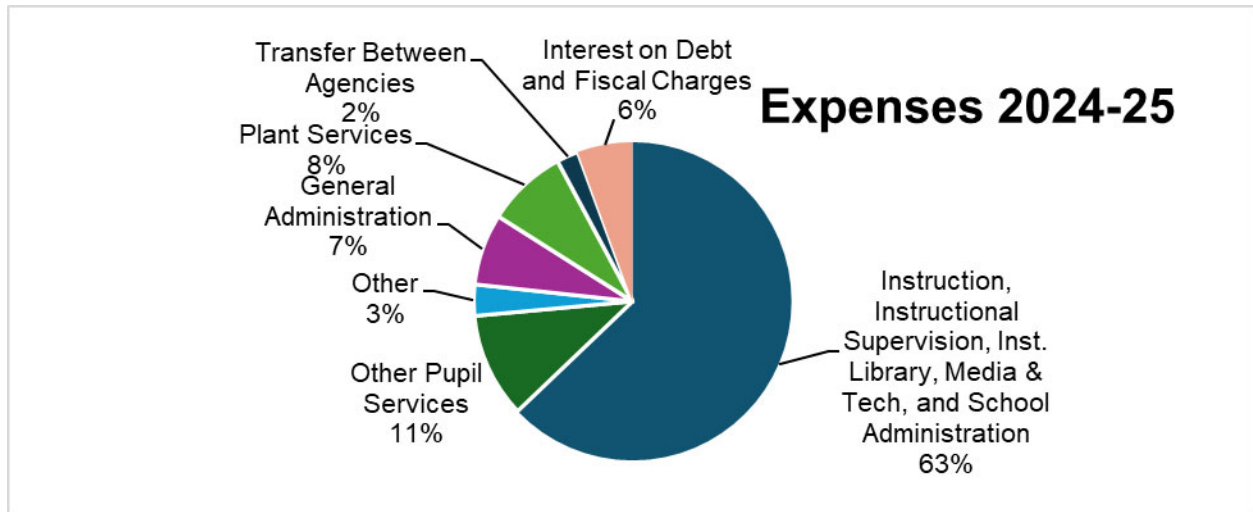
Sources of Western Placer USD's Revenue for the 2024-25 Fiscal Year
Figure 1



As shown in the Statement of Activities, the cost of all the District's governmental activities this year was \$149.9 million. Instruction, supervision of instructional, instructional library, media & technology, and school administration expenses made up approximately 63% of total 2024-25 expenses, a 1% decrease from 2023-24. General administration accounted for approximately 7% of the expense budget, a 1% increase from 2023-24. Interest on debt, fiscal charges and transfers between agencies represented 6% of expenses, a 1% decrease from 2023-24. pupil services accounted for 11% of expenses, a 1% increase from 2023-24. Plant maintenance and operations accounted for 8% of the expense budget, a 1% decrease from 2023-24.

Figure 2 charts the District's expenditures for the 2024-25 school year.

Western Placer USD's Expenses for the Fiscal Year 2024-25 Figure 2



FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide statements. The individual fund statements provide information on inflows and outflows and balances of spendable resources.

The District's Governmental Funds reported a combined fund balance of \$73.8 million, a decrease of \$18.3 million from the previous fiscal year's combined ending balance of \$92.1 million. The funds with greatest change were:

- Building Fund decreasing by a net \$12.2 million due to completion of the Twelve Bridges High School Phase 2 expansion.
- Mello-Roos Fund decreasing by \$5.0 million due to payment of long-term debt and a transfer of \$10.3 million to the Capital Facilities Fund for the new Phoenix High School building.
- General Fund decreasing \$2.8 million, primarily spending down of one-time revenues received in 2024-25 and prior years.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget regularly. Significant budget adjustments fell into the following categories:

- Budget revisions acknowledging the inclusion of restricted ending balances, deferred revenue, and unspent carryover funds from the prior year.
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Budget revisions to reflect salary settlements.
- Other budget revisions are routine for the district operations, including adjustments to state and federal revenues and expenditures based on final awards and allocations, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a net decrease to the ending balance of approximately \$9.6 million. Actual audited activity reflected a net decrease to the ending balance of \$2.8 million. The difference between the final budget and the actual ending balance is due primarily to unspent federal and state program carryover funds, including one-time state Learning Recovery Emergency Block Grant and Arts, Music and Instructional Materials Discretionary Block Grant funds, and Proposition 28 Arts and Music funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of the 2024-25 fiscal year, the District had invested \$340.1 million in a broad range of capital assets, including school sites, school buildings, work in progress, site improvements, vehicles, and equipment. This amount represents an increase of \$16.3 million from the previous fiscal year, which consists of construction work in progress and site equipment additions totaling \$30.1 million, net of deletions and depreciation expense in the current fiscal year of \$13.9 million.

Table 3
Capital Assets
(net of depreciation)

	2023-24	2024-25	\$ Difference	% Difference
Land	47,681,849	47,794,664	\$ 112,815	0.24%
Buildings	238,782,758	238,136,773	(645,985)	-0.27%
Site Improvements	29,373,337	36,144,737	6,771,400	23.05%
Equipment & Vehicles	3,607,834	4,618,090	1,010,256	28.00%
Work in Progress (WIP)	4,462,206	13,480,216	9,018,010	202.10%
Total	\$ 323,907,984	\$ 340,174,480	\$ 16,266,496	5.02%

Long-Term Debt

At June 30, 2025, the District had \$325,045,227 in long-term debt outstanding.

Table 4				
Outstanding Liabilities				
	2023-24		2024-25	
General Obligation Bonds	\$	103,280,000	\$	100,115,000
Special Tax Bond		7,522,757		6,895,941
Unamortized Premiums		12,178,724		11,839,134
Cerfificates of Participation		117,195,000		114,220,000
Net Pension Liability		82,549,000		76,594,000
PARS		-		2,637,842
Other Post Employment Benefits		6,349,996		6,782,513
Compensated Absences		444,946		5,960,797
TOTAL	\$	329,520,423	\$	325,045,227

The General Obligation Bonds are financed by the local taxpayers and represent 30.8% of the District's long-term debt. Certificates of Participation (COPs) are defeased through Mello-Roos special taxes and developer fees. COPs represent an additional 35.1% of the District long-term debt. The District's Net Pension Liability represents 23.6% of the District's long-term liability. The District's remaining debt is composed of other post-employment benefits, special tax bond, unamortized premiums, compensated absences and PARS.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Over the last several years, the District has seen a steady growth in student enrollment as new housing developments are completed and new homeowners moved into the District. Over the last ten years since 2014-15, the district has increased enrollment by 1,393 students (20.9%).

In 2024-25, the District continued to see increased student enrollment with an increase of 182 students from 2023-24

For 2025-26, at First Interim Budget, we are projecting to continue to see enrollment increase due to full TK implementation and growth in the Twelve Bridges and downtown areas of Lincoln. Projected enrollment remains the same as the original Adopted of 8,293 students, an increase of 242 students (3.0%) from 2024-25 with an ADA-to-enrollment rate of 94.0% and projected ADA of 7,795. For 2026-27, we are projecting 2.0% enrollment growth with an ADA-to-enrollment rate of 94.0%, resulting in a projected ADA of 7,951--an increase of 171 ADA from the projected 2025-26 ADA.

The District's greatest challenge continues to be maintaining a viable relationship between its revenues and expenditures while at the same time expanding its infrastructure and services to address the educational, technology and facility needs of its existing and future students. The District must also continue to use one-time state and federal funding for one-time purposes. The District is committed to a balanced budget and maintaining a minimum reserve of 3% of expenditures for economic uncertainties.

The 2025-26 State Budget was approved by June 30, 2025. The final budget for 2025-26 included a statutory COLA of 2.30%

In 2025-26, the District's First Interim Budget reporting shows the General Fund with a planned deficit of \$12.0 million, largely due to \$14.6 million in prior year unspent funds budgeted in 2025-26 expenditures. Although the district projects deficit spending, it still maintains the required 3% reserve for Economic Uncertainty plus an additional 1.5% of unassigned surplus in 2025-26, 2.6% in 2026-27 and 3.9% in 2027-28. While the District's fund balance reserves are less than unified school districts statewide, this situation is somewhat mitigated by the fact that student enrollment continues to increase each year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Western Placer Unified School District, 600 Sixth Street, Suite 400, Lincoln, CA 95648, (916) 645-6350.

BASIC FINANCIAL STATEMENTS

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and investments (Note 2)	\$ 72,543,848
Receivables	11,761,890
Prepaid expenses	707,618
Stores inventory	47,079
Other current assets	1,342
Non-depreciable capital assets (Note 4)	61,274,880
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>278,899,600</u>
 Total assets	 <u>425,236,257</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 7 and 8)	33,702,785
Deferred outflows of resources - OPEB (Note 9)	3,636,073
Deferred outflow from advance refunding of debt	<u>5,426,266</u>
 Total deferred outflows of resources	 <u>42,765,124</u>
LIABILITIES	
Accounts payable	14,000,071
Unearned revenue	832,170
Long-term liabilities (Note 5):	
Due within one year	7,632,416
Due after one year	<u>317,412,811</u>
 Total liabilities	 <u>339,877,468</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 7 and 8)	7,408,000
Deferred inflows of resources - OPEB (Note 9)	<u>6,896,553</u>
 Total deferred inflows of resources	 <u>14,304,553</u>
NET POSITION	
Net investment in capital assets	112,859,883
Restricted:	
Legally restricted programs	16,734,220
Capital projects	39,428,555
Debt service	5,706,693
Unrestricted	<u>(60,909,991)</u>
 Total net position	 <u>\$ 113,819,360</u>

See accompanying notes to financial statements.

WESTERN PLACER 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	\$ 80,052,291	\$ 113,438	\$ 12,134,971	\$ 14,895	\$ (67,788,987)
Instruction-related services:					
Supervision of instruction	4,981,171	40,374	985,343	-	(3,955,454)
Instructional library, media and technology	1,074,029	-	4,216	-	(1,069,813)
School site administration	8,125,549	4,980	1,524,130	-	(6,596,439)
Pupil services:					
Home-to-school transportation	2,668,576	2,872	16,933	-	(2,648,771)
Food services	6,367,193	1,778	5,794,178	-	(571,237)
All other pupil services	6,931,126	4,942	1,893,875	-	(5,032,309)
General administration:					
Data processing	3,304,159	40,495	45,794	-	(3,217,870)
All other general administration	7,578,849	69,602	956,065	-	(6,553,182)
Plant services	12,280,830	1,824,584	949,851	-	(9,506,395)
Ancillary services	4,669,332	86,788	2,563,694	-	(2,018,850)
Community services	79,046	-	15	-	(79,031)
Other outgo	3,313,392	1,338,585	2,400,281	-	425,474
Interest on long-term liabilities	8,425,953	-	-	-	(8,425,953)
Total governmental activities	\$ 149,851,496	\$ 3,528,438	\$ 29,269,346	\$ 14,895	(117,038,817)
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					78,347,151
Taxes levied for debt service					7,217,706
Taxes levied for other specific purposes					7,892,019
Federal and state aid not restricted to specific purposes					17,037,674
Interest and investment earnings					2,524,128
Interagency transfers					404,015
Miscellaneous					7,108,014
Total general revenues					120,530,707
Change in net position					3,491,890
Net position, July 1, 2024					115,390,259
Restatement due to implementation of GASB 101 (Note 1)					(5,062,789)
Net Position, July 1, 2020, as restated					110,327,470
Net position, June 30, 2025					\$ 113,819,360

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General Fund	Capital Facilities Fund	Mello Roos Fund	All Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and investments:					
Cash in County Treasury	\$ 25,217,700	\$ 3,886,570	\$ 33,943,674	\$ 8,334,036	\$ 71,381,980
Cash in banks	-	-	-	1,091,962	1,091,962
Revolving cash	5,000	-	-	-	5,000
Cash with fiscal agent	-	-	46,264	-	46,264
Collections awaiting deposit	3,939	14,703	-	-	18,642
Receivables	10,183,388	21,283	106,444	1,450,775	11,761,890
Prepaid expenditures	707,618	-	-	-	707,618
Stores inventory	-	-	-	47,079	47,079
Other current assets	-	-	-	1,342	1,342
Due from other funds	257,886	10,360,328	-	586,181	11,204,395
	<u>36,375,531</u>	<u>14,282,884</u>	<u>34,096,382</u>	<u>11,511,375</u>	<u>96,266,172</u>
Total assets	<u>\$ 36,375,531</u>	<u>\$ 14,282,884</u>	<u>\$ 34,096,382</u>	<u>\$ 11,511,375</u>	<u>\$ 96,266,172</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 8,032,696	\$ 922,472	\$ 4,200	\$ 1,507,637	\$ 10,467,005
Unearned revenue	832,170	-	-	-	832,170
Due to other funds	586,182	-	10,327,731	290,482	11,204,395
	<u>9,451,048</u>	<u>922,472</u>	<u>10,331,931</u>	<u>1,798,119</u>	<u>22,503,570</u>
Total liabilities	<u>9,451,048</u>	<u>922,472</u>	<u>10,331,931</u>	<u>1,798,119</u>	<u>22,503,570</u>
Fund balances:					
Nonspendable	712,618	-	-	47,079	759,697
Restricted	15,360,561	13,360,412	23,764,451	9,666,177	62,151,601
Assigned	792,435	-	-	-	792,435
Unassigned	10,058,869	-	-	-	10,058,869
	<u>26,924,483</u>	<u>13,360,412</u>	<u>23,764,451</u>	<u>9,713,256</u>	<u>73,762,602</u>
Total fund balances	<u>26,924,483</u>	<u>13,360,412</u>	<u>23,764,451</u>	<u>9,713,256</u>	<u>73,762,602</u>
Total liabilities and fund balances	<u>\$ 36,375,531</u>	<u>\$ 14,282,884</u>	<u>\$ 34,096,382</u>	<u>\$ 11,511,375</u>	<u>\$ 96,266,172</u>

See accompanying notes to financial statements.

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

Total fund balances - Governmental Funds		\$ 73,762,602
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 \$435,905,558 and the accumulated depreciation is \$95,731,078 (Note 4).		
		340,174,480
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statements, it is recognized in the period that it is incurred.		
		(3,533,066)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds		
Long-term liabilities at June 30, 2025 consisted of (Note 5):		
Special Tax Bonds	\$ (6,895,941)	
General Obligation Bonds	(100,115,000)	
Unamortized premiums	(11,839,134)	
Certificates of Participation	(114,220,000)	
Public Agency Retirement System (PARS)	(2,637,842)	
Net OPEB liability (Note 9)	(6,782,513)	
Net pension liability (Notes 7 and 8)	(76,594,000)	
Compensated absences	<u>(5,960,797)</u>	
		(325,045,227)
In governmental funds, deferred inflows and deferred outflows of resources resulting from defeasance of debt are not recorded. In governmental activities, for advance refundings resulting in defeasance of debt reported in governmental activities, the difference between reacquisition price and the net carrying amount of the retired debt are reported as deferred inflows or deferred outflows of resources:		
		5,426,266
In governmental funds, deferred outflows and inflows of resources relating to to pensions and OPEB are not reported because they are applicable to future periods. In the statement net position, deferred outflows and inflows of resources relating to pensions are reported (Notes 7, 8 and 9).		
Deferred outflows of resources relating to pensions	33,702,785	
Deferred outflows of resources relating to OPEB	3,636,073	
Deferred inflows of resources relating to pensions	(7,408,000)	
Deferred inflows of resources relating to OPEB	<u>(6,896,553)</u>	
		<u>23,034,305</u>
Total net position - governmental activities		<u>\$ 113,819,360</u>

See accompanying notes to financial statements.

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

	General	Capital	Mello Roos	Formerly Major	Formerly Major	All	Total
	Fund	Facilities	Fund	Building	County School	Non-Major	Governmental
	Fund	Fund	Fund	Fund	Facilities	Funds	Funds
Revenues:							
Local Control Funding Formula (LCFF):							
State apportionment	\$ 36,257,010	\$ -	\$ -			\$ -	\$ 36,257,010
Local sources	57,661,846	-	-			-	57,661,846
Total LCFF	93,918,856	-	-			-	93,918,856
Federal sources	3,286,889	-	-			2,129,603	5,416,492
Other state sources	14,529,969	-	-			3,946,105	18,476,074
Other local sources	9,939,499	3,813,641	13,550,920			9,603,749	36,907,809
Total revenues	121,675,213	3,813,641	13,550,920			15,679,457	154,719,231
Expenditures:							
Current:							
Certificated salaries	49,422,360	-	-			-	49,422,360
Classified salaries	18,387,780	351,686	-			1,903,775	20,643,241
Employee benefits	30,510,453	152,736	-			980,205	31,643,394
Books and supplies	4,686,876	44,052	-			3,056,142	7,787,070
Contract services and operating expenditures	16,983,679	525,124	22,015			2,473,164	20,003,982
Other outgo	3,313,392	-	-			-	3,313,392
Capital outlay	925,419	11,122,552	-			12,562,401	24,610,372
Debt service:							
Principal retirement	-	-	3,601,816			3,165,000	6,766,816
Interest	-	-	4,573,234			4,255,950	8,829,184
Total expenditures	124,229,959	12,196,150	8,197,065			28,396,637	173,019,811
(Deficiency) excess of revenues (under) over expenditures	(2,554,746)	(8,382,509)	5,353,855			(12,717,180)	(18,300,580)
Other financing sources (uses):							
Transfers in	257,452	10,327,731	-			543,984	11,129,167
Transfers out	(543,984)	-	(10,327,731)			(257,452)	(11,129,167)
Total other financing sources (uses)	(286,532)	10,327,731	(10,327,731)			286,532	-
Change in fund balances	(2,841,278)	1,945,222	(4,973,876)			(12,430,648)	(18,300,580)
Fund balances, July 1, 2024	29,765,761	11,415,190	28,738,327	12,568,342	381,320	9,194,242	92,063,182
Adjustment - changes to and within the District	-	-	-	(12,568,342)	(381,320)	12,949,662	-
Fund balances, July 1, 2024, as adjusted	29,765,761	11,415,190	28,738,327	-	-	22,143,904	92,063,182
Fund balances, June 30, 2025	\$ 26,924,483	\$ 13,360,412	\$ 23,764,451	\$ -	\$ -	\$ 9,713,256	\$ 73,762,602

See accompanying notes to financial statements.

WESTERN PLACER 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		\$ (18,300,580)
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).	\$ 25,154,224	
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(8,885,576)	
Loss from disposal of capital assets: In governmental funds, the disposal of capital assets are reported as revenue. In the statement of activities, only the resulting loss is reported (Note 4).	(2,152)	
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 5).	6,766,816	
Unmatured interest on long-term liabilities is not recorded in the governmental funds until it becomes due, but increases the liabilities in the statement of net position.	309,330	
In governmental funds, debt issued at a premium is recognized as an other financing source. In the is amortized as interest over the life of the debt (Note 5).	339,590	
In government-wide statements, any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Deferred gain or loss from debt refunding for the period is:	(245,689)	
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 5, 7, and 8):	1,951,010	
In the statement of activities, expenses related to the net OPEB liability, PARS 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>(3,595,083)</u>	<u>21,792,470</u>
Change in net position of governmental activities		<u>\$ 3,491,890</u>

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
TRUST FUNDS
For the Year Ended June 30, 2025

	Trust Funds	
	<u>Scholarship</u>	<u>Retiree Benefits</u>
ASSETS		
Cash and investments (Note 2):		
Cash in County Treasury	\$ 174,560	\$ 7,972
Accounts receivable	559	26
Total assets	175,119	7,998
NET POSITION		
Restricted for scholarships and retiree benefits	\$ 175,119	\$ 7,998

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
TRUST FUNDS
For the Year Ended June 30, 2025

	Trust Funds	
	<u>Scholarship</u>	<u>Retiree Benefits</u>
Additions:		
Other local sources	\$ 6,609	\$ 301
Change in net position	5,359	301
Net position, July 1, 2024	169,760	7,697
Net position, June 30, 2025	\$ 175,119	\$ 7,998

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Western Placer 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.

Mello-Roos Community Facilities District: The District and the Mello-Roos Community Facilities District (the “CFD”) have a financial and operational relationship that meets the reporting entity definition criteria of GASB Codification Section 2100, *The Financial Reporting Entity*, for inclusion of the CFD as a blended component unit of the District. Accordingly, the financial activities of the CFD have been included in the financial statements of the District within the Mello-Roos Fund, a debt service fund. Special tax bonds issued by the CFD are included in long-term liabilities on the government-wide financial statements.

Western Placer Unified School District Financing Corporation: The District and the Western Placer Unified School District Financing Corporation (the Corporation) have a financial and operational relationship that meets the reporting entity definition criteria of GASB Codification Section 2100, *The Financial Reporting Entity*, for inclusion of the Corporation as a blended component unit of the District. Accordingly, the financial activities of the Corporation have been included in the general-purpose financial statements of the District within the Building Fund, a capital projects fund. The certificates of participation issued by the Corporation are included in long-term liabilities on the government-wide financial statements.

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

A - Accountability:

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

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B - Scope of Public Service - The CFD and Corporation were formed for the sole purpose of financially assisting the District. The CFD and Corporation 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 CFD and Corporation's financial activity have been blended with the financial data of the District. The basic financial statements present the CFD and Corporation's financial activity within the Mello-Roos and Building Funds, respectively.

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.

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. Custodial 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 is considered an indirect expense 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 equity, revenues, and expenditures or expenses, as appropriate. 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)

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. The activities of the Special Reserve for Other Than Capital Outlay Fund have been included in the General Fund for financial reporting purposes.

Capital Facilities Fund - The Capital Facilities Fund is a capital projects fund used to account for resources used for the acquisition or construction of capital facilities by the District.

Mello-Roos Fund - The Mello-Roos Fund is a debt service fund used to account for the accumulation of resources for, and the payment of, Mello-Roos 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 specified purposes. This classification includes the Student Activity, Adult Education, Child Development, Cafeteria Funds and Deferred Maintenance.

Capital Projects Funds – The Capital Projects Fund is used to account for resources used for the acquisition or construction of capital facilities by the District. This classification includes the Special Reserve for Capital Outlay Fund, Building Fund, and County School Facilities Fund.

Debt Service Funds - 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.

Trust Funds - The Trust Funds are used to account for assets held by the District as Trustee. The District maintains two expendable trust funds, the Scholarship Trust, which is to be used to provide financial assistance to students of the District, and the Retiree Benefits Fund, which is used by the District to reserve for funds to pay for retiree benefits.

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: The 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)

WESTERN PLACER 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 complied with these requirements.

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

Stores Inventory: Inventory is stated at cost (average cost) which does not exceed replacement cost. Inventory consists of expendable supplies held for future use in the following period by the District's operating units, transportation supplies, and food held for consumption. Maintenance and other supplies held for physical plant repair are not included in inventory; rather, these amounts are recorded as expenditures when purchased.

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. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Also, the District has recognized a deferred outflow of resources relate to recognition of the net pension liability and net 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 net pension liability and net OPEB liability reported in the Statement of Net Position.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the aggregate as of June 30, 2025:

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 22,149,050	\$ 11,553,735	\$ 33,702,785
Deferred inflows of resources	\$ 7,187,000	\$ 221,000	\$ 7,408,000
Net pension liability	\$ 45,719,000	\$ 30,875,000	\$ 76,594,000
Pension expense	\$ 8,179,784	\$ 6,631,879	\$ 14,811,663

Compensated Absences: Compensated absence benefits in the amount of \$5,960,797 are recorded as a long-term liability of the District. 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 Revenue: Revenue from federal, state, and local special projects and programs is recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as unearned revenue until earned.

Interfund Activity: Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

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.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. *Restricted Net Position* - Restrictions of the ending net position indicate the portions of net position not appropriable 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 capital projects represents the portion of net position restricted for capital projects. The restriction for debt service represents the portion of net position available for the retirement of debt. The restriction for scholarships represents the portion of net position to be used to provide financial assistance to students of the District. The restriction for retiree benefits represents the portion of net position available for the former employees of the district. 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.

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.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. At June 30, 2018, the District has established a minimum General Fund fund balance policy of 5% of General Fund total outgo. As of June 30, 2025, the District has an unassigned balance of \$10,058,869.

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 County of Placer bills and collects 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. All encumbrances are liquidated as of 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 basic 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.

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 \$5,062,789.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2025 are reported at fair value and consisted of the following:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
Pooled Fund:		
Cash in County Treasury	\$ 71,381,980	\$ 182,532
Deposits:		
Cash on hand and in banks	1,091,962	-
Cash in revolving fund	5,000	-
Collections awaiting deposit	18,642	-
Investments:		
Cash with Fiscal Agent	46,264	-
Total cash and investments	\$ 72,543,848	\$ 182,532

Pooled Funds: In accordance with Education Code Section 41001, the Office of Education maintains substantially all of its cash in the interest bearing Placer County Treasurer's Pooled Investment Fund. The Office of Education is considered to be an involuntary participant in an external investment pool. The fair value of the Office of Education's investment in the pool is reported in the financial statements at amounts based upon the Office of Education's prorata 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 \$1,115,604 and the bank balance was \$1,144,920, \$423,032 of which was insured by the FDIC .

Cash with Fiscal Agent: The Cash with Fiscal Agent of \$46,264 in the Mello-Roos Fund represents debt proceeds that have been set aside for capital projects and the repayment of long-term liabilities. These amounts are held by a third party custodian in the District's name.

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)

WESTERN PLACER 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 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 Funds:		
General	\$ 257,886	\$ 586,182
Capital Facilities	10,360,328	-
Mello-Roos	-	10,327,731
Non-Major Funds:		
Adult Education	34,136	432
Cafeteria	52,045	197,454
Deferred Maintenance	500,000	-
Building	-	32,596
Special Reserve for Capital Outlay	-	60,000
	\$ 11,204,395	\$ 11,204,395
Totals	\$ 11,204,395	\$ 11,204,395

Transfers: Transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Transfers for the 2024-2025 fiscal year were as follows:

Transfer from the General Fund to the Adult Education Fund for the Transition Partnership Program.	\$ 28,543
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	197,452
Transfer from the Special Reserve for Capital Outlay Fund to the General Fund for property improvements.	60,000
Transfer from the General Fund to the Cafeteria Fund to reimburse for interest expense paid.	15,441
Transfer from the General Fund to the Deferred Maintenance Fund for deferred maintenance contribution.	500,000
Transfer from the Mello Roos Fund to the Capital Facilities Fund for capital projects.	10,327,731
	\$ 11,129,167

(Continued)

WESTERN PLACER 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>
<u>Governmental Activities</u>				
Non-depreciable:				
Land	\$ 47,681,849	\$ 112,815	\$ -	\$ 47,794,664
Work-in-process	4,462,206	22,867,072	13,849,062	13,480,216
Depreciable:				
Buildings	312,653,951	5,910,216	-	318,564,167
Equipment	8,614,099	1,582,656	36,719	10,160,036
Site improvements	<u>37,375,948</u>	<u>8,530,527</u>	-	<u>45,906,475</u>
Totals, at cost	<u>410,788,053</u>	<u>39,003,286</u>	<u>13,885,781</u>	<u>435,905,558</u>
Less accumulated depreciation:				
Buildings	(73,871,193)	(6,556,201)	-	(80,427,394)
Equipment	(5,006,265)	(570,248)	34,567	(5,541,946)
Site improvements	<u>(8,002,611)</u>	<u>(1,759,127)</u>	-	<u>(9,761,738)</u>
Total accumulated depreciation	<u>(86,880,069)</u>	<u>(8,885,576)</u>	<u>34,567</u>	<u>(95,731,078)</u>
Capital assets, net	<u>\$ 323,907,984</u>	<u>\$ 30,117,710</u>	<u>\$ 13,920,348</u>	<u>\$ 340,174,480</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 7,108,462
Instructional supervision and administration	8,696
Instructional library, media and technology	3,333
School site administration	143,550
Home-to-School transportation	244,861
Food services	7,888
General administrative	7,877
Centralized data processing	75,901
Plant services	<u>1,285,008</u>
Total depreciation expense	<u>\$ 8,885,576</u>

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 5 – LONG-TERM LIABILITIES

Special Tax Bonds: On March 10, 2015, the District issued Community Facilities District No. 1 Special Tax Bonds in the amount of \$12,376,387, to provide funds for refunding all of the Series 2005 Bonds. The Mello-Roos Bonds are authorized pursuant to the Mello-Roos Community Facilities Act of 1982 and are payable from the proceeds of an annual Special Tax to be levied and collected on property within the District. The Special tax is to be levied according to the rate and method of apportionment determined by a formula approved by the Board, as the legislative body of the District, and by the registered voters within the District.

The bonds bear interest rates ranging from 2.44% to 3.5% and are scheduled to mature in September 2034.

Scheduled payments on Series 2015 Special Tax Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 648,467	\$ 230,010	\$ 878,477
2027	674,814	206,852	881,666
2028	694,995	182,881	877,876
2029	719,788	158,122	877,910
2030	744,137	132,503	876,640
2031-2035	<u>3,413,740</u>	<u>264,801</u>	<u>3,678,541</u>
	<u>\$ 6,895,941</u>	<u>\$ 1,175,169</u>	<u>\$ 8,071,110</u>

General Obligation Bonds and Bond Anticipation Notes: A summary of General Obligation Bonds and Bond Anticipation Notes payable as of June 30, 2025 follows:

Series	Interest Rate	Date of Issue	Original Maturity	Amount of Original Issue	Balance July 1, 2024	Current Year Issuance	Current Year Refunded	Balance June 30, 2025
2015 Series A	3.0%-5.0%	2015	2041	\$ 20,000,000	\$ 15,665,000	\$ -	\$ 665,000	\$ 15,000,000
2016 Series A	3.0%-5.0%	2016	2048	30,000,000	26,550,000	-	665,000	25,885,000
2014 Series B	3.0%-5.0%	2017	2048	25,000,000	22,190,000	-	570,000	21,620,000
2014 Series C	3.4%-5.0%	2019	2044	15,000,000	12,945,000	-	430,000	12,515,000
2016 Series B	3.5%-5.0%	2019	2044	30,000,000	<u>25,930,000</u>	-	<u>835,000</u>	<u>25,095,000</u>
Total					<u>\$ 103,280,000</u>	<u>\$ -</u>	<u>\$ 3,165,000</u>	<u>\$ 100,115,000</u>

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 5 – LONG-TERM LIABILITIES (Continued)

The annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2025 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,280,000	\$ 4,135,926	\$ 7,415,926
2027	3,420,000	3,996,351	7,416,351
2028	3,560,000	3,849,726	7,409,726
2029	3,720,000	3,697,792	7,417,792
2030	3,870,000	3,536,326	7,406,326
2031-2035	21,990,000	15,043,844	37,033,844
2036-2040	26,795,000	10,148,663	36,943,663
2041-2045	24,550,000	4,248,225	28,798,225
2046-2050	<u>8,930,000</u>	<u>575,700</u>	<u>9,505,700</u>
	<u>\$ 100,115,000</u>	<u>\$ 49,232,552</u>	<u>\$ 149,347,552</u>

Certificates of Participation (COP): In September 2016, the District issued \$69,520,000 Refinancing Project COP, with interest rates ranging from 3.75% to 5.0%, maturing in 2048. Bond proceeds from the issuance were used to refund both the 2008 COP and 2008B COP.

In September 2017, the District issued \$51,795,000 Refinancing Project COP, with interest rates ranging from 2.0% to 5.0%, maturing in 2050. Bond proceeds from the issuance were used to refund the 2009 refinancing COP.

On October 29, 2019, the District issued Certificates of Participation 2019 Refinancing Project in the amount of \$8,285,000 to advance refund the Certificates of Participation 2011 Refinancing Project. The 2019 Refinancing Certificates of Participation mature in varying amounts during the succeeding year through November 2037 with interest rates ranging from 2.0% to 3.7%.

The Certificates of Participation are scheduled to mature as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,315,000	\$ 4,233,232	\$ 6,548,232
2027	2,415,000	4,122,091	6,537,091
2028	2,845,000	4,004,339	6,849,339
2029	3,000,000	3,881,018	6,881,018
2030	2,920,000	3,756,511	6,676,511
2031-2035	18,215,000	16,760,994	34,975,994
2036-2040	22,985,000	12,980,947	35,965,947
2041-2045	25,800,000	8,421,028	34,221,028
2046-2050	<u>33,725,000</u>	<u>3,751,731</u>	<u>37,476,731</u>
	<u>\$ 114,220,000</u>	<u>\$ 61,911,891</u>	<u>\$ 176,131,891</u>

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 5 – LONG-TERM LIABILITIES (Continued)

Public Agency Retirement System (PARS): The District implemented a Public Agency Retirement System (PARS) Supplementary Retirement Plan, which was available to employees that satisfied all the requirements outlined in the execution agreement with an effective date of December 17, 2024. There are 44 participants in the Plan. The District will make non-elective employer contributions to the participants' 403(b) annuity contract held with Pacific Life Insurance Company. The following is a schedule of the future payments for the PARS Supplementary Retirement Plan:

Year Ending <u>June 30,</u>	Annual <u>Payments</u>
2026	\$ 527,568
2027	527,568
2028	527,568
2029	527,569
2030	<u>527,569</u>
	<u>\$ 2,637,842</u>

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the year ended June 30, 2025 is shown below:

	Balance <u>July 1, 2024</u>	Restatement due to GASB 101 <u>Implementation</u>	Restated Balance <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2025</u>	Amounts Due Within <u>One Year</u>
Debt:							
Special Tax Bonds	\$ 7,522,757	\$ -	\$ 7,522,757	\$ -	\$ 626,816	\$ 6,895,941	\$ 648,467
General Obligation Bonds	103,280,000	-	103,280,000	-	3,165,000	100,115,000	3,280,000
Unamortized premiums	12,178,724	-	12,178,724	-	339,590	11,839,134	353,041
Certificates of participation	117,195,000	-	117,195,000	-	2,975,000	114,220,000	2,315,000
Other long-term liabilities:							
PARS	-	-	-	2,637,842	-	2,637,842	527,568
Net OPEB liability (Note 9)	6,349,996	-	6,349,996	432,517	-	6,782,513	-
Net pension liability (Notes 7 and 8)	82,549,000	-	82,549,000	-	5,955,000	76,594,000	-
Compensated absences	<u>444,946</u>	<u>5,062,789</u>	<u>5,507,735</u>	<u>453,062</u>	<u>-</u>	<u>5,960,797</u>	<u>508,340</u>
Total	<u>\$ 329,520,423</u>	<u>\$ 5,062,789</u>	<u>\$ 334,583,212</u>	<u>\$ 3,523,421</u>	<u>\$ 13,061,406</u>	<u>\$ 325,045,227</u>	<u>\$ 7,632,416</u>

Payments on the Special Tax Bonds, Certificates of Participation are made from the Mello-Roos Fund. Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments for the net OPEB liability, PARS, and net pension liability are made from the fund for which the related employee worked.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 – FUND BALANCES

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

	General Fund	Capital Facilities Fund	Mello Roos Fund	All Non-Major Funds	Total
Nonspendable:					
Revolving cash fund	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Prepaid expenditures	707,618	-	-	-	707,618
Stores inventory	-	-	-	47,079	47,079
Subtotal nonspendable	<u>712,618</u>	<u>-</u>	<u>-</u>	<u>47,079</u>	<u>759,697</u>
Restricted:					
Legally restricted programs:					
Grant programs	15,360,561	-	-	-	15,360,561
Student Activities	-	-	-	1,091,962	1,091,962
Adult Education	-	-	-	22,044	22,044
Child Development	-	-	-	13,206	13,206
Cafeteria	-	-	-	(43,056)	(43,056)
Deferred Maintenance	-	-	-	242,424	242,424
Capital projects	-	13,360,412	23,764,451	2,632,904	39,757,767
Debt service	-	-	-	5,706,693	5,706,693
Subtotal restricted	<u>15,360,561</u>	<u>13,360,412</u>	<u>23,764,451</u>	<u>9,666,177</u>	<u>62,151,601</u>
Assigned:					
Special Reserve for Other Than Capital Outlay Fund	<u>792,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>792,435</u>
Unassigned:					
Reserve for economic uncertainty	3,737,294	-	-	-	3,737,294
Undesignated	<u>6,321,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,321,575</u>
Subtotal unassigned	<u>10,058,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,058,869</u>
Total fund balances	<u>\$ 26,924,483</u>	<u>\$ 13,360,412</u>	<u>\$ 23,764,451</u>	<u>\$ 9,713,256</u>	<u>\$ 73,762,602</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)

WESTERN PLACER 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 2024-2025 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 \$8,889,050 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.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)

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.

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	\$ 45,719,000
State’s proportionate share of the net pension liability associated with the District	20,976,000
Total	\$ 66,695,000

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by 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 0.068%, which was a decrease of 0.001% from its proportion at June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense of \$8,179,784 and revenue of \$2,848,571 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	\$ 5,171,000	\$ 1,999,000
Changes of assumptions	200,000	3,122,000
Net differences between projected and actual earnings on investments	-	184,000
Changes in proportion and differences between District's contributions and proportionate share of contributions	7,889,000	1,882,000
Contributions made subsequent to measurement date	<u>8,889,050</u>	<u>-</u>
Total	<u>\$ 22,149,050</u>	<u>\$ 7,187,000</u>

\$8,889,050 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	\$ (2,322,300)
2027	\$ 4,661,700
2028	\$ 898,200
2029	\$ 1,376,200
2030	\$ 1,730,700
2031	\$ (271,500)

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)

WESTERN PLACER 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)

WESTERN PLACER 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>\$ 81,320,000</u>	<u>\$ 45,719,000</u>	<u>\$ 15,992,000</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)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

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 plans 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.

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 \$5,024,735 to the plan for the fiscal year ended June 30, 2025.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

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 \$30,875,000 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 0.086%, which was an increase of 0.002% from its proportion at June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense of \$6,631,879. 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	\$ 2,588,000	\$ 221,000
Changes of assumptions	682,000	-
Net differences between projected and actual earnings on investments	1,199,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,060,000	-
Contributions made subsequent to measurement date	<u>5,024,735</u>	<u>-</u>
Total	<u>\$ 11,553,735</u>	<u>\$ 221,000</u>

\$5,024,735 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	\$ 2,507,000
2027	\$ 3,654,000
2028	\$ 526,500
2029	\$ (379,500)

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

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.

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^(1, 2)</u>
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

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

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.

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 (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District’s proportionate share of the net pension liability	<u>\$ 45,866,000</u>	<u>\$ 30,875,000</u>	<u>\$ 18,492,000</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 BENEFITS

Plan Description: In addition to the pension benefits described in Notes 7 and 8, the District established an Other Postemployment Benefits Plan which is a single-employer defined benefit healthcare plan. The District participates in the California Employer’s Retiree Benefit Trust Program (CERBT) to pre-fund OPEB liabilities. The CERBT is an agent multiple employer plan consisting of an aggregation of single- employer plans, with pooled administrative and investment functions that are administered by PERS. A copy of the aggregated CERBT annual financial report may be obtained at www.calpers.ca.gov. CERBT serves as an irrevocable trust, to ensure that funds contributed into the Trust are dedicated to service the needs of member districts, and their employees and retirees.

The CERBT fund, which is an Internal Revenue Code (IRC) Section 115 Trust, is set up for the purpose of (i) receiving employer contributions to pre-fund health and other post-employment benefits for retirees and their beneficiaries, (ii) invest contributed amounts and income therein, and (iii) disburse contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for health care costs or other post-employment benefits in accordance with the terms of the District’s OPEB plan.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2025:

	<u>Number of Participants</u>
Inactive employees receiving benefits	24
Participating active employees	686
	710

Benefits Provided: The District pays the full cost of health care benefits to age 65 for employees who retired prior to June 30, 1990 and had reached age 60. The full cost of benefits is limited to the amount the District was paying as of June 30, 1990. After age 65, the District continues to pay 50% of the current certificate cap and the retiree pays the remainder. As of June 30, 2025, there were 2 retirees receiving benefits under this agreement.

The District's certificated retirees who had at least fifteen years of service and had reached a minimum age of 55 and retire after July 1, 2001 receive up to \$6,455 per year in health care benefits for a maximum of 10 years or until age 65, whichever comes first. As of June 30, 2025, there were 11 retired employees receiving benefits under this agreement.

The District pays up to \$2,775 per year in healthcare benefits for classified employees who had at least fifteen years of service and had reached age 55 and retired after July 1, 2003. These benefits cease after a maximum of five years or at age 65, whichever comes first. As of June 30, 2025, there were 11 retired employees receiving benefits under this agreement.

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 under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

Contributions to the Plan from the District were \$228,439 for the year ended June 30, 2025. Employees are not required to contribute to the OPEB plan.

OPEB Plan Investments: The plan discount rate of 6.43% was determined using the following asset allocation and assumed rate of return:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Rate of Return*</u>
Equities	49%	7.250%
Fixed income	23%	4.250%
Real Estate Investment Trusts	20%	7.250%
Commodities	3%	7.250%
Treasury Inflation Protected Securities (TIPS)	5%	3.000%

* Geometric average

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Rolling periods of time for all asset classes were used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Additionally, the historic 20 year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 20 years.

Actuarial Assumptions: The net OPEB liability in the June 30, 2023 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>Measurement Date</u>	June 30, 2024
<u>Fiscal Year End</u>	June 30, 2025
<u>Actuarial Value of Assets</u>	Market Value
<u>Mortality Rate</u>	PERS - Non-work related rates developed in 2021 California PERS experience study. STRS - Match rates developed in 2020 experience study.
<u>Discount Rate</u>	6.43%
<u>Assumed Investment Return</u>	6.75%
<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>	4.00%
<u>Salary Increases</u>	2.75%

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Termination Rate Termination rates match rates developed in the most recent experience studies for California PERS (2021) and California STRS (2020).

Funding Method Entry Age Cost Method (Level Percentage of Pay).

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balance at June 30, 2024	\$ 12,071,702	\$ 5,721,706	\$ 6,349,996
Changes for the year:			
Service cost	717,160	-	717,160
Interest	769,754	626,951	142,803
Administrative expense	-	(1,865)	1,865
Employer contributions	-	228,439	(228,439)
Changes in assumptions	(200,872)	-	(200,872)
Benefit payments	(228,439)	(228,439)	-
Net change	1,057,603	625,086	432,517
Balance at June 30, 2025	\$ 13,129,305	\$ 6,346,792	\$ 6,782,513

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2025: 48.3%

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.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB Liability of the District, as well as what the District's net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease <u>(5.43%)</u>	Current Discount Rate <u>(6.43%)</u>	1% Increase <u>(7.43%)</u>
Net OPEB liability	\$ 7,888,273	\$ 6,782,513	\$ 5,777,855

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB Liability of the District, as well as what the District's net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u>(3%)</u>	Healthcare Cost Trend Rates Rate <u>(4%)</u>	1% Increase <u>(5%)</u>
Net OPEB liability	\$ 5,212,309	\$ 6,782,513	\$ 8,594,379

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 \$790,238. 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	\$ 477,910	\$ 3,859,748
Changes of assumptions	2,648,602	3,036,805
Net differences between projected and actual earnings on investments	118,441	-
Benefits paid subsequent to measurement date	<u>391,120</u>	<u>-</u>
Total	<u>\$ 3,636,073</u>	<u>\$ 6,896,553</u>

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

\$391,120 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2026	(345,030)
2027	(145,377)
2028	(395,441)
2029	(398,975)
2030	(350,816)
Thereafter	(2,015,961)

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 13.6 years as of the June 30, 2024 measurement date. 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.

NOTE 10 – JOINT POWERS AGREEMENTS

Schools Insurance Group: The District is a member with other school districts of a Joint Powers Authority, Schools Insurance Group (SIG), for the operation of a common risk management and insurance program for property and liability coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage in the prior year.

Schools Excess Liability Fund: The District is also a member with other school districts of a Joint Powers Authority, Schools Excess Liability Fund (SELF), for the operation of a common risk management and insurance program for excess property and liability coverage. SELF is governed by a Governing Board consisting of representatives from member districts. The Board controls the operations of SELF, including selections of management and approval of operating budgets. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

The following is a summary of financial information for SIG and SELF at June 30, 2024 (most recent information available):

	<u>SIG</u>	<u>SELF</u>
Total assets	\$ 139,138,108	\$ 374,570,694
Deferred outflows of resources	\$ 663,376	\$ 636,320
Total liabilities	\$ 39,022,511	\$ 263,508,895
Deferred inflows of resources	\$ 600,575	\$ 57,023
Total net position	\$ 100,178,398	\$ 111,641,096
Total revenues	\$ 118,419,466	\$ 218,911,380
Total expenditures	\$ 104,462,376	\$ 145,846,362
Change in net position	\$ 13,957,090	\$ 73,065,018

(Continued)

NOTE 10 – JOINT POWERS AGREEMENTS (Continued)

The relationship between the District and the Joint Powers Authority is such that the Joint Powers Authority is not component unit 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 of future revenue offsets subsequently determined will not have a material effect on the District's financial position or results of operations.

At June 30, 2025, the District had commitments for capital construction projects totaling approximately \$3.1 million.

NOTE 12 – SUBSEQUENT EVENT

On July 1, 2025, the District issued Tax and Revenue Anticipation Notes (TRANs) totaling \$14,700,000, with an interest rate of 2.8%. The TRANs are repaid from property taxes, other revenues cash receipt, or other funds received by the District for its General Fund and are attributable to the fiscal year 2025-26 and legally available for payment thereof. The TRANs are secured by a pledge of certain unrestricted revenues received by the District issuing such TRANs for its General Fund attributable to the fiscal year 2025-26, and the TRANs constitute a first lien and charge payable from the first monies received by the District from such pledged revenues. The TRANs are scheduled to mature on June 30, 2026.

On August 5, 2025 the District issued Certificates of Participation 2025 Financing Project, Series A in the amount of \$21,230,000 to finance capital improvements to the District sites and facilities. The 2025 Financing Project, Series A Certificates of Participation mature in varying amounts during the succeeding year through August 2050 with interest rates ranging from 4.5% to 5.0%.

On August 5, 2025 the District issued Certificates of Participation 2025 Financing Project, Series B in the amount of \$3,020,000 to finance capital improvements to the District sites and facilities. The 2025 Financing Project, Series B Certificates of Participation mature in varying amounts during the succeeding year through August 2050 with interest rates ranging from 4.5% to 5.0%.

REQUIRED SUPPLEMENTARY INFORMATION

WESTERN PLACER UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2025

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Local Control Funding Formula:				
State apportionment	\$ 38,133,546	\$ 37,527,939	\$ 36,257,010	\$ (1,270,929)
Local sources	56,171,704	56,180,596	57,661,846	1,481,250
Total LCFF	<u>94,305,250</u>	<u>93,708,535</u>	<u>93,918,856</u>	<u>210,321</u>
Federal sources	3,179,002	3,716,212	3,286,889	(429,323)
Other state sources	12,247,878	13,931,894	14,529,969	598,075
Other local sources	6,847,000	9,931,379	9,939,499	8,120
Total revenues	<u>116,579,130</u>	<u>121,288,020</u>	<u>121,675,213</u>	<u>387,193</u>
Expenditures:				
Current:				
Certificated salaries	48,885,877	48,744,077	49,422,360	(678,283)
Classified salaries	17,723,660	18,402,987	18,387,780	15,207
Employee benefits	30,835,736	30,581,398	30,510,453	70,945
Books and supplies	9,450,681	9,654,851	4,686,876	4,967,975
Contract services and operating expenditures	13,524,160	18,269,953	16,983,679	1,286,274
Other outgo	2,181,785	3,439,037	3,313,392	125,645
Capital outlay	120,000	1,247,737	925,419	322,318
Total expenditures	<u>122,721,899</u>	<u>130,340,040</u>	<u>124,229,959</u>	<u>6,110,081</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(6,142,769)</u>	<u>(9,052,020)</u>	<u>(2,554,746)</u>	<u>6,497,274</u>
Other financing sources (uses):				
Transfers in	216,603	277,070	257,452	(19,618)
Transfers out	(666,201)	(799,795)	(543,984)	255,811
Total other financing sources (uses)	<u>(449,598)</u>	<u>(522,725)</u>	<u>(286,532)</u>	<u>236,193</u>
Change in fund balance	(6,592,367)	(9,574,745)	(2,841,278)	6,733,467
Fund balance, July 1, 2024	<u>29,765,761</u>	<u>29,765,761</u>	<u>29,765,761</u>	<u>-</u>
Fund balance, June 30, 2025	<u>\$ 23,173,394</u>	<u>\$ 20,191,016</u>	<u>\$ 26,924,483</u>	<u>\$ 6,733,467</u>

See accompanying note to required supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN NET 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	\$ 595,188	\$ 611,556	\$ 628,374	\$ 1,320,447	\$ 1,653,094	\$ 426,250	\$ 437,972	\$ 717,160
Interest	445,026	304,091	419,364	468,257	397,608	586,083	640,201	769,754
Changes in assumptions	-	2,035,583	335,636	1,343,055	(4,132,739)	-	3,378,546	(200,872)
Experience gains/losses	-	-	881,913	-	(3,652,047)	22,894	(1,539,913)	-
Expected minus actual benefit payments	-	-	-	(28,413)	(25,027)	-	-	-
Actual Benefit payments	(151,318)	(196,373)	(233,717)	(285,096)	(317,535)	(205,101)	(235,921)	(228,439)
Net change in total OPEB liability	888,896	2,754,857	2,031,570	2,818,250	(6,076,646)	830,126	2,680,885	1,057,603
Total OPEB liability, beginning of year	6,143,764	7,032,660	9,787,517	11,819,087	14,637,337	8,560,691	9,390,817	12,071,702
Total OPEB liability, end of year (a)	<u>\$ 7,032,660</u>	<u>\$ 9,787,517</u>	<u>\$ 11,819,087</u>	<u>\$ 14,637,337</u>	<u>\$ 8,560,691</u>	<u>\$ 9,390,817</u>	<u>\$ 12,071,702</u>	<u>\$ 13,129,305</u>
Plan fiduciary net position								
Employer contributions	\$ 151,318	\$ 196,373	\$ 170,861	\$ 285,096	\$ 317,535	\$ 205,101	\$ 235,921	\$ 228,439
Investment gains/losses	-	154,790	87,416	(163,218)	998,284	(1,250,317)	345,275	-
Net investment income	393,328	172,733	186,309	329,561	341,060	419,170	-	626,951
Administrative expense	(1,996)	(7,637)	(950)	(2,300)	(1,844)	(1,573)	(1,562)	(1,865)
Benefits payment	(151,318)	(196,373)	(170,861)	(285,096)	(317,535)	(205,101)	(235,921)	(228,439)
Change in plan fiduciary net position	391,332	319,886	272,775	164,043	1,337,500	(832,720)	343,713	625,086
Fiduciary trust net position, beginning of year	3,725,177	4,116,509	4,436,395	4,709,170	4,873,213	6,210,713	5,377,993	5,721,706
Fiduciary trust net position, end of year (b)	<u>\$ 4,116,509</u>	<u>\$ 4,436,395</u>	<u>\$ 4,709,170</u>	<u>\$ 4,873,213</u>	<u>\$ 6,210,713</u>	<u>\$ 5,377,993</u>	<u>\$ 5,721,706</u>	<u>\$ 6,346,792</u>
Net OPEB liability, ending (a) - (b)	<u>\$ 2,916,151</u>	<u>\$ 5,351,122</u>	<u>\$ 7,109,917</u>	<u>\$ 9,764,124</u>	<u>\$ 2,349,978</u>	<u>\$ 4,012,824</u>	<u>\$ 6,349,996</u>	<u>\$ 6,782,513</u>
Covered payroll	\$ 38,720,231	\$ 39,795,256	\$ 42,124,259	\$ 45,315,078	\$ 47,919,898	\$ 55,542,428	\$ 61,430,334	\$ 65,062,039
Plan fiduciary net position as a percentage of the total OPEB liability	59%	45%	40%	33%	73%	57%	47%	48%
Net OPEB liability as a percentage of covered payroll	8%	13%	17%	22%	5%	7%	10%	10%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

See accompanying note to required supplementary information.

WESTERN PLACER 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	0.056%	0.057%	0.057%	0.059%	0.058%	0.056%	0.053%	0.056%	0.069%	0.068%
District's proportionate share of the pension liability	\$ 37,482,000	\$ 45,850,000	\$ 52,519,000	\$ 53,798,000	\$ 52,504,000	\$ 54,439,000	\$ 24,262,000	\$ 38,984,000	\$ 52,187,000	\$ 45,719,000
State's proportionate share of the net pension liability associated with the District	<u>19,824,000</u>	<u>26,104,000</u>	<u>31,070,000</u>	<u>30,802,000</u>	<u>28,645,000</u>	<u>29,751,000</u>	<u>14,436,000</u>	<u>22,035,000</u>	<u>25,005,000</u>	<u>20,976,000</u>
Total net pension liability	<u>\$ 57,306,000</u>	<u>\$ 71,954,000</u>	<u>\$ 83,589,000</u>	<u>\$ 84,600,000</u>	<u>\$ 81,149,000</u>	<u>\$ 84,190,000</u>	<u>\$ 38,698,000</u>	<u>\$ 61,019,000</u>	<u>\$ 77,192,000</u>	<u>\$ 66,695,000</u>
District's covered payroll	\$ 25,841,000	\$ 28,252,000	\$ 30,309,000	\$ 30,944,000	\$ 31,461,000	\$ 32,124,000	\$ 33,799,000	\$ 36,931,000	\$ 41,331,000	\$ 44,766,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	145.05%	162.29%	173.28%	173.86%	166.89%	169.47%	71.78%	105.56%	126.27%	102.13%
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)

WESTERN PLACER 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	0.065%	0.068%	0.069%	0.070%	0.068%	0.067%	0.071%	0.075%	0.084%	0.086%
District's proportionate share of the net pension liability	\$ 9,545,000	\$ 13,361,000	\$ 16,589,000	\$ 18,622,000	\$ 19,776,000	\$ 20,698,000	\$ 14,511,000	\$ 25,894,000	\$ 30,362,000	\$ 30,875,000
District's covered payroll	\$ 7,169,000	\$ 8,116,000	\$ 8,855,000	\$ 9,219,000	\$ 9,405,000	\$ 9,724,000	\$ 9,962,000	\$ 11,331,000	\$ 14,440,000	\$ 16,814,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	133.14%	164.63%	187.34%	202.00%	210.27%	212.85%	145.66%	224.50%	209.10%	181.19%
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%	69.96%	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.

WESTERN PLACER 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	\$ 3,031,452	\$ 3,812,851	\$ 4,465,253	\$ 5,121,861	\$ 5,493,192	\$ 5,458,596	\$ 6,248,644	\$ 7,894,168	\$ 8,550,213	\$ 8,889,050
Contributions in relation to the contractually required contribution	<u>(3,031,452)</u>	<u>(3,812,851)</u>	<u>(4,465,253)</u>	<u>(5,121,861)</u>	<u>(5,493,192)</u>	<u>(5,458,596)</u>	<u>(6,248,644)</u>	<u>(7,894,168)</u>	<u>(8,550,213)</u>	<u>(8,889,050)</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	\$ 28,252,000	\$ 30,309,000	\$ 30,944,000	\$ 31,461,000	\$ 32,124,000	\$ 33,799,000	\$ 36,931,000	\$ 41,331,000	\$ 44,766,000	\$ 46,540,000
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 SB 90.

(Continued)

WESTERN PLACER 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	\$ 961,530	\$ 1,229,817	\$ 1,431,741	\$ 1,698,812	\$ 1,917,766	\$ 2,062,049	\$ 2,595,917	\$ 3,663,358	\$ 4,485,880	\$ 5,024,735
Contributions in relation to the contractually required contribution	<u>(961,530)</u>	<u>(1,229,817)</u>	<u>(1,431,741)</u>	<u>(1,698,812)</u>	<u>(1,917,766)</u>	<u>(2,062,049)</u>	<u>(2,595,917)</u>	<u>(3,663,358)</u>	<u>(4,485,880)</u>	<u>(5,024,735)</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	\$ 8,116,000	\$ 8,855,000	\$ 9,219,000	\$ 9,405,000	\$ 9,724,000	\$ 9,962,000	\$ 11,331,000	\$ 14,440,000	\$ 16,814,000	\$ 18,576,000
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.

WESTERN PLACER 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 Education 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 Net OPEB Liability: The Schedule of Changes in Net OPEB liability is presented to illustrate the elements of the District’s Net 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.

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 rates for OPEB were 7.0%, 4.2%, 3.8%, 2.6%, 6.75%, 6.75%, 6.25%, and 6.43% in the June 30, 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024 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 the 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

WESTERN PLACER UNIFIED SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL NON-MAJOR FUNDS
 June 30, 2025

	Student Activities Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	County School Facilities Fund	Special Reserve for Capital Outlay Fund	Bond Interest Redemption Fund	Total
ASSETS										
Cash in County Treasury	\$ -	\$ (108,544)	\$ 21,949	\$ (1,178,579)	\$ (257,576)	\$ 1,811,007	\$ 394,950	\$ 1,961,197	\$ 5,689,632	\$ 8,334,036
Cash in banks	1,091,962	-	-	-	-	-	-	-	-	1,091,962
Accounts receivable	-	98,906	70	1,321,355	-	5,838	1,265	6,280	17,061	1,450,775
Stores inventory	-	-	-	47,079	-	-	-	-	-	47,079
Due from other funds	-	34,136	-	52,045	500,000	-	-	-	-	586,181
All other current assets	-	-	-	1,342	-	-	-	-	-	1,342
Total assets	\$ 1,091,962	\$ 24,498	\$ 22,019	\$ 243,242	\$ 242,424	\$ 1,816,845	\$ 396,215	\$ 1,967,477	\$ 5,706,693	\$ 11,511,375
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ -	\$ 2,022	\$ 8,813	\$ 41,765	\$ -	\$ 1,455,037	\$ -	\$ -	\$ -	\$ 1,507,637
Due to other funds	-	432	-	197,454	-	32,596	-	60,000	-	290,482
Total liabilities	-	2,454	8,813	239,219	-	1,487,633	-	60,000	-	1,798,119
Fund balances:										
Nonspendable	-	-	-	47,079	-	-	-	-	-	47,079
Restricted	1,091,962	22,044	13,206	(43,056)	242,424	329,212	396,215	1,907,477	5,706,693	9,666,177
Total fund balance	1,091,962	22,044	13,206	4,023	242,424	329,212	396,215	1,907,477	5,706,693	9,713,256
Total liabilities and fund balances	\$ 1,091,962	\$ 24,498	\$ 22,019	\$ 243,242	\$ 242,424	\$ 1,816,845	\$ 396,215	\$ 1,967,477	\$ 5,706,693	\$ 11,511,375

WESTERN PLACER UNIFIED SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
 ALL NON-MAJOR FUNDS
 June 30, 2025

	Student Activities Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	County School Facilities Fund	Special Reserve for Capital Outlay Fund	Bond Interest Redemption Fund	Total
Revenues:										
Federal sources	\$ -	\$ 140,682	\$ -	\$ 1,988,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,129,603
Other state sources	-	-	-	3,946,105	-	-	-	-	-	3,946,105
Other local sources	1,965,083	(3,083)	827	39,039	(14,374)	197,623	14,895	75,205	7,328,534	9,603,749
Total revenues	1,965,083	137,599	827	5,974,065	(14,374)	197,623	14,895	75,205	7,328,534	15,679,457
Expenditures:										
Current:										
Classified salaries	-	101,592	-	1,802,183	-	-	-	-	-	1,903,775
Employee benefits	-	55,184	-	925,021	-	-	-	-	-	980,205
Books and supplies	-	9,341	-	3,030,646	-	16,155	-	-	-	3,056,142
Contract services and operating expenditures	1,866,463	25	-	304,811	268,672	33,193	-	-	-	2,473,164
Capital outlay	-	-	-	168,246	-	12,387,405	-	6,750	-	12,562,401
Debt service:										
Principal retirement	-	-	-	-	-	-	-	-	3,165,000	3,165,000
Interest	-	-	-	-	-	-	-	-	4,255,950	4,255,950
Total expenditures	1,866,463	166,142	-	6,230,907	268,672	12,436,753	-	6,750	7,420,950	28,396,637
Excess (deficiency) of revenues over (under) expenditures	98,620	(28,543)	827	(256,842)	(283,046)	(12,239,130)	14,895	68,455	(92,416)	(12,717,180)
Other financing sources (uses):										
Transfers in	-	28,543	-	15,441	500,000	-	-	-	-	543,984
Transfers out	-	-	-	(197,452)	-	-	-	(60,000)	-	(257,452)
Total other financing sources (uses)	-	28,543	-	(182,011)	500,000	-	-	(60,000)	-	286,532
Net change in fund balances	98,620	-	827	(438,853)	216,954	(12,239,130)	14,895	8,455	(92,416)	(12,430,648)
Fund balance, July 1, 2024	993,342	22,044	12,379	442,876	25,470	-	-	1,899,022	5,799,109	9,194,242
Adjustment - changes to and within the District	-	-	-	-	-	12,568,342	381,320	-	-	12,949,662
Fund balance, July 1, 2024, as adjusted	993,342	22,044	12,379	442,876	25,470	12,568,342	381,320	1,899,022	5,799,109	22,143,904
Fund balance, June 30, 2025	\$ 1,091,962	\$ 22,044	\$ 13,206	\$ 4,023	\$ 242,424	\$ 329,212	\$ 396,215	\$ 1,907,477	\$ 5,706,693	\$ 9,713,256

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
June 30, 2025

	Second Period <u>Report</u>	Annual <u>Report</u>
Certificate #:	37932C13	EA979E17
Elementary:		
Transitional Kindergarten through Third	2,292	2,305
Fourth through Sixth	1,696	1,697
Seventh through Eighth	1,085	1,082
Total Elementary	<u>5,073</u>	<u>5,084</u>
Secondary:		
Ninth through Twelfth	2,392	2,379
Continuation Education	68	63
Total Secondary	<u>2,460</u>	<u>2,442</u>
ADA Totals	<u>7,533</u>	<u>7,526</u>

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
 For the Year Ended June 30, 2025

<u>Grade Level</u>	<u>Statutory Minutes Requirement</u>	<u>2024-2025 Actual Minutes</u>	<u>Number of Days</u>	<u>Status</u>
Kindergarten	36,000	44,675	180	In Compliance
Grade 1	50,400	53,630	180	In Compliance
Grade 2	50,400	53,810	180	In Compliance
Grade 3	50,400	54,505	180	In Compliance
Grade 4	54,000	55,715	180	In Compliance
Grade 5	54,000	55,715	180	In Compliance
Grade 6	54,000	62,380	180	In Compliance
Grade 7	54,000	62,380	180	In Compliance
Grade 8	54,000	62,380	180	In Compliance
Grade 9	64,800	65,615	180	In Compliance
Grade 10	64,800	65,615	180	In Compliance
Grade 11	64,800	65,615	180	In Compliance
Grade 12	64,800	65,615	180	In Compliance

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2025

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass- Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education - Passed through California Department of Education</u>			
Special Education Cluster:			
84.027	Special Ed: IDEA Basic and Local Assistance Entitlement, Part B, Sec 611	13379	\$ 1,810,473
84.027A	Special Ed: IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	15197	86,846
84.173	Special Ed: IDEA Preschool Grants, Part B, Sec. 619 (Age 3-4-5)	13430	<u>40,002</u>
	Subtotal Special Education Cluster		<u>1,937,321</u>
ESEA: Title I Programs:			
84.010	ESEA: Title I, Part A, Basic Grants Low-Income and Neglected	14329	658,382
84.010	ESEA: ESSA School Improvement (CSI Funding for LEAs	15438	<u>266,623</u>
	Subtotal ESEA: Title I Programs		<u>925,005</u>
84.425	COVID 19: American Rescue Plan - Homeless Children and Youth II (ARP HCY II)	15566	7,677
84.367	ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	14341	150,167
84.424	ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	15396	101,691
84.126	Department of Rehabilitation: Workability II, Transitions Partnership Program	10006	134,541
84.048	Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Sec. 131	14894	51,520
ESEA: Title III Programs:			
84.365	ESSA: Title III, Immigrant Student Program	15146	30,544
84.365	ESEA (ESSA) : Title III, English Learner Student Program	14346	<u>89,105</u>
	Subtotal ESEA: Title III		<u>119,649</u>
	Total U.S. Department of Education		<u>3,427,571</u>
<u>U.S. Department of Agriculture - Passed through California Department of Education</u>			
10.555	Child Nutrition: School Programs	13523	1,892,266
10.579	Child Nutrition: NSLP Equipment Assistance Grants	14906	<u>96,655</u>
	Total U.S. Department of Agriculture		<u>1,988,921</u>
	Total Federal Expenditures		<u>\$ 5,416,492</u>

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

	General Fund
June 30, 2025 Unaudited Actual Financial Reporting Ending Fund Balance	\$ 28,424,483
To correct over accrual of state revenue	<u>(1,500,000)</u>
June 30, 2025 Audited Financial Statements Ending Fund Balance	<u>\$ 26,924,483</u>

There were no adjustments proposed to any other funds of the District.

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2025
(UNAUDITED)

	(Adopted Budget) <u>2025</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>General Fund</u>				
Revenues and other financing sources	\$ 123,516,746	\$ 121,932,665	\$ 119,432,821	\$ 113,383,744
Expenditures	127,072,359	124,229,959	119,674,791	104,612,992
Other uses and transfers out	<u>528,328</u>	<u>543,984</u>	<u>793,028</u>	<u>533,154</u>
Total outgo	<u>127,600,687</u>	<u>124,773,943</u>	<u>120,467,819</u>	<u>105,146,146</u>
Change in fund balance	<u>\$ (4,083,941)</u>	<u>\$ (2,841,278)</u>	<u>\$ (1,034,998)</u>	<u>\$ 8,237,598</u>
Ending fund balance	<u>\$ 22,840,542</u>	<u>\$ 26,924,483</u>	<u>\$ 29,765,761</u>	<u>\$ 30,800,759</u>
Available reserves	<u>\$ 7,649,672</u>	<u>\$ 10,058,869</u>	<u>\$ 13,547,755</u>	<u>\$ 11,456,796</u>
Designated for economic uncertainties	<u>\$ 3,820,906</u>	<u>\$ 3,737,294</u>	<u>\$ 3,609,681</u>	<u>\$ 3,192,783</u>
Undesignated fund balance	<u>\$ 3,828,766</u>	<u>\$ 6,321,575</u>	<u>\$ 9,938,074</u>	<u>\$ 8,264,013</u>
Available reserves as percentages of total outgo	<u>6.00%</u>	<u>8.06%</u>	<u>11.25%</u>	<u>16.59%</u>
<u>All Funds</u>				
Total long-term liabilities	<u>\$ 341,662,811</u>	<u>\$ 325,045,227</u>	<u>\$ 329,520,423</u>	<u>\$ 388,364,504</u>
Average daily attendance at P-2	<u>7,811</u>	<u>7,533</u>	<u>7,533</u>	<u>7,075</u>

The General Fund balance has increased by \$4,361,322 over the past three years. The fiscal year 2025-26 budget projects a decrease of \$4,083,941. For a district this size, the state recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses. The District met this requirement.

The District has incurred operating surpluses in one of the past three years and anticipates an operating deficit in fiscal year 2025-26.

Total long-term liabilities have decreased by \$63,319,277 over the past two years.

Average daily attendance has increased by 458 over the past two years. An increase of 278 of ADA is projected for the 2025-26 fiscal year.

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2025

Charter Schools Chartered by District

0015 - Horizon Charter School
1715 - John Adams Academy

Included in District
Financial Statements, or
Separate Report

Separate report
Separate report

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
For the Year Ended 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 Western Placer 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 in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements: This schedule provides the information necessary to reconcile the Annual Financial and 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 the 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 14502 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

WESTERN PLACER UNIFIED SCHOOL DISTRICT
ORGANIZATION
June 30, 2025

Western Placer Unified School District, a political subdivision of the State of California, was established in 1966 and is comprised of an area of approximately 170 square miles located in Placer County. There were no changes in the boundaries of the District during the year. The District currently operates eight elementary schools, two middle schools, two comprehensive high schools, one continuation high school and one independent study academy.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Criste Freymond	President	November 2028
George Dykstra	Vice President	November 2026
Marjorie Proffitt	Clerk	November 2026
April Nitsos	Member	November 2026
Jason Price	Member	November 2028

ADMINISTRATION

Kerry Callahan
Superintendent

Scott Pickett
Assistant Superintendent, Educational Services

Audrey Kilpatrick*
Chief Business Officer

Cliff DeGraw**
Assistant Superintendent of Personnel Services

*Effective July 1, 2025, Audrey Kilpatrick retired and was replaced by Carrie Carlson.

**Effective July 1, 2025, Cliff DeGraw resigned and was replaced by Michael Maul.

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

Board of Trustees
Western Placer Unified School District
Lincoln, California

Report on Compliance

Qualified Opinion on State Compliance

We have audited Western Placer 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, except for the noncompliance described in the Basis for Qualified Opinion section of our report, 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 Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*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 requirements referred to below.

Matters Giving Rise to Qualified Opinion on State Compliance

As described in the accompanying Schedule of Audit Findings and Questioned Costs as items 2025-002, 2025-003, 2025-004, and 2025-005, the District did not comply with requirements regarding Attendance, School Accountability Report Cards, Independent Study, and Transitional Kindergarten. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to these programs.

(Continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to 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.

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 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 referred to 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 referred to 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	Yes
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	N/A, 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
	Procedures

(Continued)

2024-25 K-12 Audit Guide Procedures (continued)

Performed

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

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

We did not perform any procedures related to the Early Retirement Incentive because the District did not offer this program in the current year.

We did not perform any procedures related to the Juvenile Court Schools because the District does not offer Juvenile Court Schools.

We did not perform procedures related to Middle or Early College High Schools or Programs because the District does not offer Middle or Early College High Schools or Programs.

We did not perform any procedures related to the Apprenticeship - Related and Supplemental Instruction because the District does not operate an Apprenticeship Program.

We did not perform any procedures related to the District of Choice because the District is not reported as a District of Choice per the California Department of Education.

We did not perform procedures related to Independent Study-Course Based because the District did not report any ADA related to Independent Study-Course Based in the current fiscal year.

We did not perform procedures related to Immunizations because the District did not have any schools on the listing of sites requiring an immunization audit in the current year.

We did not perform any procedures related to the Expanded Learning Opportunities Grant (ELO-G) because the District did not receive or expend any Expanded Learning Opportunities Grant (ELO-G) funds in the current fiscal year.

(Continued)

We did not perform procedures for the Charter School section because the charter schools sponsored by the District have separate reports.

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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit and described in the accompanying Schedule of Audit Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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
January 27, 2026

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
Western Placer Unified School District
Lincoln, 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 Western Placer Unified School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Western Placer Unified School District's basic financial statements, and have issued our report thereon dated January 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Placer 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 Western Placer Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Western Placer 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. We did identify a deficiency in internal control, as described in Finding 2025-001 in the accompanying Schedule of Audit Findings and Questioned Costs.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Placer 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*.

Western Placer Unified School District Response to Finding

Western Placer Unified School District's response to the finding identified in our audit are described in the accompanying schedule of Audit Findings and Questioned Costs. Western Placer Unified School District's responses was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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


Crowe LLP

Sacramento, California
January 27, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AS REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Western Placer Unified School District
Lincoln, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Western Placer 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 Western Placer Unified School District's major federal programs for the year ended June 30, 2025. Western Placer Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*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 Western Placer 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 each major federal program. Our audit does not provide a legal determination of Western Placer 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 Western Placer 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 Western Placer 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 Western Placer Unified School District's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Western Placer 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 Western Placer 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 Western Placer 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.

(Continued)

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

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

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


Crowe LLP

Sacramento, California
January 27, 2026

FINDINGS AND RECOMMENDATIONS

WESTERN PLACER UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 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

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

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	Child Nutrition: School Programs
84.010	Title I Programs

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: Qualified

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

2025-001 – DEFICIENCY – INTERNAL CONTROL – ASSOCIATED STUDENT BODY (30000)

Criteria: Education Code Section 48930 (and California Department of Education's "Accounting Procedures for Student Organizations Handbook") requires student body organizations to follow the regulations set by the Governing Board of the school district.

Condition:

Lincoln High School

Cash Receipts

- *Cash Deposits* – Cash deposits are not dual counted when cash is collected.

Twelve Bridges High School

Cash Receipts

- *Cash Deposits* – Cash deposits are not being performed on a timely basis.

Sales and Activities

- *Request Forms* – Crowe noted the fundraiser request forms do not require Principal approval and this approval is not obtained for all revenue-producing prior to the activities occurring.

Student Stores

- *Profit and Loss* – The site does not prepare profit and loss statements for the student store.

Context: The deficiencies listed above were identified through our walkthrough of the design effectiveness of internal controls related to Associated Student Body Funds.

Effect: ASB funds could potentially be misappropriated.

Cause: Adequate internal control procedures have not been implemented and enforced.

Fiscal Impact: Not applicable.

Repeat Finding: Yes. See Finding 2024-001

Recommendation: Crowe recommends that the District and school sites implement internal controls to deposit cash on a weekly basis, update forms to include all required signatures for approval, and prepare profit and loss statements for the student stores.

Views of Responsible Officials and Planned Corrective Action: The District will continue to work with the school sites to properly train staff and implement internal controls to deposit cash timely, update forms to include all required signatures for approval, and prepare profit and loss statements for the student store.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

2025-002 – DEFICIENCY – STATE COMPLIANCE – ATTENDANCE (10000)

Criteria: Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Section 401 and 421 (b) and Education Code Section 44809 - Each LEA must develop and maintain accurate and adequate records to support the attendance reported to the State

Condition: While performing absence testing we noted for one school site, one student was marked absent in the log/notes but was marked present in the attendance report for a total of 1 day claimed in error.

Context: We performed the audit procedures enumerated in the State of California *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is not in compliance with Attendance Reporting requirements for the year ended June 30, 2025.

Cause: The error was the result of a clerical error in accounting for attendance.

Fiscal Impact: Fiscal impact was not calculated as the total ADA impact was less than 0.5.

Repeat Finding: No, not a repeat finding.

Recommendation: We recommend that the District ensure that each school site implements and adheres to internal controls to ensure the accuracy of ADA reported.

Views of Responsible Officials and Planned Corrective Action: The District agrees with the recommendation and will work with site administration and staff to implement the recommendations. The District will continue to provide staff training on attendance reporting procedures.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS
(Continued)

2025-003 – DEFICIENCY – STATE COMPLIANCE – SCHOOL ACCOUNTABILITY REPORT CARD (72000)

Criteria: Education Code Section 33126(b)(8) requires that the school accountability report card shall include, but is not limited to, assessment of the following school conditions: (8) Safety, cleanliness, and adequacy of school facilities, including any needed maintenance to ensure good repair as specified in Section 17014, Section 17032.5, subdivision (a) of Section 17070.75, and subdivision (b) of Section 17089.

Condition: At one school site selected for testing, external attributes as identified on the site's school accountability report card were not consistent with the supporting documentation provided by management.

Context: We performed the audit procedures enumerated in the State of California *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is not in compliance with Education Code 33126(b)(8) due to the inconsistency noted.

Cause: The errors were the result of clerical errors in the preparation of the school accountability report card.

Fiscal Impact: Not applicable.

Repeat Finding: No, not a repeat finding.

Recommendation: The District should ensure that all sites' school accountability report cards are completed appropriately and agree to the supporting information for each relevant reporting area required by Ed Code 33126(b)(8).

Views of Responsible Officials and Planned Corrective Action: The District concurs with the auditor's recommendation and will work to ensure that the school accountability report cards are completed appropriately for future fiscal periods.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS
(Continued)

2025-004 – DEFICIENCY – STATE COMPLIANCE – INDEPENDENT STUDY (40000)

Criteria: Pursuant to Education Code Section 51747, no days of attendance are to be reported for students without signed independent study agreements in place with all required criteria. Further, the District is required to maintain work samples from students enrolled in independent study for which attendance is claimed.

Condition: At one school site, Crowe noted three students whose Short-Term Independent Study ADA is disallowed. Two of the students did not have samples of their work retained and one student had one more day of ADA claimed than was documented in their contract.

Additionally, Crowe noted one student who successfully completed the Independent Study contract and ADA was not claimed.

Context: We performed the audit procedures enumerated in the State of California *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is out of compliance with independent study attendance requirements.

Cause: The District claimed attendance for students without retaining work samples and for more days than agreed to in the contract. Additionally, the District did not claim ADA for a student who completed the Independent Study contract in compliance.

Fiscal Impact: The effect of this finding is an overstatement of 0.02 Grade Span TK-3 ADA and understatement of 0.09 Grade Span 4-6 ADA for a net understatement of 0.07 ADA, or approximately \$713 loss of funding.

Repeat Finding: No, not a repeat finding.

Recommendation: The District should ensure independent Study ADA is not claimed until an independent study contract is completed with all required elements. The agreements and adequate work samples should be maintained in a centralized location that is available for reference and audit.

Views of Responsible Officials and Planned Corrective Action: The District agrees with the recommendation and will continue to provide Independent Study training to ensure everyone follows the process.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2025

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS
 (Continued)

2025-005 – DEFICIENCY – STATE COMPLIANCE – TRANSITIONAL KINDERGARTEN (40000)

Criteria: Education Code section 48000.15(d) requires that if school sites had one or more early enrollment children in transitional kindergarten classes, those classrooms with any early enrollment children must not exceed 20 pupils and must maintain an adult-to-pupil ratio of 1:10.

Condition: One classroom selected for testing included 2 early enrollment students. The classroom 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).

Context: We performed the audit procedures enumerated in the State of California *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is out of compliance with state compliance requirements for Transitional Kindergarten.

Cause: The District did not maintain proper supporting documentation to provide evidence of an additional adult presence to meet the adult to pupil average ratio for the site tested. The District did not monitor student birthdays to ensure classes with early enrollment pupils did not exceed 20 pupils.

Fiscal Impact: The school site had a deficit of 0.5 adult-to-pupil ratio and exceeded the class size. The impact of this error is a total of \$49,054.

Penalty Calculation for Schoolsite, Average TK Enrollment Exceeding 20. Education Code Section		
Line Number	Calculating the Cost of TK Early Enrollment Audit Finding	Penalty Inputs and Penalty Amount
1	LEA P2 ADA for all classrooms with early enrollment children	19
2	TK/K-3 GSA Rate	1043
3	Penalty	\$ 20,130

**Determination of Adult-to-pupil Ratio and Adults Required to Meet 10:1 Ratio Calc Ed Code Sec 48000.15(d)(1)
 Penalty Calc for adult-to-pupil ratio of 10:1 Withholding of Funds, Ed Code sec 48000.15(e)(1)(A)**

Line Number	Calculating the Cost of TK Early Enrollment Audit Finding	Classroom 1
1	Average Pupils Enrolled per Class	23.5
2	Average Number of Adults per Class	2
3	Adult to Pupil Ratio	12
4	Sum of Average Pupils	23.5
5	Required Ratio Divisor	10
6	Adults Needed to meet 10:1	2.5
7	Sum of Average Number of Adults	2
8	Number of Adults Needed	0.5
9	Average absence rate	6.18%
10	Twenty less the statewide absence rate	19
11	TK Add-On	\$ 3,077
12	Penalty	\$ 28,924
13	Sum of Classroom Penalties	N/A
TOTAL	SUM OF PENALTIES	\$ 49,054

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS
(Continued)

2025-005 – DEFICIENCY – STATE COMPLIANCE – TRANSITIONAL KINDERGARTEN (40000)

(Continued)

Repeat Finding: No, not a repeat finding.

Recommendation: For classrooms with early enrollment children, the District should implement a process to ensure the classroom does not exceed 20 pupils and maintain the required adult-to-pupil ratio for Transitional Kindergarten.

Views of Responsible Officials and Planned Corrective Action: The District agrees with the recommendation. The District will train principals to verify students' birthdates prior to the start of school. Additionally, the district office has developed a system to monitor the birthdates of all TK students.

**SCHEDULE OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2025

2024-001 – DEFICIENCY – INTERNAL CONTROL – ASSOCIATED STUDENT BODY (30000)

Condition:

Glen Edwards Middle School

Cash Receipts

- *Receipts* – Discrepancies were noted on supporting documentation such as tally sheets for cash receipts without explanation. Additionally, tally sheets/sales support are not consistently retained or provided when submitting cash receipts to the ASB office.
- *Cash Deposits* – Cash deposits are not being performed on a timely basis. For one deposit inspected, we noted the funds were collected in November 2023 and December 2023 and not deposited until March 2024.

Bank Reconciliations

- Bank reconciliations were signed as evidence of review; however, were not dated.

Student Stores

- *Inventory Counts* – Documentation over the inventory count including signatures by individuals performing the count is not maintained.
- *Record of Sales* – Store sales are tracked with a tally sheet but they are not retained.

Lincoln High School

Cash Receipts

- *Receipts* –Dual-cash counts were not being performed and documented by both parties upon turning in to the ASB office.
- *Cash Deposits* – Cash deposits are not being performed on a timely basis. For one deposit, we noted the money was collected in March 2024 and not deposited until April 2024.

Cash Disbursements

- *Check Disbursements* – Crowe noted the site did not retain copies of signed checks and do not have access to online banking and so were unable to provide check copies showing the dual signatures.

Bank Reconciliations

- Bank reconciliations were not prepared in a timely manner.

Student Stores –

- *Inventory Counts* – Documentation of signed and dated store inventory counts are not maintained.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2025

2024-001 – DEFICIENCY – INTERNAL CONTROL – ASSOCIATED STUDENT BODY (30000)
(Continued)

Twelve Bridges High School

Cash Receipts

- *Receipts* – Tally sheets/sales supporting documentation are not consistently retained or provided when submitting cash receipts to the ASB office. Crowe noted an instance where a club advisor held a sale in December 2023 however, the funds earned were not turned into the ASB office until February 2024. Additionally, dual-cash counts were not being performed and documented by both parties upon turning into the ASB office
- *Cash Deposits* – Cash deposits are not being performed on a timely basis.

Cash Disbursements

- *Check Disbursements* – Crowe noted the site did not retain copies of signed checks and do not have access to online banking and so were unable to provide check copies showing the dual signatures.
- *Reimbursement Timeliness* – We noted one reimbursement that was approved on 9/14/2023 but the check was not issued until 10/5/2023.

Bank Reconciliations

- Bank reconciliations were not reviewed.

Student Stores

- *Inventory Counts* – Documentation of controls over student store inventory are not performed or maintained.

Cash Receipts

- Evidence of dual-cash counts were not being maintained after turning in funds to the ASB office. Additionally, deposit forms are being disposed of once the deposit is made.

Recommendation: Crowe recommends that the District and school sites implement internal controls to ensure disbursements are appropriately and timely reviewed, maintain copies of checks, deposit cash on a weekly basis, ensure bank reconciliations are prepared and reviewed timely, perform dual cash counts at the time cash is turned in to clerks, maintain adequate record of sales and cash receipts, and perform period inventory counts at student stores.

Current Status: Not Implemented.

District Explanation if Not Implemented: Repeat finding, See Finding 2025-001.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2025

2024-002 DEFICIENCY – STATE COMPLIANCE – IMMUNIZATIONS (40000)

Condition: While performing immunization testing at Sheridan Elementary and First Street Elementary, we identified three students that were admitted and claimed for attendance although they did not receive the required second dose of varicella and measles vaccine.

Recommendation: The District should ensure the Title 17, California Code of Regulations section 6025 requirements are properly followed prior to admission.

Current Status: Implemented.

District Explanation if Not Implemented: N/A

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Western Placer Unified School District (the “District”) in connection with the issuance by the Board of Supervisors of Placer County (the “Board”) in the name of the District of \$ _____ Western Placer Unified School District (Placer County, California) 2026 Tax and Revenue Anticipation Notes (the “Notes”). The Notes are being issued pursuant to a resolution adopted by the Board of Trustees of the District on April 21, 2026, and a resolution adopted by the Board on May 19, 2026 (collectively, the “Resolutions”). The District covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

“*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 Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

“*Dissemination Agent*” shall mean the District or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation. In the absence of such a designation, the District shall act as the Dissemination Agent.

“*EMMA*” or “*Electronic Municipal Market Access*” means the centralized on-line repository system located at www.emma.msrb.org for documents filed with the MSRB pursuant to the Rule, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

“*Listed Events*” shall mean any of the events listed in Section 3 of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Participating Underwriter*” shall mean the original underwriter of the Notes required to comply with the Rule in connection with offering of the Notes.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Authority under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*Significant Events*” means any of the events listed in Section 3 of this Disclosure Certificate.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and Beneficial Owners of the Notes and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 3. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Notes:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the District or other obligated person;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the District or an obligated person, or the sale of all or substantially all of the assets of the District or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) The incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect security holders, if material; or
- (xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Significant Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Notes under the Indenture.

(c) The District acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier “if material.” The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the District determines the event’s occurrence is material for purposes of U.S. federal securities law. The District intends that the words used in paragraphs (xv) and (xvi) and the definition of “financial obligation” to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018).

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

Section 4. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 5. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5.

Section 6. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days’ written notice to the District.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Notes, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Notes in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Notes.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(c).

Section 8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

Section 9. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Note holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which 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 negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Note holders and Beneficial Owners from time to time of the Notes and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: [Closing Date]

WESTERN PLACER UNIFIED SCHOOL DISTRICT

By _____
Superintendent

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Board of Trustees
Western Placer Unified School District

Re: \$ _____ *Western Placer Unified School District (Placer County, California)*
2026 Tax and Revenue Anticipation Notes

Members of the Board of Trustees:

We have acted as bond counsel to the Western Placer Unified School District (the “District”) in connection with the issuance by the Board of Supervisors of Placer County (the “Board”) of \$ _____ principal amount of Western Placer Unified School District (Placer County, California) 2026 Tax and Revenue Anticipation Notes, dated July 1, 2026 (the “Notes”), pursuant to Article 7.6 (commencing with section 53850), Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, a resolution adopted by the Board of Trustees of the District on April 21, 2026 (the “District Resolution”), and a resolution adopted by the Board on May 19, 2026 (the “Board Resolution” and, collectively, the “Resolutions”). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

The Notes mature on the dates and in the amounts authorized in the Resolutions. The Notes are dated their date of delivery and bear interest payable semiannually on the dates and at the rates per annum authorized in the Resolutions. The Notes are registered Notes as set forth in the Resolutions.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Notes have been duly and validly authorized and constitute legal, valid and binding obligations of the District enforceable in accordance with the terms of the Resolutions, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights, by equitable principles, by the exercise of judicial discretion in appropriate cases and by limitations on legal remedies against public agencies in the State. The Notes are obligations of the District but are not a debt of the County, the State or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and neither the faith and credit nor the taxing power of the County, the State, or any such political subdivisions is pledged for the payment thereof.

(2) The Resolutions have been duly adopted by the Board of Trustees of the District and the Board of Supervisors of the County and constitute the legal, valid and binding obligation of the District and the County, respectively. The Resolutions are enforceable in accordance with their respective terms except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights, by equitable principles, by the exercise of judicial discretion in appropriate cases and by limitations on legal remedies against public agencies in the State of California; provided, however, we express no opinion as to the enforceability of provisions of the Resolutions as to indemnification, penalty, contribution, choice of law, choice of forum or waiver contained therein.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it

should be noted, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest (and original issue discount) with respect to the Notes might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed on such corporations.

(4) Interest (and original issue discount) on the Notes is exempt from State personal income tax.

(5) The difference between the issue price of a Note (the first price at which a substantial amount of the Notes of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Note (to the extent the redemption price at maturity is more 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 Note owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Note owner will increase the Note owner's basis in the applicable Note. Original issue discount that accrues for the Note owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and is exempt from State personal income tax.

(6) The amount by which a Note owner's original basis for determining loss on sale or exchange in the applicable Note (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 Note (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 Note owner realizing a taxable gain when a Note is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Note to the owner. Purchasers of the Notes should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The opinions expressed in paragraphs (3) and (5) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Notes are based upon certain representations of fact and certifications made by the District and are subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes 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 Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. The District has covenanted to comply with all such requirements. Except as set forth in paragraphs (3), (4), (5), and (6) above, we express no opinion as to any tax consequences related to the Notes.

Certain agreements, requirements and procedures contained or referred to in the Resolutions and the Tax Certificate executed by the District with respect to the Notes may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax exempt obligations. We express no opinion as to the effect on exclusion from gross income for federal income tax purposes of the interest (and original issue discount) on any Note if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth LLP.

The opinions expressed herein and the exclusion of interest on the Notes from gross income for federal income tax purposes 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. Our engagement as bond counsel to the District terminates upon the issuance of the Notes.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

Our opinion is limited to matters governed by the laws of the State and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Notes or other offering material relating to the Notes and expressly disclaim any duty to advise the owners of the Notes with respect to matters contained in the Official Statement and any supplements thereto.

Respectfully submitted,