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PRELIMINARY OFFICIAL STATEMENT DATED JUNE 3, 2025

NEW ISSUE—FULL BOOK-ENTRY

RATING: S&P: “AA-”
(See “MISCELLANEOUS – Rating” herein)

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

TEMPLE CITY UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)

\$12,000,000*

Election of 2012 General Obligation Bonds, Series D

\$16,300,000*

2025 General Obligation Refunding Bonds

Dated: Date of Delivery

Due: July 1, as shown herein

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

The Temple City Unified School District (Los Angeles County, California) Election of 2012 General Obligation Bonds, Series D (the “Series D Bonds”) were authorized at an election of the registered voters of the Temple City Unified School District (the “District”) held on November 6, 2012, at which the requisite 55% of the persons voting on the proposition voted to authorize the issuance and sale of not-to-exceed \$128,800,000 principal amount of general obligation bonds. The Series D Bonds are being issued to (i) acquire, construct, renovate and equip District sites and facilities, and (ii) pay the costs of issuing the Series D Bonds.

The Temple City Unified School District (Los Angeles County, California) 2025 General Obligation Refunding Bonds (the “Refunding Bonds,” and together with the Series D Bonds, the “Bonds”) are being issued to (i) refund and defease to maturity all or a portion of the District’s outstanding 2019 General Obligation Refunding Bonds (Federally Taxable), and (ii) pay the costs of issuing the Refunding Bonds.

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

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York (collectively referred to herein as “DTC”). Purchasers of interests in the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interest in the Bonds but will instead receive credit balances on the books of their respective nominees. See “THE BONDS – Book-Entry Only System” herein.

The Series D Bonds will be issued as current interest bonds (the “Current Interest Bonds”) and capital appreciation bonds (the “Capital Appreciation Bonds”). The Refunding Bonds will be issued as Current Interest Bonds. Interest on the Current Interest Bonds accrues from the date of delivery of the Bonds (the “Date of Delivery”), and is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2026. The Capital Appreciation Bonds are dated the Date of Delivery and accrete interest from such date, compounded semiannually on January 1 and July 1 of each year, commencing January 1, 2026. The Capital Appreciation Bonds are payable only at maturity (unless earlier redeemed) and will not pay interest on a current basis.

Payments of principal and Accreted Value of and interest on the Bonds will be made by the Paying Agent, Bond Registrar and Transfer Agent (the “Paying Agent”) to DTC for subsequent disbursement to DTC Participants (as defined herein) who will remit such payments to the Beneficial Owners of the Bonds. U.S. Bank Trust Company, National Association has been appointed as agent of the Treasurer and Tax Collector of Los Angeles County to act as Paying Agent for the Bonds.

Certain of the Bonds are subject to optional and mandatory redemption as further described herein.*

Maturity Schedule*
(see inside front cover)

*The Bonds will be offered when, as and if issued and received by the Underwriter subject to the approval of legality by Stradling Yocca Carlson & Rauth LLP, San Francisco, California, Bond Counsel and Disclosure Counsel. Certain matters will be passed on for the Underwriter by Norton Rose Fulbright US LLP, Los Angeles, California. The Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about July __, 2025.**

RAYMOND JAMES®

Dated: ____, 2025.

* Preliminary, subject to change.

MATURITY SCHEDULE*

\$12,000,000*

TEMPLE CITY UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
Election of 2012 General Obligation Bonds, Series D

Base CUSIP†: 879828

\$_____ **Current Interest Serial Bonds**

Maturity (July 1)	Principal Amount	Interest Rate	Yield	CUSIP Suffix⁽¹⁾
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\$_____ - ____% **Current Interest Term Bonds due July 1, 20__**; Yield: ____%; CUSIP⁽¹⁾ Suffix: ____

\$_____ **Capital Appreciation Serial Bonds**

Maturity (July 1)	Denominational Amount	Accretion Rate	Yield	Maturity Value	CUSIP Suffix⁽¹⁾
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\$_____ **Capital Appreciation Term Bonds**

Maturity (July 1)	Denominational Amount	Accretion Rate	Yield	Maturity Value	CUSIP Suffix⁽¹⁾
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* Preliminary, subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data is provided by CUSIP Global Services (CGS) which is owned by FactSet Research Systems Inc. ("FactSet"). FactSet will manage the CUSIP system on behalf of the American Bankers Association. CUSIP® data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are provided for convenience of reference only. None of the District, the Municipal Advisor, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

MATURITY SCHEDULE*

\$16,300,000*
TEMPLE CITY UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
2025 General Obligation Refunding Bonds

Base CUSIP[†]: 879828

\$ _____ **Current Interest Serial Bonds**

Maturity (July 1)	Principal Amount	Interest Rate	Yield	CUSIP Suffix⁽¹⁾
------------------------------	-----------------------------	--------------------------	--------------	---------------------------------------

\$ _____ - ____% **Current Interest Term Bonds due July 1, 20__**; Yield: ____%; CUSIP⁽¹⁾ Suffix: _____

* Preliminary, subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data is provided by CUSIP Global Services (CGS) which is owned by FactSet Research Systems Inc. ("FactSet"). FactSet will manage the CUSIP system on behalf of the American Bankers Association. CUSIP® data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are provided for convenience of reference only. None of the District, the Municipal Advisor, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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

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

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

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

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

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

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

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

TEMPLE CITY UNIFIED SCHOOL DISTRICT

BOARD OF EDUCATION

Vinson Bell, *President, Trustee Area No. 4*
Matt Smith, *Vice President, Trustee Area No. 2*
Melissa Espinoza, *Clerk, Trustee Area No. 1*
Mary Sneed, *Member Trustee Area No. 3*
Donna Georgino, *President, Trustee Area No. 5*

ADMINISTRATIVE STAFF

Art Cunha, Ed.D., *Superintendent*
Connie Wu, *Assistant Superintendent, Business Services*

PROFESSIONAL SERVICES

BOND COUNSEL AND DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth LLP
San Francisco, California

MUNICIPAL ADVISOR

California Financial Services
Mission Viejo, California

PAYING AGENT AND TRANSFER AGENT

U.S. Bank Trust Company, National Association, as agent of the
Treasurer and Tax Collector of Los Angeles County
Los Angeles, California

ESCROW AGENT

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

ESCROW VERIFICATION

Causey Public Finance, LLC
Denver, Colorado

TABLE OF CONTENTS

Page

INTRODUCTION	1
GENERAL	1
PURPOSES OF THE BONDS.....	2
AUTHORITY FOR ISSUANCE OF THE BONDS	2
SOURCES OF PAYMENT FOR THE BONDS	2
DESCRIPTION OF THE BONDS.....	2
TAX MATTERS	3
OFFERING AND DELIVERY OF THE BONDS.....	3
BOND OWNER’S RISKS.....	4
CONTINUING DISCLOSURE	4
PROFESSIONALS INVOLVED IN THE OFFERING.....	4
FORWARD LOOKING STATEMENTS.....	4
OTHER INFORMATION	5
THE BONDS.....	5
AUTHORITY FOR ISSUANCE	5
SECURITY AND SOURCES OF PAYMENT	6
STATUTORY LIEN.....	7
GENERAL PROVISIONS	7
ANNUAL DEBT SERVICE.....	9
APPLICATION AND INVESTMENT OF BOND PROCEEDS.....	11
REDEMPTION.....	13
BOOK-ENTRY ONLY SYSTEM.....	17
DISCONTINUATION OF BOOK-ENTRY ONLY SYSTEM; REGISTRATION, EXCHANGE AND TRANSFER OF BONDS	19
DEFEASANCE	20
ESTIMATED SOURCES AND USES OF FUNDS	21
TAX BASE FOR REPAYMENT OF BONDS	21
<i>AD VALOREM</i> PROPERTY TAXATION	21
ASSESSED VALUATIONS.....	22
ASSESSED VALUATION OF SINGLE FAMILY HOMES	26
ASSESSED VALUATION AND PARCELS BY LAND USE	27
ASSESSED VALUATION BY JURISDICTION.....	27
TAX LEVIES, COLLECTIONS AND DELINQUENCIES	28
ALTERNATIVE METHOD OF TAX APPORTIONMENT - “TEETER PLAN”	29
TAX RATES	29
PRINCIPAL TAXPAYERS.....	30
STATEMENT OF DIRECT AND OVERLAPPING DEBT.....	30
CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS.....	32
ARTICLE XIII A OF THE CALIFORNIA CONSTITUTION	32
PROPOSITION 19.....	33
LEGISLATION IMPLEMENTING ARTICLE XIII A.....	33
PROPOSITION 50 AND PROPOSITION 171.....	33
UNITARY PROPERTY	34
ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION	35
ARTICLE XIII C AND ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION	35
PROPOSITION 26.....	36
PROPOSITIONS 98 AND 111.....	36
PROPOSITION 39.....	38
PROPOSITION 1A AND PROPOSITION 22.....	39
<i>JARVIS VS. CONNELL</i>	39

TABLE OF CONTENTS (cont'd)

	<u>Page</u>
PROPOSITION 55	40
PROPOSITION 2	40
2024 STATE SCHOOL FACILITIES BOND	42
FUTURE INITIATIVES	43
DISTRICT FINANCIAL INFORMATION	44
STATE FUNDING OF EDUCATION	44
OTHER REVENUE SOURCES	48
CONSIDERATIONS REGARDING COVID-19	49
COMPARATIVE FINANCIAL STATEMENTS	50
ACCOUNTING PRACTICES	52
BUDGET PROCESS	52
STATE BUDGET MEASURES	55
TEMPLE CITY UNIFIED SCHOOL DISTRICT	65
INTRODUCTION	65
ADMINISTRATION	66
ENROLLMENT TRENDS	67
LABOR RELATIONS	67
DISTRICT RETIREMENT SYSTEMS	68
OTHER POST-EMPLOYMENT BENEFITS	79
MEDICARE PREMIUM PAYMENT PROGRAM	81
CYBERSECURITY	81
RISK MANAGEMENT	81
DISTRICT DEBT STRUCTURE	82
LIMITATION ON REMEDIES; BANKRUPTCY	84
TAX MATTERS	86
LEGAL MATTERS	87
LEGALITY FOR INVESTMENT IN CALIFORNIA	87
EXPANDED REPORTING REQUIREMENTS	87
CONTINUING DISCLOSURE	88
ESCROW VERIFICATION	88
LITIGATION	88
FINANCIAL STATEMENTS	88
LEGAL OPINIONS	89
MISCELLANEOUS	89
RATING	89
UNDERWRITING	89
ADDITIONAL INFORMATION	90
APPENDIX A: FORMS OF OPINIONS OF BOND COUNSEL FOR THE BONDS	A-1
APPENDIX B: 2023-24 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT	B-1
APPENDIX C: FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS	C-1
APPENDIX D: ECONOMIC AND DEMOGRAPHIC INFORMATION FOR TEMPLE CITY AND LOS ANGELES COUNTY	D-1
APPENDIX E: LOS ANGELES COUNTY TREASURY POOL	E-1
APPENDIX F: TABLE OF ACCRETED VALUES	F-1

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**TEMPLE CITY UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)**

\$12,000,000*
Election of 2012 General Obligation Bonds, Series D

\$16,300,000
2025 General Obligation Refunding Bonds

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of the (i) Temple City Unified School District (Los Angeles County, California) Election of 2012 General Obligation Bonds, Series D (the “Series D Bonds”) and (ii) Temple City Unified School District (Los Angeles County, California) 2025 General Obligation Refunding Bonds (the “Refunding Bonds,” and together with the Series D Bonds, the “Bonds”).

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

General

The Temple City Unified School District (the “District”) was established as a unified school district on July 1, 1954. The District is located in the West San Gabriel Valley, approximately five miles southeast of Pasadena and 13 miles northeast of downtown Los Angeles, approximately 23 miles northeast of Los Angeles International Airport and 20 miles southeast of Burbank/Glendale/Pasadena Airport. The District encompasses an area of approximately 3.986 square miles and includes within its boundaries the incorporated City of Temple City, as well as small portions of the cities of San Gabriel and Arcadia and some unincorporated areas of Los Angeles County (the “County”). The District maintains one comprehensive high school, one alternative school, one intermediate school, four elementary schools, and an adult education school and serves a population of approximately 35,000. For fiscal year 2024-25, the District’s enrollment and average daily attendance (“ADA”) is 5,298 and 5,125.83 respectively. Taxable property within the District has an assessed valuation of \$6,763,860,028 for fiscal year 2024-25.

The District is governed by a five-member Board of Education (the “Board”), each member of which is elected by trustee area to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-to-day District operations as well as the supervision of the District’s other personnel. Art Cunha, Ed.D., is currently the District’s Superintendent.

For more information regarding the District generally, see “DISTRICT FINANCIAL INFORMATION” and “TEMPLE CITY UNIFIED SCHOOL DISTRICT,” and for more information regarding the District’s assessed valuation, see “TAX BASE FOR REPAYMENT OF BONDS” herein.

* Preliminary, subject to change.

Purposes of the Bonds

Series D Bonds. The Series D Bonds are being issued to (i) acquire, construct, renovate and equip District sites and facilities, and (ii) pay the costs of issuing the Series D Bonds.

Refunding Bonds. The Refunding Bonds are being issued to (i) refund and defease to maturity all or a portion of the District's outstanding 2019 General Obligation Refunding Bonds (Federally Taxable) (the "Prior Bonds") and (ii) pay the costs of issuing the Refunding Bonds. The Prior Bonds to be refunded and defeased to maturity with proceeds of the Bonds are referred to herein as the "Refunded Bonds."

See "THE BONDS – Application and Investment of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the Government Code and other applicable law, and pursuant to separate resolutions adopted by the Board for each respective series of Bonds. See "THE BONDS – Authority for Issuance" herein.

Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal and Accreted Value of and interest on the Bonds when due. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Description of the Bonds

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

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

Current Interest and Capital Appreciation Bonds. The Series D Bonds will be issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"). The Refunding Bonds will be issued as Current Interest Bonds.

The Current Interest Bonds will bear periodic interest as further described herein. The Capital Appreciation Bonds are payable only at maturity and will not bear interest on a current basis. The maturity value of each Capital Appreciation Bond is equal to its Accreted Value (defined herein) upon the maturity thereof (“Maturity Value”), comprising its initial principal amount (the “Denominational Amount”) and the interest accreting thereon between the date of initial delivery (the “Date of Delivery”) and its respective maturity date.

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

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

Payments. The Bonds will be dated as of the Date of Delivery. Interest on the Current Interest Bonds accrues from the Date of Delivery, and is payable semiannually on each January 1 and July 1 (each a “Bond Payment Date”), commencing January 1, 2026. Principal of the Current Interest Bonds is payable on July 1 in the amounts and years as set forth on the inside cover page hereof.

Capital Appreciation Bonds will accrete in value from their Denominational Amounts on the Date of Delivery to their respective Maturity Values, at the Accretion Rates (defined herein) per annum set forth on the inside cover pages hereof, compounded semiannually on January 1 and July 1 of each year commencing January 1, 2026. The Capital Appreciation Bonds are payable only at maturity (unless earlier redeemed) according to the amounts set forth in the Accreted Values table as shown in APPENDIX F hereto.

Payments of the principal and Accreted Value of and interest on the Bonds will be made by the designated paying agent, bond registrar and transfer agent (the “Paying Agent”), to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners. U.S. Bank Trust Company, National Association, Los Angeles, California, has been appointed as agent of the Treasurer and Tax Collector of the County (the “Treasurer”) to act as Paying Agent for the Bonds.

Tax Matters

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

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about July __, 2025.*

* Preliminary, subject to change.

Bond Owner's Risks

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the District's financial condition and taxation of property within the District, and certain other considerations, see "TAX BASE FOR REPAYMENT OF BONDS," "DISTRICT FINANCIAL INFORMATION," "TEMPLE CITY UNIFIED SCHOOL DISTRICT," and "LIMITATION ON REMEDIES; BANKRUPTCY" herein.

Continuing Disclosure

The District has covenanted that it will comply with and carry out the provisions of that certain Continuing Disclosure Certificate relating to the Bonds. Pursuant thereto, the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in compliance with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). The specific nature of the information to be made available and of the notices of listed events is summarized below under "LEGAL MATTERS – Continuing Disclosure" and "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS" herein.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth LLP, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. California Financial Services, Mission Viejo, California, is acting as Municipal Advisor to the District with respect to the Bonds. Stradling Yocca Carlson and Rauth LLP and California Financial Services will each receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain matters will be passed on for the Underwriter (defined herein) by Norton Rose Fulbright US LLP, Los Angeles, California, which will receive compensation from the Underwriter contingent on the sale and delivery of the Bonds. In addition to acting as Paying Agent, U.S. Bank Trust Company, National Association will act as Escrow Agent for the Refunded Bonds. Causey Public Finance LLC, Denver, Colorado, will act as Verification Agent for the Refunded Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the District or the Bonds.

Forward Looking Statements

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

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY

UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Temple City Unified School District, 9700 Las Tunas Drive, Temple City California, 91780, telephone: (626) 548-5000. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

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

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

THE BONDS

Authority for Issuance

Series D Bonds. The Series D Bonds are being issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, applicable provisions of the Education Code, Article XIII A of the State Constitution (“Article XIII A”), and pursuant to a resolution adopted by the Board on April 23, 2025 (the “Series D Bonds Resolution”). The District received authorization at an election held on November 6, 2012, by the requisite 55% or more of the votes cast by eligible voters of the District to issue \$128,800,000 aggregate principal amount of general obligation bonds (the “Authorization”). The Bonds are the fourth issuance of bonds under the Authorization, and following the issuance thereof, \$35,944,247.35* of bonds will remain authorized and unissued.

* Preliminary, subject to change.

Refunding Bonds. The Refunding Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and a resolution of the Board relating to the Refunding Bonds approved on May 14, 2025 (the “Refunding Bonds Resolution,” and together with the Series D Bonds Resolution, the “Resolutions”).

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), for the payment of principal and Accreted Value of and interest on the Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The County, however, is not obligated to establish such a reserve, and the District can make no representation that the County will do so. Such taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal and Accreted Value of and interest on the Bonds when due. Such taxes, when collected, will be placed in the Debt Service Funds (defined herein) for each respective series of the Bonds, which are required to be segregated and maintained by the County and which are designated for the payment of the Bonds, and interest thereon when due, and for no other purpose. Pursuant to each of the Resolutions, the District has pledged funds on deposit in each Debt Service Fund to the payment of the respective series of Bonds to which such fund relates. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and will maintain the Debt Service Funds, the Bonds are not a debt of the County.

The moneys in the Debt Service Funds, to the extent necessary to pay the principal and Accreted Value of and interest on the Bonds as the same becomes due and payable, will be transferred to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Participants for subsequent disbursement to the Beneficial Owners of the Bonds.

The rate of the annual *ad valorem* property taxes levied by the County to repay the Bonds as described above will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District’s control, such as general market decline in land values, outbreak of disease, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State of California (the “State”) and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, wildfire, drought, climate change or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District’s assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” and “TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations” herein.

Statutory Lien

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

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

General Provisions

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

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

Capital Appreciation Bonds. Interest on each Capital Appreciation Bond is represented by the amount each such Bond accretes in value from its respective Denominational Amount on the Date of Delivery to the date for which Accreted Value is calculated. The value of a Capital Appreciation Bond as of any date (the “Accreted Value”) is calculated by discounting, on a 30-day month, 360-day year basis, its Maturity Value on the basis of a constant rate (the “Accretion Rate”) compounded semiannually on January 1 and July 1 of each year to the date for which an Accreted Value is calculated, and if the date for which Accreted Value is calculated is between January 1 and July 1, by pro-rating such Accreted Values to the closest prior or subsequent January 1 and July 1.

The Capital Appreciation Bonds will not pay interest on a periodic basis. The Capital Appreciation Bonds accrete in value from their Date of Delivery at the Accretion Rates per annum set forth on the inside cover pages hereof, compounded semiannually on January 1 and July 1 of each year

commencing on January 1, 2026. The Maturity Value of a Capital Appreciation Bond is equal to the Accreted Value thereof at its maturity date.

See also the maturity schedule on the inside cover page hereof, “— Annual Debt Service” herein and “APPENDIX F –TABLE OF ACCRETED VALUES” attached hereto.

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

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Annual Debt Service

Series D Bonds. The following table displays the annual debt service requirements of the District for the Series D Bonds (assuming no optional redemptions).

<u>Year Ending (July 1)</u>	Current Interest Bonds		Capital Appreciation Bonds		<u>Total</u>
	<u>Annual Principal Payment</u>	<u>Annual Interest Payment</u> ⁽¹⁾	<u>Annual Principal Payment</u>	<u>Accreted Interest Payment</u> ⁽²⁾	

Total

⁽¹⁾ Interest payments on the Series D Bonds being issued as Current Interest Bonds will be made semiannually on January 1 and July 1 of each year, commencing January 1, 2026.

⁽²⁾ The Capital Appreciation Bonds are payable only at maturity on July 1 of the years indicated on the inside cover pages hereof, and interest on such Capital Appreciation Bonds is compounded semiannually on January 1 and July 1, commencing on January 1, 2026.

Refunding Bonds. The following table summarizes the annual debt service requirements for the Refunding Bonds (assuming no optional redemptions).

<u>Year Ending July 1</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment</u> ⁽¹⁾	<u>Total Annual Debt Service</u>
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⁽¹⁾ Interest payments on Refunding Bonds will be made semiannually on January 1 and July 1 of each year, commencing January 1, 2026.

See “TEMPLE CITY UNIFIED SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds” herein for a full table of the annual debt service requirements for the District’s outstanding general obligation bonded debt.

Application and Investment of Bond Proceeds

Series D Bonds. The Series D Bonds are being issued to (i) acquire, construct, renovate and equip District sites and facilities, and (ii) pay the costs of issuing the Series D Bonds.

The net proceeds from the sale of the Series D Bonds will be paid to the County to the credit of the building fund created by the Series D Bonds Resolution (the “Building Fund”). Any premium received by the District from the sale of the Series D Bonds will be kept separate and apart in the debt service fund created by the Series D Bonds Resolution (the “Series D Bonds Debt Service Fund”) and used only for payment of principal and Accreted Value of and interest on the Series D Bonds, and for no other purpose. Any excess proceeds of the Series D Bonds not needed for the authorized purposes for which the Series D Bonds are being issued will be transferred to the Series D Bonds Debt Service Fund and applied to the payment of principal and Accreted Value of and interest on the Series D Bonds. If, after payment in full of the Series D Bonds, there remain excess proceeds, any such excess amounts will be transferred to the general fund of the District.

Refunding Bonds. The Refunding Bonds are being issued to (i) refund and defease to maturity the Refunded Bonds, and (ii) pay the costs of issuing the Refunding Bonds.

The net proceeds from the sale of the Refunding Bonds will be deposited with the Escrow Agent, to the credit of the “Temple City Unified School District 2025 General Obligation Refunding Bonds Escrow Fund” (the “Escrow Fund”) held pursuant to an escrow agreement, dated July 1, 2025, by and between the District and U.S. Bank Trust Company, National Association (the “Escrow Agreement”). Pursuant to the Escrow Agreement, the amounts deposited in the Escrow Fund will be used to purchase certain non-callable direct and general obligations of the United States of America, or non-callable obligations the payment of which is unconditionally guaranteed by the United States of America (collectively, the “Federal Securities”), the principal of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay the principal of and interest on the Refunded Bonds as such becomes due and payable. Amounts deposited into the Escrow Fund under the Escrow Agreement are not available to pay any other obligations of the District.

The table on the following page shows information on the specific maturities of the Prior Bonds to be refunded and defeased to maturity with proceeds of the Refunding Bonds.

REFUNDED BONDS*
Temple City Unified School District
(Los Angeles County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

<u>Maturity Date</u> <u>(August 1)</u>	<u>CUSIP[†]</u>	<u>Original</u> <u>Principal</u> <u>Amount</u>	<u>Outstanding</u> <u>Principal to</u> <u>be Refunded</u>
2029	879828MX6	\$2,010,000	\$2,010,000
2039	879828MY4	8,910,000	8,910,000
2043	879828MZ1	8,625,000	8,625,000

The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to refund and defease to maturity the Refunded Bonds as described above will be verified by Causey Public Finance LLC, as the verification agent (the “Verification Agent”). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the computations of the Underwriter and the Verification Agent, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* property taxes for payment of the Refunded Bonds will terminate. See “LEGAL MATTERS – Escrow Verification” herein.

Any accrued interest and surplus moneys in the Escrow Fund following the payment in full of the Refunded Bonds will be transferred to and accounted for in the debt service fund for the Refunding Bonds created by the Refunding Bonds Resolution (the “Refunding Bonds Debt Service Fund,” and together with the Series D Bonds Debt Service Fund, the “Debt Service Funds”) and used by the District only for payment of principal of and interest on the Refunding Bonds and for no other purpose. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes for which the Refunding Bonds are being issued will be transferred to the Refunding Bonds Debt Service Fund and applied to the payment of principal of and interest on the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts will be transferred to the general fund of the District.

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data is provided by CUSIP Global Services (CGS) which is owned by FactSet Research Systems Inc. (“FactSet”). FactSet will manage the CUSIP system on behalf of the American Bankers Association. CUSIP® data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriter and are provided for convenience of reference only. None of the District, the Municipal Advisor or the Underwriters take any responsibility for the accuracy or usage of such numbers, and no representation is made as to their correctness on the applicable Refunded Bonds or as included herein. The CUSIP® number for a specific maturity is subject to being changed as a result of various subsequent actions, including, but not limited to a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Refunded Bonds.

Expected Investment of Bond Proceeds. In accordance with the Resolutions and subject to federal tax restrictions, moneys in the Debt Service Funds and the Building Fund may be invested in the following: (i) lawful investments permitted by Government Code Sections 16429.1 and 53601; (ii) shares in a State common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Government Code Section 53635; (iii) a guaranteed investment contract with a provider having a rating meeting the minimum rating requirements of the County investment pool maintained by the Treasurer, (iv) the Local Agency Investments Fund of the State Treasurer, (v) the County's Treasury Pool (as defined herein), and (vi) State and Local Government Series Securities.

Funds in the Escrow Fund will be invested as described above. Moneys in the Debt Service Funds and the Building Fund are expected to be invested through the County's pooled investment fund (the "Treasury Pool"). See "APPENDIX E - LOS ANGELES COUNTY TREASURY POOL" attached hereto.

Redemption

Optional Redemption.* Series D Bonds. The Series D Bonds being issued as Current Interest Bonds maturing on and before July 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Series D Bonds being issued as Current Interest Bonds maturing on and after July 1, 20__ may be redeemed prior to their respective stated maturity dates at the option of the District, from any source of funds, in whole or in part, on July 1, 20__ or on any date thereafter, at a redemption price equal to the principal amount of such Current Interest Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

The Capital Appreciation Bonds maturing on or before July 1, 20__ are not subject to redemption prior to their stated maturity dates. The Capital Appreciation Bonds maturing on and after July 1, 20__ may be redeemed prior to their respective stated maturity dates at the option of the District, from any source of funds, in whole or in part, on July 1, 20__ or on any date thereafter, at a redemption price equal to the Accreted Value of such Capital Appreciation Bonds as of the date fixed for redemption, without premium.

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

* Preliminary, subject to change.

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

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

In the event that a portion of the Series D Current Interest Term Bonds maturing on July 1, 20__ are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Series D Current Interest Term Bonds optionally redeemed.

The Capital Appreciation Term Bonds maturing on July 1, 20__ (the “Capital Appreciation Term Bonds”) are subject to redemption prior to maturity from mandatory sinking fund payments on July 1 of each year, on and after July 1, 20__, at a redemption price equal to the Accreted Value thereof, as of the date fixed for redemption, without premium. The Accreted Value represented by such Capital Appreciation Term Bonds to be so redeemed and the redemption dates therefor, and the final Accreted Value payment date is as indicated in the following table:

Redemption Date <u>(July 1)</u>	<u>Accreted Value</u>
<hr/>	
(1) Maturity.	

In the event that a portion of the Capital Appreciation Term Bonds maturing on July 1, 20__ are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 Maturity Value, in respect of the portion of such Capital Appreciation Term Bonds optionally redeemed.

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

* Preliminary, subject to change.

**Redemption Date
(July 1)**

**Principal
To Be Redeemed**

⁽¹⁾ Maturity.

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

Selection of Bonds for Redemption. If less than all of the Bonds are called for optional redemption, the Paying Agent, upon written instruction from the District, shall select the Bonds for redemption as so directed by the District, and if not so directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption, as directed by the District and, if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that with respect to redemption by lot, the portion of any (A) Current Interest Bond to be redeemed in part will be in the principal amount of \$5,000 or any integral multiple thereof, and (B) the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof.

Redemption Notice. When optional redemption is authorized or required pursuant to the Resolutions, the Paying Agent, upon written instruction from the District, will give notice (a “Redemption Notice”) of the redemption of the Bonds to be redeemed. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed (or portions thereof), (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount or Accreted Value of such Bond to be redeemed, and (g) the original issue date, interest rate, Accretion Rate, and stated maturity date of each Bond to be redeemed in whole or in part.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, or overnight delivery service, to one of the Information Services; and (d) provide a Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

“Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) system; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

“Securities Depository” shall mean The Depository Trust Company, 140 58th Street Brooklyn, New York 11220.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolutions will be conclusive evidence as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such transfer.

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

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

Effect of Redemption Notice. If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest accrued or accreted to such redemption date, is held by an independent escrow agent selected by the District so as to be available therefor on such redemption date as described in “—Defeasance,” and if a Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue or accrete and become payable.

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

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form

satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and in the case of Current Interest Bonds, accrued or accreted interest thereon to the date fixed for redemption, then such Bonds will no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

Book-Entry Only System

The information under this caption concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of interest, principal and Accreted Value of, interest on, or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated "AA+" by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of

the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

Redemption proceeds and distribution on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distribution to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof. So long as Cede & Co. is the registered Owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bond Owners" or "Holders" of the Bonds (other than under the captions "TAX MATTERS" herein and "APPENDIX A" attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

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

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

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

The principal and Accreted Value of the Bonds and any premium and interest upon the redemption thereof prior to maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated corporate trust office of the Paying Agent. Interest on the Bonds will be paid by the Paying Agent by wire transfer to the person whose name appears on the registration books of the Paying Agent as the registered Owner, and to that person's address appearing on the registration books as of the close of business on the Record Date.

Any Bond may be exchanged for Bonds of like series, tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount or Maturity Value thereof, as applicable) upon presentation and surrender at the designated corporate trust office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of such Bond at the designated corporate trust office of the Paying Agent, together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Current Interest Bonds and Capital Appreciation Bonds may not be exchanged for one another.

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

Defeasance

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

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts transferred from the respective Debt Service Fund (if any) is sufficient to pay and discharge such Bonds outstanding and designated for defeasance (including all principal or Accreted Value thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with amounts transferred from the respective Debt Service Fund (if any), and any other cash if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal or Accreted Value thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date;

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

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

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds

Principal Amount of the Bonds
[Plus/Minus] Original Issue
[Premium/Discount]
Total Sources

Series D Bonds

Refunding Bonds

Uses of Funds

Deposit to Escrow Fund
Deposit to Building Fund
Deposit to Debt Service Funds
Underwriting Discount
Costs of Issuance⁽¹⁾
Total Uses

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

TAX BASE FOR REPAYMENT OF BONDS

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

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as County, city and special district property taxes. Assessed valuations are the same for both District and County taxing purposes.

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

The valuation of secured property is established as of January 1 and is subsequently enrolled in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the Treasurer. After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of \$10 for preparing the delinquent tax records and giving notice of

delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a \$15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Treasurer.

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

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

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

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

Assessed Valuations

The table on the following page represents a 10-year history of assessed valuations in the District, as of the date the equalized assessment tax roll is established in August of each year, excluding any exemptions granted after such date in each year.

ASSESSED VALUATION
Fiscal Years 2015-16 through 2024-25
Temple City Unified School District

Fiscal Year	Secured Valuation	Utility	Unsecured Valuation	Total Valuation	% Change
2015-16	\$4,245,879,548	--	\$33,878,942	\$4,279,758,490	--
2016-17	4,511,716,283	\$69,696	33,459,254	4,545,245,233	6.20%
2017-18	4,777,347,558	69,696	39,699,285	4,817,116,539	5.98
2018-19	5,019,862,795	69,696	36,718,336	5,056,650,827	4.97
2019-20	5,319,738,516	69,696	38,987,316	5,358,795,528	5.98
2020-21	5,557,694,035	90,705	39,842,527	5,597,627,267	4.46
2021-22	5,752,372,127	90,705	38,957,913	5,791,420,745	3.46
2022-23	6,095,463,435	90,705	39,780,636	6,135,334,776	5.94
2023-24	6,433,653,490	90,705	44,691,360	6,478,435,555	5.59
2024-25	6,717,594,782	69,696	46,195,550	6,763,860,028	4.41

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

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

Economic and other factors beyond the District’s control, such as general market decline in real property values, the outbreak of disease, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, drought, flood, fire, wildfire, climate change or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Bonds. See “THE BONDS – Security and Sources of Payment” and “DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19” herein.

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

Droughts; Floods. California has experienced cyclical severe drought conditions over the past several years. Most recently, in April 2021, the Governor announced regional drought emergencies in two Northern California counties following two years of dry conditions. These drought emergencies were eventually expanded to include all California counties by October of 2021. Among other actions, the Governor also issued Executive Order N0-27-22, which directed the State Water Control Board to issue drought declarations, including a recommendation to have urban water suppliers initiate water shortage contingency plans. Significant snowfall and precipitation in the State commencing in late 2022 and early 2023 generally eliminated most of the State’s drought conditions. In addition, on March 24, 2023, the Governor rescinded most of his emergency drought declarations, including Executive Order N0-27-22.

According to the U.S. Drought Monitor, as of May 20, 2025, 12.41% of the County is in the moderate drought conditions category and 87.59% of the County is in the severe conditions category. The District cannot predict if there will be future additional drought conditions and related water usage restrictions imposed in the future. The District can also make no representations regarding the extent to which significant snowfall and precipitation, or any future winter storm activity or related rainfall, mudslides or flooding conditions, may impact District facilities or the assessed value of taxable property within the District.

Seismic Events. The District is located in a seismically active region of the State. The two largest faults located in the City of Temple City are the Sierra Madre fault, located on the north boundary and the Raymond fault. Additionally, the San Andreas Fault is a major tectonic boundary located near the City of Temple City. It is the primary feature of the tectonic boundary between the Pacific and North American tectonic plates and is the longest fault in California. It can cause a powerful magnitude 8.5 earthquake. Other major faults located near the District include the Verdugo, Hollywood, Whittier and Elysian Park fault zones. The California Earthquake Authority reports there are over a hundred smaller active faults in the Los Angeles region that can cause damaging earthquakes like the Northridge earthquake in 1995. In addition, a portion of the District lies within a liquefaction zone identified by the State Department of Conservation, California Geological Survey pursuant to the Seismic Hazards Mapping Act of 1990. An earthquake of large magnitude could result in extensive damage to property within the District and could adversely affect the assessed valuation of property within the District, or more generally the region's economy.

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

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

Appeals of Assessed Valuations. Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the “SBE”), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year

for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” herein.

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

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

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

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 (“AB 102”). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property taxes, however, effective January 1, 2018, the SBE has only heard appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear tax appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities.

Assessed Valuation of Single Family Homes

The following table shows a per-parcel analysis of single family residences within the District, in terms of their fiscal year 2024-25 assessed valuation.

ASSESSED VALUATION OF SINGLE FAMILY HOMES

Fiscal Year 2024-25

Temple City Unified School District

	<u>No. of Parcels</u>	<u>2024-25 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	7,057	\$4,598,108,995	\$651,567	\$589,155

<u>2024-25 Assessed Valuation</u>	<u>No. of Parcels⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$99,999	464	6.575%	6.575%	\$35,636,937	0.775%	0.775%
100,000 - 199,999	429	6.079	12.654	62,212,401	1.353	2.128
200,000 - 299,999	575	8.148	20.802	146,593,446	3.188	5.316
300,000 - 399,999	890	12.612	33.414	313,443,888	6.817	12.133
400,000 - 499,999	735	10.415	43.829	327,324,226	7.119	19.252
500,000 - 599,999	485	6.873	50.701	265,461,340	5.773	25.025
600,000 - 699,999	583	8.261	58.963	379,236,324	8.248	33.273
700,000 - 799,999	659	9.338	68.301	494,392,116	10.752	44.025
800,000 - 899,999	596	8.446	76.746	506,048,606	11.006	55.030
900,000 - 999,999	478	6.773	83.520	451,886,497	9.828	64.858
1,000,000 - 1,099,999	291	4.124	87.643	304,228,387	6.616	71.474
1,100,000 - 1,199,999	175	2.480	90.123	200,996,928	4.371	75.846
1,200,000 - 1,299,999	137	1.941	92.065	170,691,457	3.712	79.558
1,300,000 - 1,399,999	112	1.587	93.652	150,787,976	3.279	82.837
1,400,000 - 1,499,999	86	1.219	94.870	124,348,487	2.704	85.541
1,500,000 - 1,599,999	76	1.077	95.947	117,298,110	2.551	88.092
1,600,000 - 1,699,999	77	1.091	97.038	126,762,320	2.757	90.849
1,700,000 - 1,799,999	51	0.723	97.761	89,179,062	1.939	92.789
1,800,000 - 1,899,999	34	0.482	98.243	62,757,229	1.365	94.154
1,900,000 - 1,999,999	36	0.510	98.753	70,050,895	1.523	95.677
2,000,000 and greater	88	1.247	100.000	198,772,363	4.323	100.000
	7,057	100.000%		\$4,598,108,995	100.000%	

⁽¹⁾ Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Source: California Municipal Statistics, Inc.

Assessed Valuation and Parcels by Land Use

The following table shows a per-parcel analysis of the distribution of taxable property within the District by principal use, and the fiscal year 2024-25 assessed valuation of such parcels.

ASSESSED VALUATION AND PARCELS BY LAND USE

Fiscal Year 2024-25

Temple City Unified School District

	2024-25 <u>Assessed Valuation</u> ⁽¹⁾	% of <u>Total</u>	No. of <u>Parcels</u>	% of <u>Total</u>
<u>Non-Residential:</u>				
Commercial	\$526,896,755	7.84%	345	3.58%
Vacant Commercial	1,910,505	0.03	6	0.06
Industrial	17,030,772	0.25	29	0.30
Vacant Industrial	559,092	0.01	4	0.04
Recreational	4,724,338	0.07	4	0.04
Government/Social/Institutional	49,485,076	0.74	96	1.00
Miscellaneous	<u>8,068,973</u>	<u>0.12</u>	<u>62</u>	<u>0.64</u>
Subtotal Non-Residential	\$608,675,511	9.06%	546	5.66%
<u>Residential:</u>				
Single Family Residence	\$4,598,108,995	68.45%	7,057	73.17%
Condominium/Townhouse	601,955,205	8.96	1,089	11.29
2-4 Residential Units	559,119,887	8.32	709	7.35
5+ Residential Units/Apartments	322,055,835	4.79	161	1.67
Vacant Residential	<u>27,679,349</u>	<u>0.41</u>	<u>83</u>	<u>0.86</u>
Subtotal Residential	\$6,108,919,271	90.94%	9,099	94.34%
Total	\$6,717,594,782	100.00%	9,645	100.00%

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

Source: California Municipal Statistics, Inc.

Assessed Valuation by Jurisdiction

The following table shows the assessed valuation by jurisdiction for fiscal year 2024-25.

ASSESSED VALUATION BY JURISDICTION

Fiscal Year 2024-25

Temple City Unified School District

<u>Jurisdiction:</u>	Assessed Valuation <u>in District</u>	% of <u>District</u>	Assessed Valuation <u>of Jurisdiction</u>	% of Jurisdiction <u>in District</u>
City of Arcadia	\$538,185,963	7.96%	\$21,407,635,713	2.51%
City of San Gabriel	179,241	0.00	7,167,766,644	0.00
City of Temple City	4,851,957,712	71.73	6,925,811,970	70.06
Unincorporated Los Angeles County	<u>1,373,537,112</u>	<u>20.31</u>	144,695,183,022	0.95
Total District	\$6,763,860,028	100.00%		
Los Angeles County	\$6,763,860,028	100.00%	\$2,101,924,313,796	0.32%

Source: California Municipal Statistics, Inc.

Tax Levies, Collections and Delinquencies

The following table shows secured *ad valorem* tax within the District, and amounts delinquent as of June 30, for fiscal years 2012-13 through 2023-24.

SECURED TAX CHARGES AND DELINQUENCIES Fiscal Years 2012-13 through 2023-24 Temple City Unified School District

	Secured Tax Charge⁽¹⁾	Amt. Del. June 30	%Del. June 30
2012-13	\$6,138,309.94	\$110,777.19	1.80%
2013-14	6,495,254.62	96,212.47	1.48
2014-15	6,928,504.07	100,249.66	1.45
2015-16	7,391,141.99	105,354.91	1.43
2016-17	7,847,916.32	93,661.26	1.19
2017-18	8,377,371.28	104,543.78	1.25
2018-19	8,791,827.18	120,614.61	1.37
2020-21	9,805,095.46	167,700.26	1.71
2021-22	10,146,952.91	159,059.95	1.57
2022-23	10,743,928.29	168,234.00	1.57
2023-24	11,406,256.14	200,825.44	1.76

	Secured Tax Charge⁽²⁾	Amt. Del. June 30	%Del. June 30
2012-13	\$1,755,727.82	\$9,128.30	0.52%
2013-14	4,013,085.80	28,770.16	0.72
2014-15	3,958,847.21	30,724.12	0.78
2015-16	4,176,608.21	44,862.62	1.07
2016-17	4,497,518.02	20,202.18	0.45
2017-18	4,864,228.68	29,434.07	0.61
2018-19	5,147,295.59	41,573.46	0.81
2020-21	5,699,494.50	52,553.05	0.92
2021-22	6,027,429.23	52,732.66	0.87
2022-23	3,584,582.24	35,340.79	0.99
2023-24	6,291,027.20	65,364.49	1.04

⁽¹⁾ 1% General Fund apportionment. Excludes redevelopment agency impounds. Reflects county-wide delinquency rate.

⁽²⁾ Bond debt service levy only.

Source: California Municipal Statistics, Inc.

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

Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other outbreak of disease or natural or manmade disaster. See "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein. However, State law requires the

County to levy *ad valorem* property taxes sufficient to pay the principal of and interest on Bonds when due.

Alternative Method of Tax Apportionment - “Teeter Plan”

Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”). Under the Teeter Plan local taxing entities receive 100% of their secured tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. **The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. The District’s receipt of property taxes is therefore subject to delinquencies.**

The District participates in the California Statewide Delinquent Tax Finance Authority (“CSDTFA”). CSDTFA is a joint exercise of powers agency formed for the purpose of purchasing delinquent *ad valorem* property taxes of its members in accordance with Government Code Section 6516.6. The District anticipates that CSDTFA will from time to time purchase delinquent *ad valorem* property tax receivables from the District. For the most recent fiscal year for which CSDTFA purchased delinquencies (the 2023-24 fiscal year) such delinquencies were purchased from the District at a purchase price equal to 108% thereof. Any penalty charges collected with respect to such delinquencies will be retained by CSDTFA. CSDTFA does not currently purchase *ad valorem* property tax receivables related to the payment of general obligation bonds of the District. Thus, the District’s participation in CSDTFA’s program does not ensure that the District will receive the timely payment of *ad valorem* property taxes levied to secure the Bonds. See also “—*Ad Valorem* Property Taxation” herein.

Tax Rates

The following table summarizes the total *ad valorem* property tax rates, as a percentage of total assessed valuation, levied by all taxing entities in a typical tax rate area (a “TRA”) within the District during the five-year fiscal year period from 2020-21 to 2024-25:

SUMMARY OF *AD VALOREM* TAX RATES
Fiscal Years 2020-21 through 2024-25
(Tax Rate Area 9285)⁽¹⁾
Temple City Unified School District

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Temple City Unified School District	.102901	.104403	.058824	.097807	.099217
Pasadena Area Community College District	.005535	.008986	.008692	.025101	.024337
Metropolitan Water District	<u>.003500</u>	<u>.003500</u>	<u>.003500</u>	<u>.003500</u>	<u>.007000</u>
Total	1.111936%	1.116889%	1.071016%	1.126408%	1.130554%

⁽¹⁾ 2024-25 assessed valuation of TRA 9285 is \$3,099,839,647, which represents 45.83% of the District’s 2024-25 assessed valuation.
Source: *California Municipal Statistics, Inc.*

Principal Taxpayers

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2024-25 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below:

20 LARGEST LOCAL SECURED TAXPAYERS

Fiscal Year 2024-25

Temple City Unified School District

	<u>Property Owner</u>	<u>2024-25 Primary Land Use</u>	<u>% of Assessed Valuation</u>	<u>Total⁽¹⁾</u>
1.	Golden State Water Company	Water Company	\$37,731,336	0.56%
2.	Dominic Zhang 66 LLC	Office Building	36,859,709	0.55
3.	Baldwin Arcadia Center LP	Shopping Center	28,292,601	0.42
4.	Elite Orchid Investments LLC	Shopping Center	24,060,205	0.36
5.	Gateway Limited Partnership	Shopping Center	20,463,508	0.30
6.	Blue Arrow Properties LP	Apartments	20,403,040	0.30
7.	720 West Camino Real LLC	Assisted Living	18,971,406	0.28
8.	Jade Court San Gabriel LP	Hotel	16,472,237	0.25
9.	Linkworld Properties LLC	Shopping Center	13,885,797	0.21
10.	8919 Longden Ave LLC	Apartments	13,540,801	0.20
11.	Dupuy Circle LLC	Residential	12,276,717	0.18
12.	Villa Tramonti Grand Apartments	Apartments	12,232,104	0.18
13.	Wah Shun International	Shopping Center	11,371,572	0.17
14.	Nikal Ltd LP	Apartments	11,225,770	0.17
15.	Arcscape Estate LLC	Commercial	11,118,000	0.17
16.	Two Queen Bees LLC	Apartments	9,898,350	0.15
17.	Chung W. Huang	Residential	9,612,579	0.14
18.	Hillwood Capital LLC	Apartments	9,449,985	0.14
19.	Pima Avenue LLC	Apartments	9,134,175	0.14
20.	Huntington 9160 Complex LLC	Apartments	8,843,400	0.13
			<u>\$335,843,292</u>	<u>5.00%</u>

⁽¹⁾ 2024-25 local secured assessed valuation: \$6,717,594,782.

Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and effective as of April 1, 2025, for debt issued as of March 19, 2025. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

STATEMENT OF DIRECT AND OVERLAPPING DEBT
Temple City Unified School District

2024-25 Assessed Valuation: \$6,763,860,028

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 4/1/25</u>
Metropolitan Water District	0.166%	\$28,477
Pasadena Area Community College District	5.702	8,517,077
Temple City Unified School District	100.000	86,670,584⁽¹⁾
City of Arcadia	2.514	156,974
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$95,373,112
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Los Angeles County General Fund Obligations	0.322%	\$10,191,308
Los Angeles County Superintendent of Schools Certificates of Participation	0.322	7,508
Pasadena Area Community College District Certificates of Participation	5.702	1,624,500
City of Arcadia Pension Obligation Bonds	2.514	1,899,201
TOTAL OVERLAPPING GENERAL FUND DEBT		\$13,722,517
 COMBINED TOTAL DEBT		 \$109,095,629⁽²⁾

Ratios to 2024-25 Assessed Valuation:

Direct Debt (\$86,670,584).....	1.28%
Total Direct and Overlapping Tax and Assessment Debt.....	1.41%
Combined Total Debt	1.61%

⁽¹⁾ Excludes the Bonds and includes the Refunded Bonds as described herein.

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

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal and Accreted Value of and interest on the Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the County on taxable property within the District in an amount sufficient for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein. Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy ad valorem property taxes on behalf of the District and of the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy ad valorem property taxes for payment of the principal and Accreted Value of and interest on the Bonds. The tax levied by the County for payment of the Series D Bonds was approved by the District’s voters in compliance with Article XIII A, Article XIII C, and all applicable laws.

Article XIII A of the California Constitution

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

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

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

Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIII A requires the approval of two-thirds or more of all members of the State Legislature to change any State taxes for the purpose of increasing tax revenues.

Proposition 19

On November 3, 2020, voters in California approved Proposition 19, a legislatively referred constitutional amendment (“Proposition 19”), which amends Article XIII A to: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The 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. However, any reduction of assessed valuation would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service on the Bonds.

Legislation Implementing Article XIII A

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

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

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

Both the United States Supreme Court and the 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% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

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

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

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

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

The District cannot make any representation regarding the effect Propositions 50 and 171 may have on District revenues or the assessed valuation of real property in the District. However, any reduction of assessed valuation would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service on the Bonds.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the State Board of Equalization (“SBE”) as part of a “going concern” rather than as individual pieces of real or personal property. Such State-assessed unitary and certain other property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is not a community supported district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State’s school financing formula. See “DISTRICT FINANCIAL INFORMATION – State Funding of Education” herein.

Article XIII B of the California Constitution

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

- (a) “change in the cost of living” with respect to school districts to mean the percentage change in 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 (“ADA.”) of the school district from the preceding fiscal year.

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

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

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

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

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

Article XIII C and Article XIII D of the California Constitution

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

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

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the 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.

Proposition 26

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

Propositions 98 and 111

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective

on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of the State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, is transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

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

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

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

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in 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 minimum funding level for such districts. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into K-14 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. First, there are excluded all appropriations for “qualified capital outlay projects” as defined by the State Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which was expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.
- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (“Test 1”) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (“Test 2”). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test (“Test 3”), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a “credit” to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

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

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school

facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that such bonds may be issued only if the tax rate per \$100,000 of taxable property value projected to be levied as the result of any single election would not exceed \$60 (for a unified school district, such as the District), \$30 (for a high school or elementary school district), or \$25 (for a community college district), when assessed valuation is projected to increase in accordance with Article XIII A of the State Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor. See “- Article XIII A of the California Constitution” herein.

Proposition 1A and Proposition 22

On November 2, 2004, 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. 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 expected to be approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State’s total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State’s general fund costs by approximately \$1 billion annually for several decades. See also “DISTRICT FINANCIAL INFORMATION – State Dissolution of Redevelopment Agencies” herein.

Jarvis vs. Connell

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to State statutes (such as continuing appropriations) or the State Constitution or a federal mandate is

necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the 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 State Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 55

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

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

Proposition 2

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

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

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

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

Proposition 2 also requires the creation of the Public School System Stabilization Account (the “PSSSA”) into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum 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 supported districts) and small school districts having fewer than 2,501 units of average daily attendance.

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

2024 State School Facilities Bond

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

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

education and charter school through an application process, and charter schools must be deemed financially sound before project approval.

Community College Facilities. The 2024 State School Facilities Bond includes \$1.5 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment.

The table below shows the expected use of bond funds under the 2024 State School Facilities Bond:

2024 STATE SCHOOL FACILITIES BOND	
Use of Bond Funds	
(In Millions)	
<u>K-12 Public School Facilities</u>	
New construction	\$3,300
Modernization	4,000
Career technical education facilities	600
Charter school facilities	600
Subtotal	<u>\$8,500</u>
<u>Community College Facilities</u>	<u>\$1,500</u>
Total	<u>\$10,000</u>

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 22, 26, 30, 39, 55, and 98 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.

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DISTRICT FINANCIAL INFORMATION

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

State Funding of Education

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

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

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

The primary component of AB 97 was the implementation of the Local Control Funding Formula ("LCFF"), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a "Base Grant") assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. Full implementation of the LCFF occurred over a period of eight fiscal years, concluding with the adoption of the State budget for fiscal year 2018-19. During the implementation period, an annual transition adjustment was calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

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

The Base Grants for grades TK-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. AB 97 also provides additional add-ons to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

The LCFF also provides additional add-ons to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13. The State budget for fiscal year 2021-22 also implemented a plan to expand the LCFF to include Transitional Kindergarten (TK) to all four-year olds. This plan is expected to phase in cohorts of TK students over a four-year period, concluding in fiscal year 2025-26. As a result, school districts that serve TK students will be eligible to receive an add-on equal to \$2,813, multiplied by such district's second principal reporting period ADA for TK students for the current fiscal year. Beginning in fiscal year 2023-24, this add-on is subject to COLA adjustments to the same degree as LCFF Base Grants. For fiscal year 2024-25, the District has a projected ADA of 124.04 TK students.

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

The table on the following page shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2015-16 through 2023-24, and projected amounts for fiscal year 2024-25.

ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2015-16 through 2024-25
Temple City Unified School District

Fiscal Year	Average Daily Attendance⁽¹⁾					Enrollment	
	K-3	4-6	7-8	9-12	Total ADA	Total Enrollment⁽²⁾	% of EL/LI Enrollment⁽²⁾
2015-16	1,491.72	1,309.13	886.60	2,084.08	5,771.53	5,931	47.53%
2016-17	1,472.45	1,291.50	905.58	2,081.40	5,750.93	5,931	47.53
2017-18	1,522.10	1,249.35	941.21	1,983.03	5,695.69	5,831	50.95
2018-19	1,439.09	1,220.01	909.42	1,943.84	5,512.36	5,636	47.41
2019-20	1,441.03	1,183.23	894.99	1,942.97	5,462.22	5,617	47.50
2020-21	1,439.95	1,183.32	894.63	1,945.53	5,463.43	5,482	51.40
2021-22	1,319.80	1,101.74	791.20	1,914.15	5,126.89	5,282	45.00
2022-23	1,283.72	1,101.37	800.22	1,812.56	4,997.87	5,227	48.68
2023-24	1,368.02	1,098.36	824.55	1,768.59	5,059.52	5,253	51.44
2024-25	1,397.87	1,122.85	817.49	1,787.62	5,125.83	5,298	48.11

- (1) Reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is each four week period of instruction beginning with the first day of school for any school district. For the 2019-20 school year, due to the outbreak of COVID-19, P-2 ADA only reflects full school months from July 1, 2019 through February 29, 2020. See “-Considerations Regarding COVID-19” herein. Excludes County operated programs.
- (2) Reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System (“CALPADS”) in each school year and used to calculate each school district’s unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the California Department of Education. For purposes of calculating Supplemental and Concentration Grants, a school district’s 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 has been based on a rolling average of such district’s EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

Source: Temple City Unified School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target (“ERT”) add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of a COLA in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the implementation period of the LCFF. The District does not qualify for the ERT add-on.

Prior to fiscal year 2022-23, the sum of a school district’s adjusted Base, Supplemental and Concentration Grants was multiplied by such district’s P-2 ADA for the current or prior year, whichever is greater. The 2022-23 State budget amended the LCFF calculation to allow the sum of a school district’s adjusted Base, Supplemental and Concentration Grants to be multiplied by such district’s P-2 ADA for the current year, prior year or average of three prior years, whichever is greater. The funding amount generated by this calculation, together with any applicable ERT, or categorical block or TK grant add-ons, will yield a district’s total LCFF allocation (with certain adjustments applicable to necessary small schools). Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district’s share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the Legislature to school districts.

Certain school districts, known as “community supported” districts (or “basic aid” districts), have allocable local property tax collections that equal or exceed such districts’ total LCFF allocation, and result in the receipt of no State apportionment aid. Community supported school districts receive only special categorical funding, which is deemed to satisfy the “basic aid” requirement of \$120 per student per year guaranteed by Article IX, Section 6 of the California Constitution. The implication for basic aid districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District does not currently qualify as a community supported district.

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

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

School districts are also required to adopt local control and accountability plans (“LCAPs”) disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by the LCFF. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs covering a three-year period were required to be adopted beginning in fiscal year 2014-15, and updated annually thereafter. The State Board of Education has adopted a template LCAP for use by school districts.

Support and Intervention. AB 97, as amended by SB 91, established a new system of support and intervention to assist school districts meet the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district’s LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district’s LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district’s budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district’s strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district

identify and implement programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a State agency created by the LCFF and charged with assisting school districts achieve the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

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

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

Other Revenue Sources

Federal and Local Sources. The federal government provides funding for several of the District’s programs, including special education programs, programs under the Every Student Succeeds Act, and specialized programs such as Title I, Basic Grants, Title II and Career Technical Education Incentive Grant. However, no representation can be made that the District will continue to receive or be eligible for federal funding of education programs, including as a result of current efforts and proposals to reduce the size of the federal workforce, eliminate government programs, and/or eliminate or merge governmental agencies. In addition, school districts may receive additional local revenues beyond local property tax collections, such as from leases and rentals, interest earnings, interagency services, developer fees (as discussed below), redevelopment revenues, foundation donations, and other local sources.

Developer Fees. The District currently collects developer fees on residential and commercial development within the District pursuant to Education Code Section 17620. Developer fees are used to finance the construction of school facilities. The District maintains a fund, separate and apart from the general fund, to account for developer fees. The table below shows developer fee collections for the past five fiscal years, and a projected amount for the current fiscal year.

DEVELOPER FEE COLLECTIONS Fiscal Years 2019-20 through 2024-25 Temple City Unified School District

<u>Fiscal Year</u>	<u>Total Developer Fees</u>
2019-20	\$269,832
2020-21	229,123
2021-22	668,770
2022-23	253,826
2023-24	272,557
2024-25 ⁽¹⁾	632,112

⁽¹⁾ Projected.

Source: Temple City Unified School District.

Considerations Regarding COVID-19

General. An outbreak of disease or similar public health threat, such as the ongoing coronavirus (“COVID-19”) pandemic, or fear of such an event, could have an adverse impact on the District’s financial condition and operating results.

The spread of COVID-19 had significant negative impacts throughout the world, including in the District. The World Health Organization declared the COVID-19 outbreak to be a pandemic in 2020, and states of emergency were previously declared by the WHO, the State and the United States. The purpose behind these declarations was to coordinate and formalize emergency actions and across federal, State and local governmental agencies, and to proactively prepare for the then-expected wider spread of the virus. All such states of emergency have since been lifted.

To date there have been millions of confirmed cases in the United States, and over one million deaths related to COVID-19. Although vaccines and vaccine boosters are currently widely available, no representation can be made as to whether the number of cases will continue to grow. The COVID-19 outbreak resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools through much of 2020 and portions of 2021, as well as supply chain issues and significant increases in inflation as these restrictions and closures have been lifted. Stock markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

Impact on the District. The District closed its school in March 2020 and implemented distance learning for all students through the remainder of the school year as well as during fiscal year 2020-21. The District returned to in-person instruction in the fiscal year 2021-22.

State law allows school districts to apply for a waiver to hold them harmless from the loss of LCFF funding based on attendance and state instructional time penalties when they are forced to close schools due to emergency conditions. In addition, the Governor enacted Executive Order N-26-20 (“Executive Order N-26-20”), which (i) generally streamlined the process of applying for such waivers for closures related to COVID-19 and (ii) directed school districts to use LCFF apportionment to fund distance learning and high quality educational opportunities, provide school meals and, as practicable, arrange for the supervision of students during school hours.

The District has been allocated \$23,855,358 of COVID-19-related relief funding, which has all been expended. The amount allocated to the District includes (i) \$95,759 of SB 117 funding, (ii) \$2,731,140 of additional CARES Act funding, (iii) \$11,557,625 from the Elementary and Secondary School Emergency Relief Fund (ESSER) and the Governor’s Emergency Education Relief Fund (GEER) as a result of the CARES Act, the CRRSA and the American Rescue Plan, (iv) \$1,913,090 of in-person instruction grants, (v) \$7,557,744 of expanded learning opportunity grants, and (vi) \$870,797 of a Los Angeles County Office of Education/Centers for Disease Control and Prevention grant for COVID-19 testing.

State budgetary legislation also included provisions to mitigate ADA losses resulting from the pandemic. The fiscal year 2020-21 State budget included a temporary hold harmless provision for the purpose of calculating apportionments in fiscal year 2020-21 in which ADA for fiscal year 2020-21 was based on fiscal year 2019-20. While the fiscal year 2021-22 State budget did not extend the ADA hold harmless provision, in fiscal year 2021-22, school districts still retained the ability to receive their LCFF apportionment based on the higher of their prior fiscal year or current fiscal year ADA. To support the fiscal stability of all local educational agencies, including those with declining student populations, the 2022-23 State budget amended the LCFF calculation to consider the greater of a school district’s current

year, prior year or average of three prior years' ADA. Also, to minimize reductions in LCFF funding that would otherwise occur due to increased absences in fiscal year 2021-22, the 2022-23 State budget enabled all classroom-based local educational agencies that could demonstrate they provided independent study offerings to students in fiscal year 2021-22 to be funded at the greater of their current year ADA or their current year enrollment, adjusted for pre-COVID-19 absence rates in the 2021-22 fiscal year.

Other potential impacts to the District associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges relating to establishing distance learning programs or other measures to permit instruction if schools are required to close in the future, disruption of the regional and local economy with corresponding decreases in tax revenues, including property tax revenue, sales tax revenue and other revenues, increases in tax delinquencies, potential declines in property values, and decreases in new home sales, and real estate development. The economic consequences and the volatility in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and the federal governments, have had a material impact on the investments in the State pension trusts. Such investments could continue to be impacted by the lingering effects of the COVID-19 pandemic, which could materially increase the unfunded actuarial accrued liability of the STRS Defined Benefit Program and PERS Schools Pool, and, in turn, result in material changes to the District's required contribution rates in future fiscal years. See "TEMPLE CITY UNIFIED SCHOOL DISTRICT – District Retirement Systems" herein.

Although the public health emergencies previously declared by state, federal and international entities have ended, the COVID-19 outbreak is ongoing, and, the duration and severity of the outbreak, the effectiveness of available vaccines in containing the spread or mutation of the virus, and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to: the Governor's office (<http://www.gov.ca.gov>), California Department of Public Health (<https://covid19.ca.gov/>) and the County Department of Health (<http://publichealth.lacounty.gov/media/coronavirus/>). The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such websites.

The ultimate impact of COVID-19 on the District's operations and finances is unknown. There can be no assurances that the spread of COVID-19, or the responses thereto by local, State, or the federal government, will not materially adversely impact the local, state and national economies or the assessed valuation of property within the District, or adversely impact enrollment or ADA within the District and, notwithstanding available state or federal assistance, materially adversely impact the financial condition or operations of the District.

Comparative Financial Statements

The District's audited financial statements for the year ended June 30, 2024, are attached for reference as APPENDIX B hereto. Audited financial statements for the District for the fiscal year ended June 30, 2024, and prior fiscal years are on file with the District and available for public inspection at the Temple City Unified School District, 9700 Las Tunas Drive, Temple City, California 91780, telephone: (626) 548-5000.

The table on the following page reflects the District's audited general fund revenues, expenditures and fund balances for fiscal years 2019-20 through 2023-24.

**AUDITED GENERAL FUND REVENUES, EXPENDITURES
AND FUND BALANCES – GENERAL FUND
Fiscal Years 2019-20 through 2023-24
Temple City Unified School District**

	<u>Audited 2019-20</u>	<u>Audited 2020-21</u>	<u>Audited 2021-22</u>	<u>Audited 2022-23</u>	<u>Audited 2023-24</u>
REVENUES:					
LCFF	\$52,904,188	\$52,773,774	\$55,030,326	\$61,355,041	\$64,631,232
Federal Sources	2,073,060	5,373,572	8,408,505	5,739,523	4,271,930
Other State Sources	5,912,408	8,061,178	8,709,552	17,487,693	12,933,940
Other Local Sources	<u>7,566,361</u>	<u>5,584,481</u>	<u>4,773,001</u>	<u>7,415,011</u>	<u>8,744,727</u>
Total Revenues	68,456,017	71,793,005	76,921,384	91,997,268	90,581,829
EXPENDITURES:					
Current Expenses:					
Instruction	42,826,660	42,964,317	41,384,030	49,657,488	56,683,051
Instruction Related Activities:					
Supervision of Instruction	1,268,840	1,399,713	2,193,621	2,850,462	3,077,117
Instructional Library, Media & Technology	802,913	852,334	1,131,867	1,061,801	1,208,902
School Site Administration	3,198,282	3,341,037	3,785,259	4,486,695	4,936,844
Pupil Services:					
Home-to-School Transportation	425,301	39,213	439,334	627,544	678,161
Food Services	46,059	594,521	35,347	593	24,384
All Other Pupil Services	3,533,583	3,994,802	4,266,338	4,661,245	5,375,790
Administration:					
Data Processing	1,447,676	1,290,183	1,932,971	2,798,454	2,517,134
All Other Administration	4,968,759	4,373,848	4,812,343	5,712,973	5,607,793
Plant Services	5,337,139	5,314,580	5,999,045	8,856,249	9,162,571
Ancillary Services	121,810	3,573	498,074	525,450	695,307
Other Outgo	1,543,556	1,303,150	1,386,213	--	--
Enterprise Services	304,690	450,875	430,544	444,668	--
Community Services	--	--	16,984	534	--
Facility acquisition and construction	--	28,027	472,589	76,454	8,898
Transfers to other agencies	--	--	--	168,740	1,793,031
Debt Service					
Principal	279,900	307,574	386,837	65,447	56,704
Interest and Other	<u>96,853</u>	<u>109,727</u>	<u>175,020</u>	<u>379,396</u>	<u>451,151</u>
Total Expenditures	66,202,021	66,367,474	69,246,416	82,374,193	92,276,838
Excess (Deficiency) of Revenues Over Expenditures	2,253,996	5,425,531	7,674,968	9,623,075	(1,695,009)
OTHER FINANCING SOURCES (USES)					
Transfers in	--	--	--	--	250,000
Other sources	--	--	441,289	--	--
Transfers out	<u>(2,391,036)</u>	<u>(1,878,156)</u>	<u>(2,265,759)</u>	<u>(200,000)</u>	<u>(450,000)</u>
Net Financing Sources (Uses)	(2,391,036)	(1,878,156)	(1,842,470)	(200,000)	(200,000)
NET CHANGE IN FUND BALANCES	(137,040)	3,547,375	5,850,498	9,423,075	(1,895,009)
Fund Balance - Beginning	<u>21,976,888</u>	<u>21,839,848</u>	<u>25,387,223</u>	<u>31,237,721</u>	<u>40,660,796</u>
Fund Balance – Ending	<u>\$21,839,848</u>	<u>\$25,387,223</u>	<u>\$31,237,721</u>	<u>\$40,660,796</u>	<u>\$38,765,787</u>

Source: Temple City Unified School District

Accounting Practices

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

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.

Budget Process

State Budgeting Requirements. The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. Subsequent legislation has made certain amendments to the budgeting process, including Senate Bill 97, effective as of September 26, 2013 (requiring budgets to include sufficient funds to implement LCAPs), Senate Bill 858, effective as of June 20, 2014 (requiring ending fund balances to exceed the minimum recommended reserve for economic uncertainties), and Assembly Bill 2585, effective as of September 9, 2014 (eliminating the dual budget cycle option for school districts).

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

On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than September 20. Any

recommendations made by the county superintendent must be made available by the district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of all school districts whose budget may be disapproved.

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

Interim Financial Reports. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

Within the past five years, the District filed a "qualified" certification on its first interim financial report for fiscal year 2021-22. The District has since submitted, and the County Superintendent of Schools has accepted, positive certifications on all of its subsequent interim financial reports

Recent Budgeting Trends. The District's general fund adopted budgets for fiscal years 2020-21 through 2024-25 and audited actuals for the fiscal years 2020-21 through 2023-24 and projected totals for fiscal year 2024-25, are set forth on the following page. The District's budget for fiscal year 2025-26 is expected to be presented for public hearing at the Board meeting on June 11, 2025, and presented for approval by the Board at the June 25, 2025 meeting.

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GENERAL FUND BUDGETING
Fiscal Years 2020-21 through 2024-25
Temple City Unified School District

	Fiscal Year 2020-21		Fiscal Year 2021-22		Fiscal Year 2022-23		Fiscal Year 2023-24		Fiscal Year 2024-25	
	<u>Adopted Budget⁽¹⁾</u>	<u>Audited Actuals⁽¹⁾</u>	<u>Adopted Budget⁽¹⁾</u>	<u>Audited Actuals⁽¹⁾</u>	<u>Adopted Budget⁽¹⁾</u>	<u>Audited Actuals⁽¹⁾</u>	<u>Adopted Budget⁽¹⁾</u>	<u>Audited Actuals⁽¹⁾</u>	<u>Adopted Budget⁽²⁾</u>	<u>Projected Totals⁽²⁾</u>
REVENUES:										
LCFF Sources:	\$48,591,157	\$52,773,774	\$55,178,142	\$55,030,326	\$59,039,960	\$61,355,041	\$64,392,702	\$64,631,232	\$63,774,561	\$64,305,278
Federal sources	2,020,328	5,373,572	2,328,907	8,408,505	7,797,695	5,739,523	5,082,337	4,271,930	3,269,741	3,293,622
Other State sources	1,501,578	8,061,178	1,856,198	8,709,552	5,488,443	17,487,693	7,934,295	12,933,940	8,566,914	13,307,064
Other local sources	<u>5,316,784</u>	<u>5,584,481</u>	<u>5,234,215</u>	<u>4,773,001</u>	<u>6,435,348</u>	<u>7,284,579</u>	<u>6,446,257</u>	<u>8,685,192</u>	<u>8,098,202</u>	<u>8,169,465</u>
TOTAL REVENUES	57,429,847	71,793,005	64,597,462	76,921,384	78,761,446	91,866,836	83,855,591	90,522,294	83,709,418	89,175,465
EXPENDITURES:										
Certificated salaries	28,383,043	28,173,612	28,626,269	30,231,513	33,839,963	33,604,556	34,284,974	34,664,597	34,815,845	35,207,772
Classified salaries	9,806,597	9,902,056	10,568,770	10,024,096	11,811,344	12,657,732	12,529,364	12,556,762	12,603,228	12,972,962
Employee benefits	13,115,370	15,791,658	14,366,966	17,050,654	19,391,909	18,809,389	19,973,934	22,900,263	19,857,965	23,681,924
Books and supplies	1,405,371	4,651,275	1,820,942	2,455,023	2,707,138	4,559,314	6,728,380	5,372,293	5,831,065	6,427,276
Services and other operating expenditures	6,234,119	6,143,637	7,299,392	7,117,460	8,903,174	11,855,501	14,212,558	14,296,161	16,154,374	16,535,989
Capital outlay	--	38,309	21,000	662,674	1,597,972	356,755	22,200	319,034	209,000	331,174
Other Outgo	1,125,955	1,249,626	1,239,095	1,143,139	1,786,400	530,946	1,710,784	2,167,728	2,312,673	2,732,854
Debt Service	<u>394,922</u>	<u>417,301</u>	<u>394,922</u>	<u>561,857</u>	--	--	--	--	--	--
TOTAL EXPENDITURES	60,465,377	66,367,474	64,337,356	69,246,416	80,037,900	82,374,193	89,462,194	92,276,838	91,784,150	97,889,951
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,035,530)	5,425,531	260,106	7,674,968	(1,276,454)	9,492,643	(5,606,603)	(1,754,544)	(8,074,732)	(8,714,486)
OTHER FINANCING SOURCES (USES)										
Operating Transfers In	--	--	--	441,289	--	--	--	--	--	--
Operating Transfers Out	<u>(2,071,461)</u>	<u>(1,878,156)</u>	<u>(2,209,913)</u>	<u>(2,265,759)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	(2,071,461)	(1,878,156)	(2,209,913)	(1,824,470)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
NET CHANGE IN FUND BALANCE	(5,106,991)	3,547,375	(1,949,807)	5,850,498	(1,726,454)	9,042,643	(6,056,603)	(2,204,544)	(8,524,732)	(9,164,486)
AS OF JULY 1 – AUDITED	21,839,848	21,839,848	25,387,223	25,387,223	28,717,463	28,717,463	37,760,106	37,760,106	35,555,562 ⁽³⁾	35,555,562 ⁽³⁾
ENDING BALANCE - JUNE 30	<u>\$16,732,857</u>	<u>\$25,387,223</u>	<u>\$23,437,416</u>	<u>\$31,237,721</u>	<u>\$26,991,009</u>	<u>\$37,760,106</u>	<u>\$31,703,503</u>	<u>\$35,555,562</u>	<u>\$27,030,830</u>	<u>\$26,391,076</u>

⁽¹⁾ From the District's audited financial statements from each respective fiscal year. For audited results for these fiscal years in revised reporting format, see "—Comparative Financial Statements" herein. In fiscal years 2020-21 and 2021-22 presented above, the special reserve fund for post-employment benefits was consolidated with the general fund. Beginning in fiscal year 2022-23, the special reserve fund for post-employment benefits is not included.

⁽²⁾ From the District's Second Interim Financial Report for fiscal year 2024-25 approved by the Board on March 12, 2025.

⁽³⁾ Revised to reflect actual beginning balance.
Source: Temple City Unified School District.

State Budget Measures

The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal and Accreted Value of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the County in an amount sufficient for the payment thereof.

2024-25 State Budget. On June 29, 2024, the Governor signed the State budget for fiscal year 2024-25 (the "2024-25 State Budget"). The following is drawn from the DOF summary of the 2024-25 State Budget.

The 2024-25 State Budget reported that, emerging from the COVID-19 pandemic, the State had experienced significant revenue volatility occasioned by unprecedented revenue growth that was quickly followed by a sharp correction back towards historical trends, as well as federal and state income tax deadline delays which significantly clouded the State's revenue forecast. The 2024-25 State Budget estimated that the State was facing a budget shortfall in fiscal year 2024-25 of approximately \$46.8 billion. The 2024-25 State Budget solved the projected deficit through a mix of broad-based measures, including:

- *Reductions* – \$16 billion of reductions to various State programs and operations, including (i) a reduction to State operations of approximately 7.95% beginning in fiscal year 2024-25 to nearly all department budgets, (ii) a permanent reduction of \$1.5 billion by reducing departmental budgets for vacant positions, (iii) an additional reduction of \$358 million (for a total of \$750 million) to the Department of Corrections and Rehabilitation in fiscal years 2022-23 through 2024-25, and (iv) various one-time and ongoing reductions to State programs, including the California Student Housing Loan Program, the Learning-Aligned Employment Program, the Middle Class Scholarship Program, affordable housing programs, healthcare workforce programs and State and local public health efforts.
- *Revenue and Internal Borrowing* – \$13.6 billion in additional revenue sources and internal borrowings from special funds, including (i) suspension of the Net Operating Loss tax deduction for companies with over \$1 million in taxable income and limits on business tax credits to \$5 million in fiscal years 2024-25 through 2026-27, (ii) an increase to the managed care organization tax of \$5.1 billion in fiscal year 2024-25, \$4.6 billion in fiscal year 2025-26 and \$4 billion in fiscal year 2026-27.
- *Reserves* – The 2024-25 State Budget withdrew \$12.2 billion from the BSA over the next two fiscal years (\$5.1 billion in fiscal year 2024-25 and \$7.1 billion in fiscal year 2025-26), and \$900 million from the Safety Net Reserve in fiscal year 2024-25. The 2024-25 State Budget also withdraws the full balance in the PSSSA (\$5.3 billion) to support LCFF costs in fiscal year 2023-24. The 2024-25 State Budget also authorizes a discretionary payment to the PSSSA in fiscal year 2024-25 of \$1.1 billion. As a result, school reserve caps are not projected to be triggered in fiscal years 2024-25 and 2025-26.
- *Fund Shifts* – The 2024-25 State Budget shifted \$6.0 billion of expenditures from the State general fund to other funds, including (i) applying a prior CalPERS supplemental pension payment to the State's overall pension liability, reducing required employer

contributions in fiscal year 2024-25 by \$1.7 billion, and (ii) \$3.9 billion from the State general fund to the Greenhouse Gas Reduction Fund to support the Transit and Intercity Rail Capital Program as well as clean energy and other climate programs.

- *Delays and Pauses* – \$3.1 billion of delays to avoid increases in future obligations and potential shortfalls, including (i) delaying for two years the expansion of the California Food Assistance Program, (ii) delaying for two years the implementation of increased pay to providers of assistance to individuals with developmental disabilities, (iii) delaying for two years the expansion of child care slots, and (iv) delaying funding to the Broadband Last Mile program, which provides funding for projects that increase internet access in low income communities, to fiscal year 2027-28.
- *Deferrals* – \$2.1 billion of deferrals in certain State payments, including (i) a deferral of \$3.2 billion (including \$1.6 billion from the State general fund) for one month of State employees' payroll costs, and (ii) a multi-year deferral of \$524 million for the University of California/California State University compact which advances several shared student goals. The 2024-25 State Budget also authorizes LCFF apportionment deferrals of \$246 million from 2024-25 to 2025-26 (as further described herein).

For fiscal year 2023-24, the 2024-25 State Budget projected total general fund revenues and transfers of \$189.4 billion and authorized expenditures of \$223.1 billion. The State was projected to end the 2023-24 fiscal year with total reserves of \$26.4 billion, including \$22.6 billion in the BSA, \$2.9 billion in the traditional general fund reserve, and \$900 million in the Safety Net Reserve Fund. The 2024-25 State Budget also authorized the withdrawal of the full amount on deposit in the PSSSA, leaving a zero balance. For fiscal year 2024-25, the 2024-25 State Budget projected total general fund revenues and transfers of \$212.1 billion and authorizes expenditures of \$211.5 billion. The State was projected to end the 2024-25 fiscal year with total reserves of \$22.2 billion, including \$3.5 billion in the traditional general fund reserve, \$17.6 billion in the BSA and \$1.1 billion in the PSSSA. The Safety Net Reserve was projected to have a zero balance.

The 2024-25 State Budget set total funding for all K-12 education programs at \$133.8 billion, including \$81.5 billion from the State general fund and \$52.3 billion from other sources. The minimum funding guarantee in fiscal year 2024-25 was set at \$115.3 billion. The 2024-25 State Budget also made retroactive changes to the minimum funding guarantee in fiscal years 2022-23 and 2023-24, setting them at \$103.7 billion and \$98.5 billion, respectively. The 2024-25 State Budget suspended the minimum funding guarantee in fiscal year 2023-24, creating a maintenance factor obligation of approximately \$8.3 billion in fiscal year 2023-24, and was projected to create a maintenance factor obligation of approximately \$4.1 billion in fiscal year 2024-25, which would be paid in addition to the guarantee for fiscal year 2024-25. The 2024-25 State Budget projected Test 1 of the guarantee to be in effect in fiscal year 2024-25. To accommodate enrollment increases related to the expansion of Transitional Kindergarten, the 2024-25 State Budget rebenchmarked the Test 1 percentage, from approximately 38.6% to 39.2%, to increase the percentage of State general fund revenues that count towards the minimum funding guarantee.

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

- *LCFF* – The 2024-25 State Budget included an LCFF COLA of 1.07%. When combined with population growth adjustments, this would result in an increase of roughly \$983 million in discretionary funds for local educational agencies, as compared to the level set in the prior State budget. To fully fund the LCFF, the 2024-25 State Budget authorized the withdrawal of the full balance in the PSSSA to support ongoing LCFF costs in fiscal

year 2023-24, and uses available reappropriation and reversion funding totaling \$253.9 million to support ongoing LCFF costs in 2024-25. As a result, the adjusted Base Grants for fiscal year 2024-25 were as follows: (i) \$3,077 for TK, (ii) \$10,025 for grades K-3, (iii) \$10,177 for grades 4-6, (iv) \$10,478 for grades 7 and 8, and (v) \$12,144 for grades 9-12. The 2024-25 State Budget also provided \$89.2 million in ongoing Proposition 98 funding to reflect a 1.07% COLA for specified categorical programs.

- *Deferrals* – The 2024-25 State Budget reflected LCFF apportionment deferrals from 2023-24 to 2024-25 of approximately \$3.6 billion, and from 2024-25 to 2025-26 of approximately \$246 million. Additionally, the 2024-25 State Budget reflected approximately \$2.3 billion in categorical program deferrals from 2022-23 to 2023-24, with the deferral amount being repaid using funds on deposit in the PSSSA.
- *Teacher Preparation and Professional Development* – \$25 million in one-time Proposition 98 funding to support training for educators to administer literacy screenings. The 2024-25 State Budget also provided \$20 million in one-time Proposition 98 funding for county offices of education to develop and provided training for mathematics coaches and leaders to support the delivery of high-quality math instruction.
- *Transitional Kindergarten* – \$988.7 million in Proposition 98 funding to support the second year (the 2023-24 school year) of expanded eligibility for TK, shifting age eligibility from all children turning five years old between September 2 and February 2 to all children turning such age between September 2 to April 2 (approximately 36,000 additional children). In connection with this expansion, the 2024-25 State Budget provided \$390.2 million in Proposition 98 funding to support one additional certificated or classified staff person for every TK class. Additionally, the 2024-25 State Budget provided \$1.5 billion in ongoing Proposition 98 funding to support the third year (the 2024-25 school year) of expanded eligibility for TK, shifting age eligibility for all children turning five years old between September 2 and April 2 to all children turning such age between September 2 and June 2 (approximately 38,000 additional children). In connection with this expansion, the 2024-25 State Budget provided \$515.5 million in ongoing Proposition 98 funding to support one additional certificated or classified staff person for every TK class.
- *Facilities* – The 2024-25 State Budget delayed \$550 million of funds approved as part of previous State budgets to support the construction of new school facilities or the retrofit of existing facilities for the purpose of providing TK, full-day kindergarten or preschool classrooms. The 2024-25 State Budget also forgoes a previously planned investment of \$875 million in the State School Facilities Program.
- *Home-to-School Transportation* – The 2024-25 State Budget eliminated \$500 million in previously planned one-time Proposition 98 funding to support the greening of school bus fleets.
- *Nutrition* – An increase of \$179.4 million in ongoing Proposition 98 funding, and an additional \$120.8 million in one-time Proposition 98 funding, to fully fund the universal school meals program in 2023-24 and 2024-25.
- *Employee Assistance* – \$9 million in one-time Proposition 98 funding to provide supplemental pay for classified school staff during intersessional months when they are not employed.

- *Instruction* – \$907.1 million to support Proposition 28, the Arts and Music in Schools Funding Guarantee and Accountability Act, in fiscal year 2024-25. The 2024-25 State Budget also provided \$7 million in one-time Proposition 98 funding to support inquiry-based science instruction and assessment through the development of a bank of curriculum-embedded performance tasks. Finally, the 2024-25 State Budget provided \$5 million in one-time Proposition 98 funding to support the California Teachers Collaborative for Holocaust and Genocide Education.
- *After School Programs* - \$5 million in one-time State general fund support for after school programs in rural school districts.
- *Technology Support* – \$3.4 million, of which \$380,000 is ongoing, to support the replacement of critical computer servers, maintain warranty coverage for network infrastructure and refresh laptops, tablets and workstations for students and staff at State special schools and diagnostic centers. The 2024-25 State Budget also provided \$3.2 million in ongoing Proposition 98 funding to support the K-12 High Speed Network program.

For additional information regarding the 2024-25 State 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.

2025-26 Proposed State Budget. On January 10, 2025, the Governor released the proposed State budget for fiscal year 2025-26 (the “Proposed 2025-26 Budget”). The following is drawn from the DOF and LAO summaries of the Proposed 2025-26 Budget.

The Proposed 2025-26 Budget reports that the State begins 2025 in a stronger fiscal position than it has in recent years. The State experienced significant budget shortfalls in recent years due to the combination of extreme revenue volatility and an unprecedented federal tax filing delay. The economy has generally performed better than projected in the 2024-25 State Budget, leading to an upgraded forecast in the near term and modest upward revisions in the long term. The stronger-than-anticipated performance of the economy, stock market, and cash receipts, combined with an improved economic outlook, have all contributed to the upgraded revenue forecast, with general fund revenues before accounting to transfers and tax policy proposals projected to be higher by approximately \$16.5 billion in the three-year budget window. In its review of the Proposed 2025-26 Budget, the LAO notes that the Governor’s revenue estimates exceed the LAO’s by approximately \$9 billion, owing largely to higher estimates of personal income and corporation taxes. The Proposed 2025-26 Budget recognizes several risk factors that could affect the economy and State revenues, including stock market and asset price volatility and declines, as well as geopolitical instability. Although the Proposed 2025-26 Budget anticipates shortfalls in subsequent fiscal years that are driven by expenditures exceeding revenues, additional decisions may be necessary at the May revision to maintain a balanced budget, not only in the coming year, but also on an ongoing basis.

The 2024-25 State Budget assumed withdrawals from the BSA of approximately \$5.1 billion in 2024-25 and \$7.1 billion in 2025-26 in order to provide for a balanced budget. The Proposed 2025-26 Budget maintains the \$7.1 billion withdrawal from the BSA for 2025-26. In order to address revenue volatility and increase budget resiliency, the Proposed 2025-26 Budget proposes statutory changes to allow the State to save even more during economic upswings. The Proposed 2025-26 Budget proposes to increase the mandatory deposit level in the BSA from the current 10 percent to 20 percent of general fund revenues and exempt deposits into the BSA from the State appropriations limit. The Proposed 2025-26 Budget assumes that increased reserves would allow the State to weather future revenue volatility and

avoid needing to make reductions, deferrals and funding delays during revenue downswings or other emergencies.

For fiscal year 2024-25, the Proposed 2025-26 Budget projects total general fund revenues and transfers of \$222.5 billion and authorizes expenditures of \$232.1 billion. The State is projected to end the 2024-25 fiscal year with total reserves of approximately \$27.4 billion, including \$18.0 billion in the BSA, \$8.3 billion in traditional general fund reserves and \$1.2 billion in the PSSSA. For fiscal year 2025-26, the Proposed 2025-26 Budget projects total general fund revenues and transfers of \$225.1 billion and authorizes expenditures of \$228.9 billion. The State is projected to end the 2025-26 fiscal year with total reserves of approximately \$16.9 billion, including \$4.5 billion in the traditional general fund reserve, \$10.9 billion in the BSA and \$1.5 billion in the PSSSA. The Safety Net Reserve is projected to have a zero balance across both fiscal years 2024-25 and 2025-26.

The Proposed 2025-26 Budget sets total funding in fiscal year 2025-26 for all TK-12 education programs at \$137.1 billion, including \$83.3 billion from the State general fund and \$53.8 billion from other sources. TK-12 per-pupil funding totals \$24,764, including \$18,918 from Proposition 98 sources. The minimum funding guarantee in fiscal year 2025-26 is set at \$118.9 billion. The Proposed 2025-26 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 \$119.2 billion, respectively. The revisions to the minimum funding guarantee represent an increase of approximately \$7.5 billion of the three-year period relative to the 2024-25 State Budget. For fiscal year 2024-25, the Proposed 2025-26 Budget appropriates \$117.6 billion, instead of the currently calculated level of \$119.2 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 2024-25. Potential adjustments will be evaluated at the May revision to the Proposed 2025-26 Budget and will not be final until the certification of the 2024-25 minimum funding guarantee. The Proposed 2025-26 Budget projects Test 1 of the guarantee to be in effect for fiscal years 2024-25 and 2025-26. To accommodate enrollment increases related to the expansion of Universal Transitional Kindergarten (further described below), the Proposed 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 Proposed 2025-26 Budget includes an LCFF COLA of 2.43%. When combined with population growth adjustments, this would result in an increase of roughly \$2.5 billion in discretionary funds for local educational agencies. The Proposed 2025-26 Budget assumes that budgetary deferrals of \$246.6 million are fully repaid in 2025-26. To fully fund the LCFF and maintain the level of past year principal apportionments, the Proposed 2025-26 Budget uses available reappropriation and reversion funding totaling \$25.9 million to support ongoing LCFF costs in 2023-24 and deferring LCFF funding totaling \$35.1 million from 2023-24 to 2024-25. This one-time deferral is fully repaid in 2024-25. The Proposed 2025-26 Budget also provides \$204 million in ongoing Proposition 98 funding to reflect a 2.43% COLA for specific categorical programs and the LCFF Equity Multiplier. Finally, the Proposed 2025-26 Budget reflects \$12.2 million in ongoing Proposition 98 funding to reflect ADA changes applicable to LCFF funding for county offices of education, as well as a 2.43% COLA.
- *Universal Transitional Kindergarten* – \$2.4 billion in ongoing Proposition 98 funding to support the full implementation of universal transitional kindergarten so that all children who turn 4 years old by September 1 of the school year can enroll (providing access to roughly 60,000 additional children). The Proposed 2025-26 Budget also provides an

additional \$1.5 billion in ongoing Proposition 98 funding to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every transitional kindergarten classroom, and \$10 million in one-time Proposition 98 funding to support the statewide use of English language proficiency screeners to support multilingual learnings in transitional kindergarten.

- *Before School, After School and Summer School* – \$435 million in additional 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 K-6, with a focus on local educational agencies with the highest concentrations of EL/LI students.
- *Literacy Instruction* – The Proposed 2025-26 Budget provides one-time Proposition 98 funding of \$500 million for TK-12 literacy and mathematics coaches and \$40 million to support necessary costs, including purchasing screening materials and training for educators, to administer literacy examinations. The one-time funds augment funds provided in previous budgets in support of implementing the State’s English Language Arts/English Language (“ELA/ELD”) Framework. The Proposed 2025-26 Budget also provides \$5 million annually through 2029-30 to initiate follow-up adoption for instructional materials and to develop a curriculum guide and resources in personal finance.
- *Teacher Preparation and Professional Development* – \$150 million in one-time Proposition 98 funding to provide financial assistance for teacher candidates and an additional \$100 million in one-time Proposition 98 funding to extend the timeline of the existing National Board Certification Program to support the teaching and mentoring of other instructional staff in high poverty schools.
- *Student Support and Professional Development Discretionary Block Grant* – \$1.8 billion in one-time Proposition 98 funds for a student support discretionary block grant. The funds will provide local educational agencies with additional fiscal support to address rising costs, as well as fund statewide priorities including: (i) professional development for teachers ELA/ELD Framework and the Literacy Roadmap; (ii) professional development for teachers on the Mathematics Framework; (iii) teacher recruitment and retention strategies; and (iv) career pathways and dual enrollment expansion efforts.
- *Learning Recovery Emergency Block Grant* – \$378.6 million 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.
- *Nutrition* – An increase of \$106.3 million in ongoing Proposition 98 funding to fully fund the universal school meals program in 2025-26.
- *Kitchen Infrastructure and Training* – \$150 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.
- *Local Property Tax Adjustments* – \$150 million in one-time Proposition 98 funding for school districts and county offices of education in 2024-25, and a decrease of \$1.5 billion

ongoing Proposition 98 funding for school districts and county offices of education in 2025-26, resulting from increased offsetting property taxes.

- *TK-12 High Speed Network Support* – \$3.5 million in one-time State general fund support for after school programs in rural school districts.

For additional information regarding the Proposed 2025-26 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 14, 2025, the Governor released his May revision to the Proposed 2025-26 Budget (the “May Revision”) The following summary is drawn from the DOF summary of the May Revision.

The May Revision reports that the imposition of tariffs has driven a downgrade in both economic and revenue forecasts, which combined with increased expenditure growth above the Proposed 2025-26 Budget – most notably in Medi-Cal – creates an estimated shortfall of \$12 billion to balance the budget and provide for a prudent discretionary reserve. While the May Revision does not forecast a traditional recession, it does reflect a “growth recession” based on downgraded forecasts to national gross domestic product growth, job growth and a revised higher unemployment rate. The May Revision reports that the impact of the tariffs on financial market projections results in a downgrade in general fund revenues of approximately \$5.2 billion lower than the Proposed 2025-26 Budget through fiscal year 2025-26. Additionally, expenditures in the Medi-Cal program increased significantly and continue to outpace revenues due to higher overall enrollment, pharmacy costs, and higher managed care costs. The May Revision notes that it does not incorporate any effect of stark federal cuts that are currently under consideration in Congress.

The May Revision solves the \$12 billion deficit through a significant number of reductions to ongoing programs, along with additional revenue measures, borrowings and fund shifts summarized below:

- *Reductions* – \$5 billion in total reductions in fiscal year 2025-26, which grows to \$14.8 billion by fiscal year 2028-29 through (i) an enrollment freeze for full-scope Medi-Cal expansion for undocumented adults ages 19 and older resulting in a \$86.5 million reduction in fiscal year 2025-26, (ii) Medi-Cal premiums for adults 19 and older resulting in savings growing to \$2.1 billion in fiscal year 2028-29 and an implementation cost in fiscal year 2025-26 of \$30 million, (iii) altering the Medi-Cal asset test limit resulting in a \$94 million reduction in fiscal year 2025-26, growing to \$791 million in fiscal year 2028-29, (iv) an elimination of long-term care benefits for individuals with certain statuses resulting in a \$333.3 million reduction in fiscal year 2025-26, growing to \$800 million in fiscal year 2026-27, (v) prospective payment system payments to federally qualified health centers and rural health clinics resulting in \$452.5 million reductions in fiscal year 2025-26, growing to \$1.1 billion in fiscal year 2026-27, (vi) specialty drug coverage for weight loss resulting in \$85 million reduction in fiscal year 2025-26, growing to \$680 million in fiscal year 2028-29, (vii) capping in-home supportive services overtime and travel hours at 50 hours resulting in \$707.5 million in reductions in fiscal year 2025-26, growing to \$893.4 million in fiscal year 2028-29 and (viii) requiring provider mandates for quality incentive payment incentive eligibility resulting in ongoing \$221.7 million reductions beginning in fiscal year 2026-27.

- *Revenues/Borrowing* – \$5.3 billion in additional revenues and borrowings through (i) revenues of \$1.3 billion in fiscal year 2025-26 and \$263.7 million in fiscal year 2026-27 from Proposition 35 support for Medi-Cal rate increases, (ii) \$3.4 billion from extending the repayment deadline for the medical providers interim payment fund loan, (iii) \$150 million in fiscal year 2025-26 from the unfair competition law fund loan and (iv) \$400 million in fiscal year 2025-26 from the labor and workforce development fund loan.
- *Fund Shifts* – \$1.7 billion in total solutions for fiscal year 2025-26 primarily through shifting the costs for Cal Fire operations from the general fund to the greenhouse gas reduction fund.

In its review of the May Revision, the LAO notes its office calculated the budget solutions addressing a \$14 billion shortfall rather than \$12 billion primarily due to the categorization of certain proposals as budget solutions instead of the administration's categorization of workload budget changes. The LAO notes that the proposed solutions in the May Revision include \$9.5 billion in spending solutions, including \$5 billion in spending reductions, which are ongoing and grow to \$17.5 billion by the fiscal year 2028-29. While the proposed solutions in the May Revision help to address projected budget deficits, there are still significant deficits ranging between approximately \$15 billion to \$20 billion in fiscal years 2026-27 through 2028-29 that represent future budget challenges which the State will need to address.

For fiscal year 2024-25, the May Revision projects total general fund revenues and transfers of \$225.7 billion and authorizes expenditures of \$233.2 billion. The State is projected to end the 2024-25 fiscal year with total reserves of approximately \$34.6 billion, including \$18.3 billion in the BSA and \$16.3 billion in traditional general fund reserves. For fiscal year 2025-26, the May Revision projects total general fund revenues and transfers of \$214.6 billion and authorizes expenditures of \$226.4 billion. The State is projected to end the 2025-26 fiscal year 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 across both fiscal years 2024-25 and 2025-26.

The May Revision sets total funding in fiscal year 2025-26 for all TK-12 education programs at \$137.8 billion, including \$80.5 billion from the State general fund and \$57.3 billion from other sources. The minimum funding guarantee in fiscal year 2025-26 is set at \$114.6 billion. The May Revision also makes retroactive changes to the minimum funding guarantee in fiscal years 2023-24 and 2024-25, setting them at \$98.5 billion and \$118.9 billion, respectively. The revised general fund estimates resulted in notable adjustments to the minimum funding guarantee with an increase of approximately \$2.9 billion from the 2024-25 State Budget and a decrease of approximately \$4.6 billion from the Proposed 2025-26 Budget over the three year period. For fiscal year 2024-25, the May Revision appropriates \$117.6 billion, instead of the currently calculated level of \$118.9 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 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 May Revision projects that Test 2 of the guarantee is in effect for fiscal year 2023-24 and continues to be in Test 1 for fiscal years 2024-25 and 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 May Revision 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 May Revision reduces the LCFF COLA from 2.43% to 2.30%. When combined with population growth adjustments, this would result in an increase of roughly \$2.1 billion in discretionary funds for local educational agencies. To fully fund the LCFF, the May Revision uses \$481 million from the rainy day fund to support LCFF costs in fiscal year 2025-26. The May Revision assumes that budgetary deferrals of \$246.6 million are fully repaid in 2025-26. To fully fund the LCFF and maintain the level of past year principal apportionments, the May Revision proposes deferring \$1.8 billion in LCFF from June 2026 to July 2026. The May Revision also provides \$174 million in ongoing Proposition 98 funding to reflect a 2.30% COLA for specific categorical programs and the LCFF Equity Multiplier. Finally, the May Revision reflects \$12.9 million in ongoing Proposition 98 funding to reflect ADA changes applicable to LCFF funding for county offices of education, as well as a 2.30% COLA.
- *Universal Transitional Kindergarten* – The May Revision reduces the ongoing Proposition 98 funding from \$2.4 billion to \$2.1 billion to support the full implementation of universal transitional kindergarten so that all children who turn 4 years old by September 1 of the school year can enroll (providing access to roughly 51,000 additional children). The May Revision also reduces from \$1.5 billion to \$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 transitional kindergarten classroom, and \$10 million in one-time Proposition 98 funding to support the statewide use of English language proficiency screeners to support multilingual learnings in transitional kindergarten. Additionally, the May Revision shifts the universal transitional kindergarten funding provided to community college districts as a result of the Proposition 98 statutory split to the TK-12 side of the budget, reducing the funding appropriated to community colleges by approximately \$492.4 million.
- *Before School, After School and Summer School* – The May Revision increases the ongoing Proposition 98 fund from \$435 million to \$515.5 million for the Expanded Learning Opportunities Program, which seeks to implement before, after and summer school instruction and enrichment for students in grades K-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 May Revision includes an additional \$10 million to increase the minimum grant amounts from \$50,000 to \$100,000 per local educational agency.
- *Literacy Instruction* – The May Revision supplements the \$545.3 one-time Proposition 98 funding in the Proposed 2025-26 Budget for the support of the ELA/ED Framework with an additional \$200 million one-time Proposition 98 funds to support evidenced-based professional learning for elementary school educators and \$10 million for a county office of education to partner with University of California, San Francisco Dyslexia Center to support multitude screeners.
- *Teacher Preparation and Professional Development* – The May Revision re-purposes \$150 million in one-time Proposition 98 funding for the teacher recruitment incentive program to provide \$100 million funding for stipends for student teachers and grant temporary extensions and waivers for certain teacher credentials.

- *Student Support and Professional Development Discretionary Block Grant* – The May Revision reduces the one-time Proposition 98 funds from \$1.8 billion to \$1.7 billion for a student support and professional development discretionary block grant.
- *Nutrition* – An additional \$90.7 million in ongoing Proposition 98 funding to fully fund the universal school meals program in 2025-26.
- *Special Olympics* – \$30 million in one-time general funds, available over three years, for the Special Olympics of Northern and Southern California.
- *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.
- *Local Property Tax Adjustments* – The May Revision increases from \$150 million to \$309 million one-time Proposition 98 funding for school districts and county offices of education in 2024-25, and includes decreases of \$1.1 billion compared to \$1.5 billion in the Proposed 2025-26 Budget in ongoing Proposition 98 funding for school districts and county offices of education in 2025-26, resulting from increased offsetting property taxes.
- *Secondary School Design* – \$15 million in one-time Proposition 98 funding for a county office of education 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 practices.
- *TK Multilingual Learner Supplementary Funding* – \$7.5 million in one-time Proposition 98 funds, available through fiscal year 2026-27, to mitigate reductions in supplemental and concentration grants.
- *Regional English Learner Lead Agencies* – \$2 million in ongoing Proposition 98 funding to support regional English learner lead agencies.
- *Fire-related property tax backfill* – A one-time fire-related property tax backfill of \$1.2 million in fiscal year 2024-25 and \$8.5 million in fiscal year 2025-26 for impacted community funded districts.
- *California Association of Student Councils* – \$500,000 in one-time Proposition 98 funds to support the California Association of Student Councils.
- *Reversion of Unallocated School Facilities Funds* – A reduction of \$177.5 million in remaining unused general fund from a \$2 billion one-time allocation to provide for TK-12 facilities that were available on an as-needed basis for fire-impacted local educational agencies through August 2025.
- *Suspension of the State Preschool Cost-of-Living Adjustment* – A reduction of \$19.3 million in ongoing Proposition 98 funds and \$10.2 million in ongoing general funds to reflect the suspension of the statutory cost-of-living adjustment for the State preschool program in fiscal year 2025-26.

For additional information regarding the May Revision, 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.

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 and Accreted Value of and interest on the Bonds would not be impaired.

TEMPLE CITY UNIFIED SCHOOL DISTRICT

The information in this section concerning the operations of the District and the District's finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal and Accreted Value of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the revenues generated by an ad valorem property tax levied by the County on properties within the District for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.

Introduction

The District was established as a unified school district on July 1, 1954. The District is located in the West San Gabriel Valley, approximately five miles southeast of Pasadena and 13 miles northeast of downtown Los Angeles, approximately 23 miles northeast of Los Angeles International Airport and 20 miles southeast of Burbank/Glendale/Pasadena Airport. The District encompasses an area of approximately 3.986 square miles and includes within its boundaries the incorporated City of Temple City, as well as small portions of the cities of San Gabriel and Arcadia and some unincorporated areas of the County. The District maintains one comprehensive high school, one alternative school, one intermediate school, four elementary schools, and an adult education school and serves a population of approximately 35,000. For fiscal year 2024-25, the District's enrollment and ADA is 5,298 and 5,125.83, respectively. Taxable property within the District has an assessed valuation of \$6,763,860,028 for fiscal year 2024-25.

Unless otherwise indicated, the following financial, statistical and demographic data 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: Temple City Unified School District, Attention: Superintendent, 9700 Las Tunas Drive, Temple City California, 91780.

Administration

The District is governed by a five-member Board of Education, each member of which is elected by trustee area to a four-year term. Elections for positions to the Board of Education are held every two years, alternating between two and three available positions. Current members of the Board of Education, together with their offices and the dates their term expires, are listed below:

BOARD OF EDUCATION Temple City Unified School District

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Vinson Bell	President	November 2026
Matt Smith	Vice President	November 2028
Melissa Espinoza	Clerk	November 2028
Mary Sneed	Member	November 2028
Donna Georgino	Member	November 2026

The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Board of Education. Brief biographies of the Superintendent and the Assistant Superintendent, Business Services follow:

Art Cunha, Ed.D., Superintendent. Dr. Cunha was appointed as the Superintendent of the District, effective November 2022. Immediately prior to joining the District, Dr. Cunha served as the Chief Academic Administration Officer of the Los Angeles County Office of Education. Dr. Cunha has previously served as the Assistant Superintendent of the District and various roles as Assistant Director, Principal, Assistant Principal and teacher within the Baldwin Park Unified School District. Dr. Cunha holds a Doctor of Education degree from the University of Southern California, a Master of Arts degree in Educational Leadership and Administration from Chapman University and a Bachelor of Science degree in Business Administration and Management from California State University, San Bernardino.

Connie Wu, Assistant Superintendent, Business Services. Ms. Wu is the Assistant Superintendent of Business Services of the District. She has been a CBO in the public-school districts for over 15 years. Prior to her work in public schools, she was a school district auditor. Ms. Wu earned her master's Degrees in both Educational Administration and Professional Accountancy. She is a California Certified Public Accountant (CPA) and Certified School Risk Manager (CSRM) designation and the Certificate of Chief Business Officer. Ms. Wu is a member of the Association of California School Administrators (ACSA) and California Association of School Business Officials (CASBO).

Enrollment Trends

On average throughout the District, the regular education pupil-teacher ratio is approximately 23:1 for grades TK-3, 32:1 in grades 4-6, approximately 26:1 in grades 7-8 and approximately 27:1 in grades 9-12. The following table shows enrollment figures for the District for the past ten fiscal years. The following table shows enrollment figures for the District for the past ten fiscal years.

ENROLLMENT TRENDS Fiscal Years 2015-16 through 2024-25 Temple City Unified School District

<u>Fiscal Year</u>	<u>Enrollment</u> ⁽¹⁾	<u>% Change</u>
2015-16	5,931	--
2016-17	5,931	0.00%
2017-18	5,831	(1.69)
2018-19	5,636	(3.34)
2019-20	5,617	(0.34)
2020-21	5,482	(2.40)
2021-22	5,282	(3.65)
2022-23	5,227	(1.04)
2023-24	5,253	0.50
2024-25	5,298	0.86

(1) Enrollment represents certified enrollment as of the fall census day (the first Wednesday in October) reported to CALPADS. Excludes independent charter schools.
Source: Temple City Unified School District.

Labor Relations

The District currently employs 413 full-time and part-time certificated employees and 254 classified employees. These employees, except management and some part-time employees, are represented by the three bargaining units as noted below:

BARGAINING UNITS Temple City Unified School District

<u>Labor Organization</u>	<u>Number of Employees In Bargaining Unit</u>	<u>Contract Expiration Date</u>
Temple City Education Association	279	June 30, 2027
California School Employees Association - 105	156	June 30, 2027
California School Employees Association – 823	84	June 30, 2025

Source: Temple City Unified School District.

District Retirement Systems

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

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

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. Previously, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program increased significantly prior to the implementation of AB 1469 (defined below). In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

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

MEMBER CONTRIBUTION RATES STRS (Defined Benefit Program)

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

Source: AB 1469.

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

compensation effective July 1, 2018. For fiscal year commencing July 1, 2021, the contribution rate was 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2022, the contribution rate was 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2023, the contribution rate was 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2024, the contribution rate is 10.250% for Classic Members and 10.205% for PEPRA Members.. For fiscal year commencing July 1, 2025, the contribution rate will be 10.250% for Classic Members and 10.205% for PEPRA Members.

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

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

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

Source: AB 1469.

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

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

rate was 19.1% in fiscal year 2022-23, 19.1% in fiscal year 2023-24, 19.1% in fiscal year 2024-25 and will be 19.1% in fiscal year 2025-26.

The District's contributions to STRS were \$4,826,821 in fiscal year 2019-20, \$4,511,717 in fiscal year 2020-21, \$5,043,691 in fiscal year 2021-22, \$6,236,004 in fiscal year 2022-23 and \$6,344,935 in fiscal year 2023-24. The District has projected a contribution of \$6,690,883 to STRS for fiscal year 2024-25.

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

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

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

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. Pursuant to SB 90, the State Legislature appropriated \$904 million to the Schools Pool, including transfers in fiscal years 2019-20 and 2020-21 to the Public Employees Retirement Fund to pay, in advance on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years, as well as additional amounts to be applied toward certain unfunded liabilities for K-14 school district employers. In June 2020, SB 90 was amended by Assembly Bill 84/Senate Bill 111 ("AB 84"). Under AB 84, \$144 million of the State contribution under SB 90 was deemed to satisfy a portion of the State's required contribution in fiscal year 2019-20, and the amounts previously allocated toward future liabilities were redirected such that, \$430 million will satisfy a portion of the employer contribution rate in fiscal year 2020-21, and \$330 million will satisfy a portion of the employer contribution rate in fiscal year 2021-22. As a result of the payments made by the State pursuant to SB 90, as amended by AB 84, the employer contribution rate was 19.721% for fiscal year 2019-20, 20.7% in fiscal year 2020-21, and 22.91% for fiscal year 2021-22. The employer contribution rate was 25.37% in fiscal year 2022-23,

26.68% in fiscal year 2023-24, 27.05% in fiscal year 2024-25, and will be 26.81% in fiscal year 2025-26. Classic Members contribute at a rate established by statute, which is 7% in fiscal year 2023-24, 7% in fiscal year 2024-25 and 7% in fiscal year 2025-26, while PEPRA Members contribute at an actuarially determined rate, which was 8% in both fiscal years 2023-24 and 2024-25. For the Schools Pool Actuarial Valuation as of June 30, 2024 (the “2024 PERS Actuarial Valuation”), the total normal cost did not change by more than 1% relative to the basis currently in effect, therefore the PEPRA Member contribution rate will remain 8% in fiscal year 2025-26. See “—California Public Employees’ Pension Reform Act of 2013” herein.

The District’s contributions to PERS were \$2,018,917 in fiscal year 2019-20, \$2,106,225 in fiscal year 2020-21, \$2,560,122 in fiscal year 2021-22, \$3,109,092 in fiscal year 2022-23 and \$3,461,108 in fiscal year 2023-24. The District has projected a contribution of \$3,187,146 to PERS for fiscal year 2024-25.

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

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

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

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

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

(1) Amounts may not add due to rounding.

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

(3) Reflects actuarial value of assets.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On July 30, 2024, STRS reported a net return on investments of 8.4% for fiscal year 2023-24, ending with the total fund value of \$341.4 billion as of June 30, 2024. The 2023-24 return keeps STRS on track long term, as the 5-, 10-, 20-, and 30-year returns, all surpass the actuarial assumption of 7.0%, during a period of inflation, rising interest rates and geopolitical uncertainty. In its news release reporting the fiscal year 2023-24 investment return, STRS noted that it is ahead of schedule in reaching full funding by 2046.

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

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

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

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

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

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

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

In November 2024, PERS released its 2024 Annual Review of Funding Levels and Risk (the “2024 PERS Funding Levels and Risk Report”), which provided a summary of the current funding levels of the system, the near-term outlook for required contributions and risks faced by the system in the near and long-term. The 2024 PERS Funding Levels and Risk Report notes that over the next several years there is the potential for various factors to either further increase required contributions or add additional financial strain on employers and their ability to make required contributions, including inflation and near-term economic turmoil. The 2024 PERS Funding Levels and Risk Report notes that over the last few years, price inflation has been significantly higher than the PERS long-term assumption of 2.3%,

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

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

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

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those

amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

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

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

As of June 30, 2024, the District reported its shares of the net pension liabilities for the STRS and PERS plans as \$41,826,313 and \$25,423,778, respectively. For more information, "APPENDIX B – 2023-24 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 14" attached hereto.

Other Post-Employment Benefits

Benefits Plan. The District’s health care plan (the “Plan”) is a single-employer defined benefit healthcare plan. Following is a description of the current retiree benefit plan

	<u>Certificated*</u>	<u>Classified*</u>
Benefit types provided	Medical, dental, and vision	Medical, dental, and vision
Duration of Benefits	5 years, but not beyond age 65 for benefits in excess of CalPERS statutory	Lifetime
Required Service	10 years	15 years
Minimum Age	55	55***
Dependent Coverage	Yes	Yes
District Contribution	100% to cap	100% to cap for 5 years but not beyond age 65*** 45% of \$625 plus 5% per year in subsequent years for coverage beyond 5 years (or age 65)
District Cap	Active cap*	\$9,750 for CSEA 105 and \$10,000 for other groups per year**

* Non-represented employees receive benefits based on the appropriate bargaining unit.

** Those not qualifying for the above benefits, or exhausting the above benefits, receive statutory minimum CalPERS contributions.

*** Certain grandfathered employees may receive benefits as early as age 50 and receive 5 years of benefits even if benefits extend beyond age 65.

Source: Temple City Unified School District.

Funding Policy. The contribution requirement of Plan members and the District are established under a funding policy approved by the District’s Board, and may be amended by the District from time to time. The District’s funding policy is to contribute an amount sufficient to pay the current year’s retiree claim costs and plan expenses. The retiree payment is included in the district health insurance contribution with active employees. For fiscal years 2019-20 through 2023-24, the District paid total of \$3,605,836, \$3,523,619, \$3,618,111, \$3,538,904 and \$3,782,683, respectively to the Plan, all of which was used for current premiums. For fiscal year 2024-25, the District has projected a contribution of \$3,873,929 to the Plan, all of which are expected to be used for current premiums. The District has not established an irrevocable trust to prefund its OPEB liability, and no prefunding of benefits has been made by the District.

The District has set aside funds in an internal service fund to pre-fund its OPEB liability. The District annually contributes \$250,000 each year into such fund.

Accrued Liability. The District has implemented *Governmental Accounting Standards Board Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* and *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, pursuant to which the District has commissioned and received an actuarial study of its liability with respect to the Benefits. The new GASB Statements No. 74 and No. 75 (discussed below) require biennial actuarial valuations for all plans. The actuarial study, dated as of July 25, 2023 (the “Study”), concluded that, as of June 30, 2023, the Total OPEB Liability (the “TOL”) with respect to such benefits, was \$26,579,485, the Net OPEB Liability (the “NOL”) was \$26,579,485, and the preliminary Total OPEB Expense (the “TOE”) for fiscal year ending June 30, 2023 to be \$2,115,184. The District has a Fiduciary Net Position

(the “FNP”) of \$0. The TOL is the amount of the actuarial present value of projected benefits payments attributable to employees’ past service based on the actuarial cost method used. The FNP are the net assets (liability) of the qualifying irrevocable trust or equivalent arrangement. The NOL is TOL minus the FNP. The TOE is the annual change in the District’s NOL, with deferred recognition provided for certain items. For more information regarding the District’s other post-employment benefit liability, see “APPENDIX B – 2023-24 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11” attached hereto.

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

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

Under GASB Statement No. 74, the measurement date must be the same as the plan’s fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the total OPEB liability (the TOL), if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB Statement No. 74 requirements, a projection of the benefit payments and future Fiduciary Net Position (FNP) is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB.

GASB Statement No. 74 has an effective date for plan fiscal years beginning after June 15, 2016 and GASB Statement No. 75 will be effective for employer fiscal years beginning after June 15, 2017. The District first recognized GASB Statement No. 74 and GASB Statement No. 75 in their financial statements for fiscal year 2017-18. The full extent of the effect of the new standards on the District is not known at this time.

Medicare Premium Payment Program

The District participates in the Medicare Premium Payment (“MPP”) Program, a cost-sharing multiple-employer other postemployment benefit plan. STRS administers the MPP Program through the Teachers’ Health Benefit Fund (the “THBF”). The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan Defined Benefit Program (“DB Program”) who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium free Medicare Part A. The MPP Program is now closed to new entrants.

The MPP Program is funded on a pay-as-you-go basis from a portion of the monthly District benefit payments. Benefit payments that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs.

An actuarial study, with measurement and valuation dates of June 30, 2023, has been prepared pursuant to GASB Statements No. 74 and No. 75 with respect to the liability of the MPP Program. At June 30, 2024, the District reported a liability of \$246,485 for its proportionate share of the net OPEB liability for the MPP Program. The District’s proportion of the net OPEB liability was based on a projection of the District’s long-term share of contributions relative to the projected contributions of all participating school districts, actuarially determined.

For the year ended June 30, 2024, the District recognized an MPP Program expense of (\$4,229). For additional information, see “APPENDIX B – THE DISTRICT’S 2023-24 AUDITED FINANCIAL STATEMENTS – Note 11” attached hereto.

Cybersecurity

The District, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the District’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The District carries cybersecurity insurance.

No assurance can be given that the District’s efforts to manage cyber threats and attacks will, in all cases, be successful or that any such attack will not materially impact the operations or finances of the District. The District is also reliant on other entities and service providers, such as the Paying Agent, the County or the Dissemination Agent in connection with compliance by the District with its continuing disclosure undertakings. No assurance can be given that the District may not be affected by cyber threats and attacks against other entities or service providers in a manner which may affect the Owners of the Bonds, e.g., systems related to the timeliness of payments on their respective Bonds or compliance with disclosure filings pursuant to the Continuing Disclosure Certificate.

Risk Management

The District’s risk management activities are recorded in the General Fund. Employee life, health, vision, dental, disability, and workers’ compensation programs are administered by the District. The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets’ errors and omissions; injuries to employees; life and health of employees; and natural disasters. The District purchases insurance through West San Gabriel Property and Liability Joint Powers Authority for

first party damage with coverage up to a maximum of \$50 million, subject to Self-Insured Retention of \$10,000 per occurrence. The District also purchases insurance for general liability claims with coverage up to \$5 million per occurrence with excess liability coverage up to \$50 million with no aggregate, all subject to a \$10,000 Member Retained Limit per occurrence. The District purchases workers' compensation coverage from the West San Gabriel Workers' Compensation Joint Powers Authority with statutory per occurrence limits with no deductibles.

See also "APPENDIX B – THE DISTRICT'S FISCAL YEAR 2023-24 AUDITED FINANCIAL STATEMENTS – Notes 13" and "—16" attached hereto.

District Debt Structure

Long-Term Debt. A schedule of changes in long-term debt for the year ended June 30, 2024, is shown below.

SCHEDULE OF LONG TERM DEBT As of June 30, 2024 Temple City Unified School District

	<u>Balance as of July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance as of June 30, 2024</u>
General obligation bonds	\$102,425,290	\$1,383,295	\$(1,189,999)	\$102,618,586
Premium debt premium	965,835	--	(45,442)	920,393
Finance Purchase Agreement	1,800,502	--	(414,869)	1,385,633
Leases	319,489	--	(88,798)	230,691
Supplemental Early Retirement Plan	754,438	--	(377,219)	377,219
Compensated Absences	2,124,613	--	(482,246)	1,642,367
Net pension liability	57,879,578	9,370,513	--	67,250,091
Net OPEB liability	<u>26,821,741</u>	<u>--</u>	<u>(4,871,062)</u>	<u>21,950,679</u>
Totals	<u>\$193,091,486</u>	<u>\$10,753,808</u>	<u>\$(7,469,635)</u>	<u>\$196,375,659</u>

Source: Temple City Unified School District.

General Obligation Bonds. The following table summarizes the outstanding prior bond issuances of the District, not including the Bonds.

SUMMARY OF OUTSTANDING BONDED DEBT Temple City Unified School District

Issuance	Initial Principal Amount	Principal Outstanding ⁽¹⁾	Date of Delivery
Election of 1998 General Obligation Bonds, Series B	\$5,406,500.80	\$3,346,173.55	September 6, 2001
Election of 2012 General Obligation Bonds, Series A	39,998,164.35	3,861,822.60	August 7, 2013
Election of 2012 General Obligation Bonds, Series B	33,457,588.30	32,847,588.30	February 14, 2017
2017 General Obligation Refunding Bonds	19,745,000.00	19,720,000.00	February 14, 2017
Election of 2012 General Obligation Bonds, Series C	7,400,000.00	7,350,000.00	December 10, 2019
2019 General Obligation Refunding Bonds ⁽²⁾	<u>19,895,000.00</u>	<u>19,545,000.00</u>	December 10, 2019
Totals	<u>\$138,647,253.45</u>	<u>\$86,670,584.45</u>	

⁽¹⁾ As of May 28, 2025.

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

Source: Temple City Unified School District.

The table on the following page shows future debt service payments on the District's outstanding general obligation bonds, including the Bonds (and assuming no optional redemptions).

OUTSTANDING BONDED INDEBTEDNESS*
Temple City Unified School District

Year Ending (August 1)	Election of 1998 General Obligation Bonds, Series B	Election of 2012 General Obligation Bonds, Series A	2012 Series B Bonds	2017 Refunding Bonds	2012 Series C Bonds	2019 Refunding Bonds⁽¹⁾	The Series D Bonds⁽²⁾	The Refunding Bonds⁽³⁾	Total Annual Debt Service
2025	\$3,050,000.00	\$430,696.50	\$1,678,100.00	\$796,412.50	\$269,600.00	\$674,905.50			
2026	3,200,000.00	430,696.50	1,563,100.00	1,066,412.50	278,400.00	674,905.50			
2027	3,365,000.00	430,696.50	1,572,600.00	785,612.50	276,800.00	1,114,905.50			
2028	3,550,000.00	430,696.50	1,522,600.00	785,612.50	280,200.00	1,342,655.90			
2029	--	430,696.50	1,512,600.00	785,612.50	283,400.00	1,533,724.70			
2030	--	430,696.50	1,702,600.00	1,630,612.50	231,400.00	743,947.10			
2031	--	430,696.50	1,682,600.00	1,843,362.50	231,400.00	749,627.10			
2032	--	430,696.50	1,597,600.00	2,129,362.50	276,400.00	714,961.50			
2033	--	430,696.50	1,562,600.00	2,377,162.50	274,600.00	726,332.70			
2034	--	2,340,696.50	1,612,600.00	637,762.50	247,800.00	757,185.50			
2035	--	2,625,905.50	1,557,600.00	635,406.26	262,000.00	756,828.70			
2036	--	2,999,302.50	1,422,600.00	638,050.00	265,600.00	756,299.10			
2037	--	--	1,797,600.00	635,425.00	279,000.00	3,630,596.70			
2038	--	--	1,897,600.00	637,800.00	286,800.00	3,790,361.50			
2039	--	--	1,792,600.00	2,849,800.00	294,200.00	1,955,967.90			
2040	--	--	1,797,600.00	3,003,200.00	306,200.00	2,081,017.50			
2041	--	--	1,832,600.00	3,046,800.00	322,600.00	2,292,191.30			
2042	--	--	1,527,600.00	3,359,600.00	328,200.00	2,593,448.60			
2043	--	--	1,801,800.00	3,525,600.00	338,400.00	2,476,183.40			
2044	--	--	7,214,400.00	--	1,068,000.00	--			
2045	--	--	7,484,400.00	--	643,200.00	--			
2046	--	--	7,848,800.00	--	603,800.00	--			
2047	--	--	7,488,000.00	--	1,100,150.00	--			
2048	--	--	--	--	<u>3,646,200.00</u>	--			
Total	<u>\$13,165,000.00</u>	<u>\$11,842,173.00</u>	<u>\$61,470,200.00</u>	<u>\$31,169,606.26</u>	<u>\$12,394,350.00</u>	<u>\$29,366,045.70</u>			

* Preliminary, subject to change.

⁽¹⁾ Includes debt service on the Refunded Bonds expected to be refinanced with proceeds of the Refunding Bonds as described herein.

⁽²⁾ Interest payments on the Series D Bonds being issued as Current Interest Bonds will be made semiannually on January 1 and July 1 of each year, commencing January 1, 2026. Principal payments on the Series D Bonds Being issued as Current Interest Bonds will be made on July 1 of the years indicated on the inside cover pages hereof. The Capital Appreciation Bonds are payable only at maturity on July 1 of the years indicated on the inside cover pages hereof, and interest on such Capital Appreciation Bonds is compounded semiannually on January 1 and July 1, commencing on January 1, 2026.

⁽³⁾ Interest payments on Refunding Bonds will be made semiannually on January 1 and July 1 of each year, commencing January 1, 2026. Principal payments will be made on July 1 of the years indicated on the inside cover pages hereof.

Source: Temple City Unified School District.

Finance Purchase Agreement. The District entered into an agreement to finance the purchase of energy management equipment for a term of fourteen years, beginning on April 30, 2013, with an interest rate of 3.25%. The District’s outstanding finance purchase agreement contains a provision that in an event of default, the District will return the equipment in the same condition as when the equipment was initially delivered. The table below shows remaining outstanding debt service on the outstanding finance purchase agreement.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$452,436	\$38,388	\$490,824
2026	492,405	23,095	515,500
2027	<u>440,792</u>	<u>6,592</u>	<u>447,384</u>
Total	\$1,385,633	\$68,075	\$1,453,708

Source: Temple City Unified School District.

LIMITATION ON REMEDIES; BANKRUPTCY

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

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Statutory Lien. Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the Bonds are executed and delivered. See “THE BONDS – Security and Sources of Payment” herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the

pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

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

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

Opinions of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor’s Rights. The proposed forms of the approving opinions of Bond Counsel attached hereto as APPENDIX A are qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

TAX MATTERS

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

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

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

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

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

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

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

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

Copies of the proposed forms of opinions of Bond Counsel for the Bonds are attached hereto as APPENDIX A.

LEGAL MATTERS

Legality for Investment in California

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

Expanded Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this

change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Continuing Disclosure

Current Undertaking. The District has covenanted for the benefit of the Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) by not later than nine months following the end of the District’s fiscal year (which currently ends June 30), commencing with the report for the 2024-25 Fiscal Year, and to provide notices of the occurrence of certain listed events. The Annual Report and notices of listed events will be filed by the District in accordance with the requirements of S.E.C. Rule 15c2-12(b)(5) (the “Rule”). The specific nature of the information to be contained in the Annual Report or the notices of listed events is included in APPENDIX C – “FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Prior Undertakings. Within the past five years, the District has not failed to file in a timely manner annual reports or notices of listed events as required by its prior continuing disclosure undertakings pursuant to the Rule.

Escrow Verification

Upon delivery of the Refunding Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to them by the Underwriter relating to the adequacy of the maturing principal of and interest on the Federal Securities in the Escrow Fund, together with any moneys held therein as cash, to pay the principal of and interest on the Refunded Bonds when due.

Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District’s ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District’s ability to issue and retire the Bonds.

Financial Statements

The financial statements with supplemental information for the year ended June 30, 2024, the independent auditor’s report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated December 15, 2024 of CWDL, Certified Public Accountants (the “Auditor”), are included in this Official Statement as Appendix B. In connection with the inclusion of the financial statements and the report of the Auditor herein, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Legal Opinions

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

MISCELLANEOUS

Rating

The Bonds have been assigned a rating of “AA-” by S&P. The rating reflects only the view of the rating agency, and any explanation of the significance of such rating should be obtained from the rating agency at the following address: Standard & Poor’s, 55 Water Street, 45th Floor, New York, New York 10041. There is no assurance that the rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the rating obtained may have an adverse effect on the market price of the Bonds.

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

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access website (“EMMA”) notices of any rating changes on the Bonds. See “APPENDIX C - FORM OF CONTINUING DISCLOSURE FOR THE BONDS” attached hereto. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the rating agency and its website and official media outlets for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds.

Underwriting

Purchase of Bonds. The Bonds are being purchased by Raymond James & Associates, Inc. (the “Underwriter”).

The Underwriter has agreed, pursuant to a purchase contract (the “Series D Bonds Purchase Contract”) by and between the District and the Underwriter, to purchase all of the Series D Bonds for a purchase price of \$_____ (consisting of the principal amount thereof, plus [net] original issue premium of \$_____, and less the Underwriter’s discount of \$_____).

The Underwriter has agreed, pursuant to a purchase contract (the “Refunding Bonds Purchase Contract,” and together with the Series D Bonds Purchase Contract, the “Purchase Contracts”) by and between the District and the Underwriter, to purchase all of the Refunding Bonds for a purchase price of \$_____ (consisting of the principal amount thereof, plus [net] original issue premium of \$_____, and less the Underwriter’s discount of \$_____).

The Purchase Contracts for the Bonds provide that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such Purchase Contracts, the approval of certain legal matters by bond counsel and certain other conditions. The initial offering prices stated on the cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

Additional Information

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

All 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.

TEMPLE CITY UNIFIED SCHOOL DISTRICT

By: _____
Art Cunha, Ed.D.
Superintendent

APPENDIX A

FORMS OF OPINIONS OF BOND COUNSEL FOR THE BONDS

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

_____, 2025

Board of Education
Temple City Unified School District

Members of the Board of Education:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$_____ Temple City Unified School District Election of 2012 General Obligation Bonds, Series D (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, a greater than fifty-five percent vote of the qualified electors of the Temple City Unified School District (the “District”) voting at an election held on November 6, 2012, and a resolution of the Board of Education of the District (the “Resolution”).

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted that with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.

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

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated

redemption price at maturity with respect to such Bonds (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. For purposes of the previous sentence, the stated redemption price at maturity includes the aggregate sum of all debt service payments on Capital Appreciation Bonds. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond.

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

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

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

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases, and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

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

[Closing Date]

Board of Education
Temple City Unified School District

Members of the Board of Education:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$_____ Temple City Unified School District (Los Angeles County, California) 2025 General Obligation Refunding Bonds (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and a resolution of the Board of Education of the Temple City Unified School District (the “District”) adopted on May 14, 2025 (the “Resolution”).
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.
4. Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.
5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income.
6. The amount by which a Bondowner’s original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount

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

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

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

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

APPENDIX B

2023-24 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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See what's possible.

TEMPLE CITY UNIFIED SCHOOL DISTRICT TEMPLE CITY, CALIFORNIA

AUDIT REPORT

JUNE 30, 2024

TEMPLE CITY UNIFIED SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2024

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Governmental-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Governmental Funds - Balance Sheet	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	20
Proprietary Fund - Statement of Fund Net Position	22
Proprietary Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position	23
Proprietary Fund - Statement of Cash Flows	24
Notes to Financial Statements	25

REQUIRED SUPPLEMENTARY INFORMATION

General Fund - Budgetary Comparison Schedule	64
Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios	65
Schedule of the Proportionate Share of the Net OPEB Liability/(Asset) - MPP Program	67
Schedule of the Proportionate Share of the Net Pension Liability	68
Schedule of Contributions - Pensions	70
Notes to Required Supplementary Information	72

SUPPLEMENTARY INFORMATION

Local Education Agency Organization Structure	74
Schedule of Expenditures of Federal Awards	75
Schedule of Average Daily Attendance	76
Schedule of Instructional Time	77
Schedule of Financial Trends and Analysis	78
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	79
Schedule of Charter Schools	80
Combining Statements - Non-Major Governmental Funds	
Combining Balance Sheet	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	82
Note to Supplementary Information	83

TEMPLE CITY UNIFIED SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2024

OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	85
Independent Auditors' Report on Compliance For Each Major Federal Program; and Report on Internal Control over Compliance Required by the Uniform Guidance	87
Independent Auditors' Report on State Compliance and on Internal Control over Compliance for State Programs	90

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results	94
Financial Statement Findings	95
Federal Award Findings and Questioned Costs	96
State Award Findings and Questioned Costs	97
Summary Schedule of Prior Year Audit Findings	98



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Temple City Unified School District
Temple City, California

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Temple City Unified School District (the "District") as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

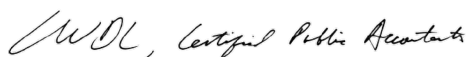
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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 is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations*, Section 19810 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



San Diego, California
December 15, 2024

TEMPLE CITY UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

This section of Temple City Unified School District's (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024, with comparative information for the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

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

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

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

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

The Primary unit of the government is the Temple City Unified School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

REPORTING THE DISTRICT AS A WHOLE , continued

The Statement of Net Position and the Statement of Activities, continued

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

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

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

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

Business-Type Activities - The District charges fees to help it cover the costs of certain services it provides. The District's preschool program is included here.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS, continued

Fund Financial Statements, continued

Proprietary Funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. In fact, the District's enterprise funds are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the District's other programs and activities, such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

FINANCIAL HIGHLIGHTS

- The district finished the 2023-24 fiscal year with a strong ending fund balance. The unrestricted general fund ran \$707,789 surplus with \$23.3 million dollar ending fund balance.
- Both before and after school program and child nutrition program were finished with strong ending fund balance.
- The State provided a cost-of-living adjustment (COLA) of 8.22%, the second highest funded COLA in recent years except 13.26% COLA in 2022-23.
- CalPADs enrollment was 5,253, 27 more students compared to 2022-23 CalPADs enrollment of 5,227 students.
- The district spent most of the one-time COVID Federal and State funding except Learning Recovery Emergency Block Grant.
- The district adopted the textbooks for Next Generation Science Standard and cost will be paid in 2024-25 school year.
- The district settled a 2% on-going salary increase and a \$500 increase in the District Health & Welfare contribution for each eligible employee.
- The High School Sports Complex Modernization project was launched on June 7th. The bond fund will be spent first on this project. The estimated completion date for the stadium will be the end of May 2025 for 2025 graduation

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$4,835,802 for the fiscal year ended June 30, 2024. Of this amount, \$(25,035,626) was unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use net position for day-to-day operations. Our analysis below and on the following page, in summary form, focuses on the net position and change in net position of the District's activities.

	Governmental Activities			Business-Type Activities		
	2024	2023	Net Change	2024	2023	Net Change
ASSETS AND DEFERRED OUTFLOWS						
Current and other assets	\$ 101,339,476	\$ 101,467,725	\$ (128,249)	\$ 525,648	\$ 370,664	\$ 154,984
Capital and right-of-use assets	98,641,645	99,211,193	(569,548)	-	-	-
Deferred outflows of resources	31,539,906	25,536,027	6,003,879	-	-	-
Total Assets and Deferred Outflows of Resources	231,521,027	226,214,945	5,306,082	525,648	370,664	154,984
LIABILITIES AND DEFERRED INFLOWS						
Current liabilities	11,423,323	13,043,707	(1,620,384)	23,104	21,939	1,165
Long-term liabilities	196,375,659	193,091,486	3,284,173	-	-	-
Deferred inflows of Resources	18,886,243	17,232,621	1,653,622	-	-	-
Total Liabilities and Deferred Inflows of Resources	226,685,225	223,367,814	3,317,411	23,104	21,939	1,165
NET POSITION						
Net investment in capital assets	2,728,663	5,751,938	(3,023,275)	-	-	-
Restricted	27,142,765	29,758,271	(2,615,506)	-	-	-
Unrestricted	(25,035,626)	(32,663,078)	7,627,452	502,544	348,725	153,819
Total Net Position	\$ 4,835,802	\$ 2,847,131	\$ 1,988,671	\$ 502,544	\$ 348,725	\$ 153,819

The \$(25,035,626) in unrestricted net deficit of governmental activities represent the accumulated results of all past years' operations.

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

THE DISTRICT AS A WHOLE, continued

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 15. The table below summaries the information from the statement and rearranges them slightly so you can see our total revenues for the year.

	Governmental Activities			Business-Type Activities		
	2024	2023	Net Change	2024	2023	Net Change
REVENUES						
Program revenues						
Charges for services	\$ 2,498,083	\$ 614,416	\$ 1,883,667	\$ -	\$ -	\$ -
Operating grants and contributions	26,481,843	30,111,982	(3,630,139)	-	213,914	(213,914)
General revenues						
Property taxes	23,314,902	20,414,587	2,900,315	-	-	-
Unrestricted federal and state aid	49,375,078	46,342,587	3,032,491	-	-	-
Other	2,411,275	4,713,285	(2,302,010)	447,368	201,657	245,711
Total Revenues	104,081,181	102,196,857	1,884,324	447,368	415,571	31,797
EXPENSES						
Instruction	56,264,459	47,350,198	8,914,261	-	-	-
Instruction-related services	9,626,229	8,026,687	1,599,542	-	-	-
Pupil services	8,664,165	7,141,585	1,522,580	-	-	-
General administration	8,338,565	8,485,715	(147,150)	-	-	-
Plant services	9,322,386	8,851,452	470,934	-	-	-
Ancillary services	1,694,517	1,421,884	272,633	-	-	-
Community services	-	528	(528)	-	-	-
Enterprise services	(692,753)	422,825	(1,115,578)	293,549	265,659	27,890
Interest on long-term debt	4,065,784	4,551,446	(485,662)	-	-	-
Other outgo	1,481,552	124,697	1,356,855	-	-	-
Depreciation and amortization (unallocated)	3,327,606	3,301,782	25,824	-	-	-
Total Expenses	102,092,510	89,678,799	12,413,711	293,549	265,659	27,890
Change in net position	1,988,671	12,518,058	(10,529,387)	153,819	149,912	3,907
Net Position - Beginning	2,847,131	(9,670,927)	12,518,058	348,725	198,813	149,912
Net Position - Ending	\$ 4,835,802	\$ 2,847,131	\$ 1,988,671	\$ 502,544	\$ 348,725	\$ 153,819

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

THE DISTRICT AS A WHOLE, continued

Governmental Activities

As reported in the Statement of Activities on page 15, the cost of the District's governmental activities this year was \$102,092,510. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$23,314,902 because a portion of the cost was paid by those who benefited from the programs (\$2,498,083) or by other governments and organizations who subsidized certain programs with grants and contributions (\$26,481,843). The District paid for the remaining "public benefit" portion of our governmental activities with \$49,375,078 in Federal and State unrestricted funds, and with \$2,597,151 in other revenues, such as interest and general entitlements.

In the table below, we have presented the cost and net cost of each of the District's largest functions: instruction including, instruction-related services; pupil services; general administration; plant services; and all other services. As discussed above, net cost shows the financial burden to taxpayers for each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits provided by that function.

	Governmental Activities	
	Net Cost of Services	
	2024	2023
Instruction	39,395,356	32,023,902
Instruction-related services	7,429,923	1,871,557
Pupil services	3,485,317	3,245,799
General administration	7,210,788	6,602,388
Plant services	8,659,605	8,070,355
Ancillary services	528,638	421,190
Community services	-	(303)
Enterprise services	(703,465)	411,835
Interest on long-term debt	4,065,784	4,551,446
Other outgo	(286,968)	(1,547,550)
Depreciation (Unallocated)	3,327,606	3,301,782
	\$ 73,112,584	\$ 58,952,401

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$89,951,536 which is an increase of \$859,474 from last year.

	Balances and Activity			
	Revenues and		Expenditures	
	July 01, 2023	Other Financing Sources	and Other Financing Uses	June 30, 2024
GOVERNMENTAL FUNDS				
General*	\$ 40,660,796	\$ 90,831,829	\$ 92,726,838	\$ 38,765,787
Student Activity Fund	624,057	1,035,626	1,003,610	656,073
Adult Education Fund	182,221	595,318	582,341	195,198
Deferred Maintenance	562,127	11,033	-	573,160
Child Development	1,407,146	927,836	600,715	1,734,267
Cafeteria	1,561,853	3,987,476	2,695,306	2,854,023
Building	5,138,838	131,808	2,437,681	2,832,965
Capital Facilities	2,620,169	323,235	-	2,943,404
County School Facilities Fund	62,054	1,271	-	63,325
Special Reserve for Capital Outlay Projects	33,664,730	690,307	-	34,355,037
Bond Interest and Redemption	2,608,071	6,286,468	3,916,242	4,978,297
Total	\$ 89,092,062	\$ 104,822,207	\$ 103,962,733	\$ 89,951,536

**The General Fund includes the financial activities of the Special Reserve Fund for Postemployment Benefits*

The primary reasons for changes are the following:

1. The General Fund is the principal operating fund. The actual fund balance during the 2023-24 fiscal year decreased by \$1,895,009, primarily due to various Federal and State one-time COVID-19 related funding.
2. The Building Fund decreased by \$2,305,873 from the previous year due to multi-year facilities projects.
3. The Special Reserve Fund for Capital Outlay Projects increased by \$690,307 due to interest and investment income earned during the current year.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 26, 2024. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 62.)

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

CAPITAL ASSET, RIGHT-OF-USE ASSETS, AND DEBT ADMINISTRATION

Capital Assets and Right-of-Use Assets

At June 30, 2024, the District had \$98,641,645 in a broad range of capital assets and right-of-use assets (net of depreciation and amortization), including land, buildings and improvements, furniture and equipment, and right-of-use assets. This amount represents a net decrease (including additions, deductions, depreciation, and amortization) of \$569,548, or 0.57%, from last year.

	Governmental Activities		
	2024	2023	Net Change
CAPITAL AND RIGHT-OF-USE LEASED ASSETS			
Land	\$ 1,990,997	\$ 1,990,997	\$ -
Construction in progress	2,533,314	99,850	2,433,464
Land improvements	8,266,336	8,266,336	-
Buildings & improvements	132,240,183	132,227,069	13,114
Furniture & equipment	5,246,765	4,935,285	311,480
Accumulated depreciation	(51,855,422)	(48,618,267)	(3,237,155)
Right-to-use lease assets	452,803	452,803	-
Accumulated amortization	(233,331)	(142,880)	(90,451)
Total	\$ 98,641,645	\$ 99,211,193	\$ (569,548)

This year's net additions totaled \$2,758,058, with the majority of expenditures related to the modernization projects at multiple school sites. Existing general obligation bond funds were used for the majority of construction costs. The District presents more detailed information about our capital assets in Note 5 to the financial statements.

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

CAPITAL ASSET, RIGHT-OF-USE ASSETS, AND DEBT ADMINISTRATION, continued

Long-Term Liabilities Other than OPEB and Pension

At June 30, 2024, the District had \$107,174,889 in long-term liabilities other than OPEB and pension outstanding versus \$108,390,167 last year, a decrease of \$1,215,278 or 1.1%. The District's long-term liabilities consisted of the following:

	Governmental Activities		
	2024	2023	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	\$ 102,618,586	\$ 102,425,290	\$ 193,296
Unamortized debt premiums	920,393	965,835	(45,442)
Finance purchase agreement	1,385,633	1,800,502	(414,869)
Leases	230,691	319,489	(88,798)
Supplemental early retirement plan	377,219	754,438	(377,219)
Compensated absences	1,642,367	2,124,613	(482,246)
Net pension liability	67,250,091	57,879,578	9,370,513
Net OPEB Liability	21,950,679	26,821,741	(4,871,062)
Less: Current portion of long-term liabilities	(4,247,490)	(4,068,126)	(179,364)
Total Non-current Portion of Long-term Liabilities	\$ 192,128,169	\$ 189,023,360	\$ 3,104,809

The District presents more detailed information regarding our long-term liabilities other than OPEB and pensions in Note 10 to the financial statements.

OPEB and Pension Liabilities

At the end of this year, the District had \$21,950,679 in OPEB liability versus \$26,821,741 last year, a decrease of \$4,871,062, or 18.2%.

At the end of this year, the District had \$67,250,091 in net pension liability versus \$57,879,578 last year, an increase of \$9,370,513, or 16.2%.

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FACTORS BEARING ON THE DISTRICT'S FUTURE

In considering budget for the 2024-2025 fiscal year, the District is fully aware of the importance of the student enrollment and its impact on the district revenue. The district is closely monitoring the potential change of immigration law from the new administration and act accordingly. We also use various source in regard of the state budget. In addition to the School Services of California guidance and Los Angeles County Office of Education, we also pay attention on fiscal outlook published by Legislative Analyst Office (LAO) to help navigate budget calculations related to the Local Control Funding Formula (LCFF) and district wide budget control and monitoring.

The key assumptions in our revenue forecast are:

1. State will continue to fully fund of the Local Control Funding Formula (LCFF).
2. Two one-time state funding, Educator Effectiveness Fund and Arts Music and Instructional Materials Block Grant will expire in June 2026.
3. Other categorical program funds are projected at the same level of the prior year, 2023-24 We will adjust the budget accordingly if the federal government changes its funding allocation

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, 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, please contact Connie Wu, Associate Superintendent of Business Services, 4210 Technology Drive, Temple City, CA 94538 or (626) 548-5000.

FINANCIAL SECTION

TEMPLE CITY UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government	
	Governmental Activities	Business-Type Activities
ASSETS		
Cash and cash equivalents	\$ 93,498,106	\$ 511,819
Accounts receivable	6,986,776	13,829
Inventories	51,916	-
Other current assets	289,914	-
Lease receivable	512,764	-
Capital assets, not depreciated	4,524,311	-
Capital assets, net of accumulated depreciation	94,117,334	-
Total Assets	199,981,121	525,648
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on debt refunding	4,793,032	-
Deferred outflows related to OPEB	4,519,122	-
Deferred outflows related to pensions	22,227,752	-
Total Deferred Outflows of Resources	31,539,906	-
LIABILITIES		
Accrued liabilities	9,084,443	23,104
Unearned revenue	1,051,829	-
Interest payable	1,211,049	-
Claims liability	76,002	-
Long-term liabilities, current portion	4,247,490	-
Net pension liability	67,250,091	-
Net OPEB liability	21,950,679	-
Long-term liabilities, non-current portion	102,927,399	-
Total Liabilities	207,798,982	23,104
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to leases	460,380	-
Deferred inflows related to pensions	4,932,719	-
Deferred inflows related to OPEB	13,493,144	-
Total Deferred Inflows of Resources	18,886,243	-
NET POSITION		
Net investment in capital assets	2,728,663	-
Restricted:		
Educational Programs	8,913,066	-
Debt service	5,176,571	-
Capital projects	5,776,369	-
Child nutrition	2,813,537	-
Other restrictions	4,463,222	-
Unrestricted	(25,035,626)	502,544
Total Net Position	\$ 4,835,802	\$ 502,544

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

TEMPLE CITY UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction	\$ 56,264,459	\$ 1,433,318	\$ 15,435,785	\$ -	\$ (39,395,356)	\$ -	\$ (39,395,356)
Instruction-related services							
Instructional supervision and administration	3,149,042	72,295	1,092,266	-	(1,984,481)	-	(1,984,481)
Instructional library, media, and technology	1,236,818	1,579	170,623	-	(1,064,616)	-	(1,064,616)
School site administration	5,240,369	3,132	856,411	-	(4,380,826)	-	(4,380,826)
Pupil services							
Home-to-school transportation	678,161	56	1,007	-	(677,098)	-	(677,098)
Food services	2,624,257	1,878	3,790,160	-	1,167,781	-	1,167,781
All other pupil services	5,361,747	138,790	1,246,957	-	(3,976,000)	-	(3,976,000)
General administration							
Centralized data processing	2,546,254	-	173,696	-	(2,372,558)	-	(2,372,558)
All other general administration	5,792,311	497	953,584	-	(4,838,230)	-	(4,838,230)
Plant services	9,322,386	227,179	435,602	-	(8,659,605)	-	(8,659,605)
Ancillary services	1,694,517	9,337	1,156,542	-	(528,638)	-	(528,638)
Community services	-	-	-	-	-	-	-
Enterprise services	(692,753)	-	10,712	-	703,465	-	703,465
Interest on long-term debt	4,065,784	-	-	-	(4,065,784)	-	(4,065,784)
Other outgo	1,481,552	610,022	1,158,498	-	286,968	-	286,968
Depreciation and amortization (unallocated)	3,327,606	-	-	-	(3,327,606)	-	(3,327,606)
Business-Type Activities							
Enterprise activities - Child Care	293,549	-	-	-	-	(293,549)	(293,549)
Total Governmental Activities	\$ 102,386,059	\$ 2,498,083	\$ 26,481,843	\$ -	(73,112,584)	(293,549)	(73,406,133)
General revenues							
Taxes and subventions							
Property taxes, levied for general purposes					16,830,566	-	16,830,566
Property taxes, levied for debt service					6,408,093	-	6,408,093
Property taxes, levied for other specific purposes					76,243	-	76,243
Federal and state aid not restricted for specific purposes					49,375,078	-	49,375,078
Interest and investment earnings					1,374,307	7,459	1,381,766
Miscellaneous					1,236,968	239,909	1,476,877
Internal transfers					(200,000)	200,000	-
Subtotal, General Revenues					75,101,255	447,368	75,548,623
Change in Net Position					1,988,671	153,819	2,142,490
Net Position - Beginning					2,847,131	348,725	3,195,856
Net Position - Ending					\$ 4,835,802	\$ 502,544	\$ 5,338,346

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

TEMPLE CITY UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024

	General Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 42,076,781	\$ 34,400,352	\$ 16,143,653	\$ 92,620,786
Accounts receivable	5,330,059	385,254	1,271,463	6,986,776
Inventory	-	-	51,916	51,916
Other current assets	289,914	-	-	289,914
Lease receivable	512,764	-	-	512,764
Total Assets	\$ 48,209,518	\$ 34,785,606	\$ 17,467,032	\$ 100,462,156
LIABILITIES				
Accrued liabilities	\$ 7,961,408	\$ 430,569	\$ 606,434	\$ 8,998,411
Unearned revenue	1,021,943	-	29,886	1,051,829
Total Liabilities	8,983,351	430,569	636,320	10,050,240
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Other (Debt Issuance)	460,380	-	-	460,380
Total Deferred Inflows of Resources	460,380	-	-	460,380
FUND BALANCES				
Non-spendable	15,000	-	52,866	67,866
Restricted	12,153,418	-	14,989,347	27,142,765
Committed	17,643,866	-	-	17,643,866
Assigned	6,119,315	34,355,037	1,986,773	42,461,125
Unassigned	2,834,188	-	(198,274)	2,635,914
Total Fund Balances	38,765,787	34,355,037	16,830,712	89,951,536
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 48,209,518	\$ 34,785,606	\$ 17,467,032	\$ 100,462,156

TEMPLE CITY UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balance - Governmental Funds \$ 89,951,536

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

Capital assets:

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

Capital assets	\$ 150,277,595	
Accumulated depreciation	<u>(51,855,422)</u>	98,422,173

Right-to-use assets:

In governmental funds, right-of-use assets are not financial resources and, therefore, are not reported as assets in governmental funds

Right-of-use assets	452,803	
Accumulated amortization	<u>(233,331)</u>	219,472

Unmatured interest on long-term debt:

In governmental funds, interest on long-term liabilities is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owing at the end of the period was:

(1,211,049)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported.

Long-term liabilities relating to governmental activities consist of:

General obligation bonds	102,618,586	
Unamortized debt premiums	920,393	
Finance purchase agreement	1,385,633	
Leases	230,691	
Supplemental early retirement plan	377,219	
Compensated absences	1,642,367	
Net pension liability	67,250,091	
Net OPEB Liability	<u>21,950,679</u>	(196,375,659)

Deferred gain or loss on debt refunding:

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

4,793,032

TEMPLE CITY UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Deferred outflows and inflows of resources related to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources related to pensions are reported:

Deferred outflows of resources related to pensions:	22,227,752	
Deferred inflows of resources related to pensions:	<u>(4,932,719)</u>	17,295,033

Deferred outflows and inflows of resources related to other postemployment benefits (OPEB):

In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources related to OPEB are reported:

Deferred outflows of resources related to OPEB	4,519,122	
Deferred inflows of resources related to OPEB	<u>(13,493,144)</u>	(8,974,022)

Internal service fund:

An internal service fund is used by the District's management to charge the costs of the proprietary and liability insurance programs to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.

Total Net Position - Governmental Activities

715,286
<u>\$ 4,835,802</u>

TEMPLE CITY UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	\$ 64,631,232	\$ -	\$ -	\$ 64,631,232
Federal sources	4,271,930	-	1,760,736	6,032,666
Other state sources	12,933,940	-	2,765,164	15,699,104
Other local sources	8,744,727	690,307	8,774,171	18,209,205
Total Revenues	90,581,829	690,307	13,300,071	104,572,207
EXPENDITURES				
Current				
Instruction	56,683,051	-	754,921	57,437,972
Instruction-related services				
Instructional supervision and administration	3,077,117	-	93,714	3,170,831
Instructional library, media, and technology	1,208,902	-	-	1,208,902
School site administration	4,936,844	-	292,777	5,229,621
Pupil services				
Home-to-school transportation	678,161	-	-	678,161
Food services	24,384	-	2,573,306	2,597,690
All other pupil services	5,375,790	-	1,334	5,377,124
General administration				
Centralized data processing	2,517,134	-	-	2,517,134
All other general administration	5,607,793	-	133,158	5,740,951
Plant services	9,162,571	-	22,462	9,185,033
Facilities acquisition and maintenance	8,898	-	2,437,681	2,446,579
Ancillary services	695,307	-	1,003,610	1,698,917
Enterprise activities	-	-	6,690	6,690
Transfers to other agencies	1,793,031	-	-	1,793,031
Debt service				
Principal	56,704	-	652,939	709,643
Interest and other	451,151	-	3,263,303	3,714,454
Total Expenditures	92,276,838	-	11,235,895	103,512,733
Excess/(Deficiency) of Revenues Over Expenditures	(1,695,009)	690,307	2,064,176	1,059,474
OTHER FINANCING SOURCES/(USES)				
Transfers in	250,000	-	-	250,000
Transfers out	(450,000)	-	-	(450,000)
Other Financing Sources/(Uses)	(200,000)	-	-	(200,000)
NET CHANGE IN FUND BALANCE	(1,895,009)	690,307	2,064,176	859,474
Fund Balance - Beginning	40,660,796	33,664,730	14,766,536	89,092,062
Fund Balance - Ending	\$ 38,765,787	\$ 34,355,037	\$ 16,830,712	\$ 89,951,536

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Governmental Funds

\$ 859,474

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

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

Expenditures for capital outlay:	\$ 2,758,058	
Depreciation expense:	(3,237,155)	
Amortization expense:	(90,451)	(569,548)

Debt service:

In governmental funds, repayments of long-term liabilities are reported as expenditures. In the government-wide statements, repayments of long-term liabilities are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term

2,070,885

Unmatured interest on long-term liabilities:

In governmental funds, interest on long-term liabilities is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

2,500

Accreted interest on long-term liabilities:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.

(1,383,295)

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

482,246

Pensions:

In government 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:

18,841

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was:

(245,072)

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2024**

Amortization of debt issuance premium or discount:
 In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is:

45,442

Internal Service Funds:
 Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:

707,198
\$ 1,988,671

Change in Net Position of Governmental Activities

TEMPLE CITY UNIFIED SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF FUND NET POSITION
JUNE 30, 2024

	Major Enterprise Fund	Non-Major Internal Service Fund
	Childcare Program	Internal Service Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 511,819	\$ 877,320
Accounts receivable	13,829	-
Total Current Assets	525,648	877,320
LIABILITIES		
Current Liabilities:		
Accounts payable	23,104	86,032
Claims liability	-	76,002
Total Current Liabilities	23,104	162,034
NET POSITION		
Unrestricted (Deficit)	502,544	715,286
Total Net Position	\$ 502,544	\$ 715,286

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2024**

	Major Enterprise Fund Childcare Program	Non-Major Internal Service Fund Internal Service Fund
Operating Revenues		
Local revenue	\$ 247,368	\$ 1,322,768
Total Operating Revenues	<u>247,368</u>	<u>1,322,768</u>
Operating Expenses:		
Classified personnel salaries	203,140	-
Employee benefits	84,690	-
Books and supplies	3,129	-
Services and other operating expenses	2,590	615,570
Total Operating Expenses	<u>293,549</u>	<u>615,570</u>
Income/(Loss) before Contributions and Transfers	<u>(46,181)</u>	<u>707,198</u>
Contributions and Transfers		
Interfund transfer in	200,000	-
Operating Income/(Loss)	<u>153,819</u>	<u>707,198</u>
Change in Net Position	<u>153,819</u>	<u>707,198</u>
Net Position, Beginning of Year	<u>348,725</u>	<u>8,088</u>
Net Position, End of Year	<u>\$ 502,544</u>	<u>\$ 715,286</u>

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2024**

	Major Enterprise Fund Childcare Program	Non-Major Internal Service Fund Internal Service Fund
Cash Flows from Operating Activities		
Cash received from grants and customers	\$ 238,862	\$ 1,325,147
Cash receipts for operating activities with other funds	200,000	-
Cash Payments to employees for services	(203,140)	-
Cash Payments to employees for benefits	(84,690)	-
Cash payments for other goods and services	(4,554)	(717,404)
Net Cash Provided by/(Used in) Operating Activities	146,478	607,743
Net Increase/(Decrease) in Cash and Cash Equivalents	146,478	607,743
Cash and Cash Equivalents, Beginning of Year	365,341	269,577
Cash and Cash Equivalents, End of Year	\$ 511,819	\$ 877,320
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used in) Operating Activities		
Operating Income/(Loss)	\$ 153,819	\$ 707,198
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used in) Operating Activities:		
Changes in Assets and Liabilities:		
Accounts receivable	(8,506)	2,379
Accounts payable	1,165	(101,834)
Total Adjustments	(7,341)	(99,455)
Net Cash Flows From Operating Activities	\$ 146,478	\$ 607,743

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Temple City Unified School District (the "District") was unified on July 1, 1954, under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K-12 as mandated by the State and/or Federal agencies. The District operates four elementary schools, a middle school, a high school, a continuation high school, an adult education program, an independent study program, and a preschool program.

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

Basis of Presentation - Fund Accounting

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

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

The following are the District's major and non-major governmental funds:

Major Governmental Funds

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

One fund currently defined as a Special Revenue Fund in the California State Accounting Manual (CSAM) does not meet the GASB Statement No. 54 Special Revenue Fund definition. Specifically, Fund 20, Special Reserve Fund for Postemployment Benefits, is not substantially composed of restricted or committed revenue sources. While these funds are authorized by statute and will remain open for internal reporting purposes, this fund functions effectively as an extension of the General Fund, and accordingly has been combined with the General Fund for presentation in these audited financial statements.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Major Governmental Funds, continued

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

Non-Major Governmental Funds

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

- **Student Activity Special Revenue Fund** - The Student Activity Special Revenue Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Adult Education Fund** - The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.
- **Child Development Fund** - The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.
- **Cafeteria Special Revenue Fund** - The Cafeteria Special Revenue Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code Sections 38090-38093*) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections 38091 and 38100*).
- **Deferred Maintenance Fund** - The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred purposes (*Education Code Section 17582*).

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Non-Major Governmental Funds, continued

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

- **Building Fund** - The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.
- **Capital Facilities Fund** - The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620- 17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

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

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

Proprietary Funds - Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has the following proprietary funds:

- **Enterprise Fund** - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The only enterprise fund of the District accounts for the financial transactions related to the preschool program of the District.
- **Internal Service Fund** Internal Service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates a Self-insurance fund that is accounted for in an internal service fund.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting - Measurement Focus

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

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

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

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

- **Governmental Funds** - All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.
- **Proprietary Funds** Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting - Measurement Focus, continued

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Receivable

Accounts receivable include amounts due from the Federal government, State and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. The District maintains an allowance for doubtful accounts at an amount which management considers sufficient to fully reserve and provide for the possible uncollectibility of other receivable balances.

Inventories

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

Other Current Assets

Certain payments to vendors for costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

Capital Assets and Depreciation

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

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

Depreciation of capital assets is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, 5 to 50 years; equipment, 2 to 15 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2024.

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

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Accrued Liabilities and Long-Term Liabilities

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

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

Compensated Absences

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

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Debt Issuance Costs, Premiums and Discounts

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items. The deferred charge on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to differences between expected and actual earnings on investments, changes of assumptions, and other pension and OPEB related changes.

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

Pensions

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

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Postemployment Benefits Other Than Pensions (OPEB)

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

Leases

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

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

Fund Balances - Governmental Funds

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

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

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

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances - Governmental Funds, continued

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

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted on-time expenditures. For a District this size, the policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than 2 percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets and deferred charges on refunding bonds that are attributable capital activity. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$27,142,765 of restricted net position, of which is restricted by enabling legislation.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are interfund insurance premiums. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Interfund Activity

Transfers between governmental and business-type activities in the government-wide financial statements are reported in the same manner as general revenues.

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

Estimates

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

Property Tax

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

Adoption of New Accounting Standards

The following GASB Pronouncements were adopted by the District during the year ended June 30, 2024:

GASB Statement No. 100 - In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023.

Management has determined that the adoption of the foregoing accounting standard did not have any material impact in the financial statements of the District.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Upcoming GASB Pronouncements

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

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

GASB Statement No. 102 - In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024.

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

NOTE 2 – CASH AND CASH EQUIVALENTS

Summary of Cash and cash equivalents

Cash and cash equivalents as of June 30, 2024, consist of the following:

	Governmental Activities	Business-Type Activities
Cash in county treasury	\$ 96,456,873	\$ 522,883
Cash on hand and in banks	675,260	1,000
Cash in revolving fund	15,950	-
Cash with fiscal agent	52,500	-
Fair market value adjustment	(3,702,477)	(12,064)
Total	<u>\$ 93,498,106</u>	<u>\$ 511,819</u>

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

Policies and Practices

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

Investment in County Treasury

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

General Authorizations

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

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

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Los Angeles County Investment Pool. The District maintains an investment of \$92,754,396 with the Los Angeles County Investment Pool that has a weighted average maturity of 668 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2024.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024, the District's bank balance of \$675,260 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 3 – FAIR VALUE MEASUREMENTS

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

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – FAIR VALUE MEASUREMENTS, continued

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

As of June 30, 2024, the District's investments of \$92,754,396 in the Los Angeles County Treasury Investment Pool are uncategorized.

NOTE 4 – ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2024, consisted of intergovernmental grants, entitlements, interest and other local sources. All accounts receivable are considered collectible in full.

	General Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds	Total Governmental Funds	Business-Type Activities
Federal Government					
Categorical aid	\$ 2,640,366	\$ -	\$ 966,192	\$ 3,606,558	\$ -
State Government					
Categorical aid	1,837,657	-	29,769	1,867,426	-
Lottery	185,900	-	-	185,900	-
LCFF	960	-	-	960	-
Local Government					
Interest	443,194	369,834	113,837	926,865	3,232
Other local sources	221,982	15,420	161,665	399,067	10,597
Total	<u>\$ 5,330,059</u>	<u>\$ 385,254</u>	<u>\$ 1,271,463</u>	<u>\$ 6,986,776</u>	<u>\$ 13,829</u>

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – CAPITAL AND RIGHT-OF-USE ASSETS

Capital and right-of-use asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<u>Governmental Activities:</u>				
Capital Assets not Being Depreciated				
Land	\$ 1,990,997	\$ -	\$ -	\$ 1,990,997
Construction in progress	99,850	2,433,464	-	2,533,314
Total Capital Assets not Being Depreciated	2,090,847	2,433,464	-	4,524,311
Capital Assets Being Depreciated				
Land improvements	8,266,336	-	-	8,266,336
Buildings and improvements	132,227,069	13,114	-	132,240,183
Furniture and equipment	4,935,285	311,480	-	5,246,765
Total Capital Assets Being Depreciated	145,428,690	324,594	-	145,753,284
Total Capital Assets	147,519,537	2,758,058	-	150,277,595
Less: Accumulated Depreciation				
Land improvements	3,465,271	256,868	-	3,722,139
Buildings and improvements	41,914,274	2,745,802	-	44,660,076
Furniture and equipment	3,238,722	234,485	-	3,473,207
Total Accumulated Depreciation	48,618,267	3,237,155	-	51,855,422
Capital Assets, net	98,901,270	(479,097)	-	98,422,173
Right-of-Use Assets				
Furniture and equipment	452,803	-	-	452,803
Less: Accumulated Amortization				
Furniture and equipment	142,880	90,451	-	233,331
Right-of-Use Assets, net	309,923	(90,451)	-	219,472
Capital Assets and Right-of-Use Assets, Net	\$ 99,211,193	\$ (569,548)	\$ -	\$ 98,641,645

NOTE 6 – LEASE RECEIVABLES

The District licenses (leases) a portion of its facilities for cellular tower antenna sites. These licenses are non-cancelable for periods greater than one year. At termination, lessees must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized \$64,663 in lease revenues and \$24,234 in interest revenues related to these agreements. At June 30, 2024, the District recorded \$512,764 in lease receivables and \$460,380 in deferred inflows of resources for these arrangements. The District used an interest rate of between 3.5% and 8.5%, based on the rates available to finance real estate over the same time periods.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 – INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. There were no interfund receivable and payable for the year ended June 30, 2024.

Interfund Transfers (In/Out)

Interfund transfers for the year ended June 30, 2024 consisted of the following:

	Interfund Transfer In		
	General Fund	Other Enterprise Fund	Total
General Fund	\$ 250,000	\$ 200,000	\$ 450,000
Total	\$ 250,000	\$ 200,000	\$ 450,000

Transfer from General Fund to the General Fund is for the other post employment benefits.

\$ 250,000

Transfer from General Fund to the Other Enterprise Fund is for start up costs related to preschool program.

200,000
\$ 450,000

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8 – ACCRUED LIABILITIES AND INTEREST PAYABLE

Accrued liabilities and interest payable at June 30, 2024, consisted of the following:

	General Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds	Total Governmental Funds	Self-Insurance Fund	Total Governmental Activities	Business-Type Activities
Payroll and related	\$ 124,777	\$ -	\$ 18,868	\$ 143,645	\$ -	\$ 143,645	\$ -
Vendors payable	7,836,631	430,569	587,567	8,854,767	86,032	8,940,799	23,104
Due to grantor government	-	-	-	-	-	-	-
Unmatured interest	-	-	-	-	-	-	-
Total	\$ 7,961,408	\$ 430,569	\$ 606,434	\$ 8,998,411	\$ 86,032	\$ 9,084,443	\$ 23,104

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – UNEARNED REVENUE

Unearned revenue at June 30, 2024, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds	Total Governmental Activities
Federal Government				
Categorical aid	\$ 469,240	\$ 29,886	\$ 499,126	\$ 499,126
State Government				
Other state sources	552,703	-	552,703	552,703
	<u>\$ 1,021,943</u>	<u>\$ 29,886</u>	<u>\$ 1,051,829</u>	<u>\$ 1,051,829</u>

NOTE 10 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 102,425,290	\$ 1,383,295	\$ 1,189,999	\$ 102,618,586	\$ 3,280,000
Unamortized debt premiums	965,835	-	45,442	920,393	45,442
Finance purchase agreement	1,800,502	-	414,869	1,385,633	452,436
Leases	319,489	-	88,798	230,691	92,393
Supplemental early retirement plan	754,438	-	377,219	377,219	377,219
Compensated absences	2,124,613	-	482,246	1,642,367	-
Net pension liability	57,879,578	9,370,513	-	67,250,091	-
Net OPEB Liability	26,821,741	-	4,871,062	21,950,679	-
Total	<u>\$ 193,091,486</u>	<u>\$ 10,753,808</u>	<u>\$ 7,469,635</u>	<u>\$ 196,375,659</u>	<u>\$ 4,247,490</u>

Payments on general obligation bonds are made in the Bond Interest and Redemption Fund. Payments for the finance purchase agreement are made in the General Fund. Payments for the leases are made in the General Fund. Payments to the supplemental early retirement plan are made in the General Fund. Compensated absences are typically liquidated in the General Fund, Adult Education Fund, Child Development Fund, and Cafeteria Fund. Additions and deductions for compensated absences are reported net to its cumulative change in the current year.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Maturity Date	Interest Rate	Original Issue	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
9/6/2001	8/1/2018	2.75-6.00%	\$ 5,406,501	\$ 13,592,213	\$ 931,858	\$ 175,000	\$ 14,349,071
8/7/2013	8/1/2043	4.00-5.37%	39,998,164	7,718,352	191,647	864,999	7,045,000
2/14/2017	8/1/2047	3.00-6.06%	33,457,588	34,459,725	259,790	135,000	34,584,515
2/14/2017	8/1/2043	2.00-5.00%	19,745,000	19,720,000	-	-	19,720,000
12/10/2019	8/1/2048	3.00-4.00%	7,400,000	7,390,000	-	15,000	7,375,000
12/10/2019	8/1/2043	1.82-3.61%	19,895,000	19,545,000	-	-	19,545,000
				<u>\$ 102,425,290</u>	<u>\$ 1,383,295</u>	<u>\$ 1,189,999</u>	<u>\$ 102,618,586</u>

Debt Service Requirements of Maturity

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 355,000	\$ 2,906,519	\$ 3,261,519
2026	530,000	2,889,019	3,419,019
2027	720,000	2,862,819	3,582,819
2028	480,000	2,829,919	3,309,919
2029	725,000	2,816,069	3,541,069
2030-2034	6,625,000	13,569,906	20,194,906
2035-2039	7,395,000	12,484,916	19,879,916
2040-2044	25,820,000	9,680,609	35,500,609
2045-2049	33,545,000	3,551,950	37,096,950
Total	<u>\$ 76,195,000</u>	<u>\$ 53,591,726</u>	<u>\$ 129,786,726</u>

The capital appreciation bonds mature as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 755,264	\$ 2,169,736	\$ 2,925,000
2026	836,310	2,213,690	3,050,000
2027	840,736	2,359,264	3,200,000
2028	1,071,301	2,733,699	3,805,000
2029	1,088,383	2,851,617	3,940,000
2030-2034	1,326,005	1,068,995	2,395,000
2035-2039	4,960,166	4,709,834	9,670,000
2040-2043	707,683	1,317,317	2,025,000
Accretion	14,837,738	(14,837,738)	-
Total	<u>\$ 26,423,586</u>	<u>\$ 4,586,414</u>	<u>\$ 31,010,000</u>

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS, continued

Finance Purchase Agreement

The District entered into an agreement to finance the purchase of energy management equipment for fourteen years, beginning April 30, 2013 with an interest rate of 3.25%. The District's outstanding finance purchase agreement of \$2,180,064 contains a provision that in an event of default, the District will return the equipment in the same condition as when the equipment were initially delivered to the District.

The remaining principal and interest payment requirements for the finance purchase agreement as of June 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 452,436	\$ 38,388	\$ 490,824
2026	492,405	23,095	515,500
2027	440,792	6,592	447,384
Total	<u>\$ 1,385,633</u>	<u>\$ 68,075</u>	<u>\$ 1,453,708</u>

Leases

The District entered into agreements to lease various equipment. At June 30, 2024, the District has recognized a right-of-use asset of \$219,472 and a lease liability of \$230,691 related to the agreements. During the fiscal year, the District recorded \$88,798 in principal expense and \$11,105 in interest expense for the right-of-use of the various equipment.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 92,393	\$ 7,510	\$ 99,903
2026	96,133	3,769	99,902
2027	42,165	440	42,605
Total	<u>\$ 230,691</u>	<u>\$ 11,719</u>	<u>\$ 242,410</u>

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2024, amounted to \$1,642,367.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY

For the fiscal year ended June 30, 2024, the District reported net OPEB liability/(asset), deferred outflows of resources, deferred inflows of resources, and OPEB expense/(benefit) for the following plans:

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	\$ 21,704,194	\$ 4,519,122	\$ 13,493,144	\$ 693,089
MPP Program	246,485	-	-	4,229
Total	<u>\$ 21,950,679</u>	<u>\$ 4,519,122</u>	<u>\$ 13,493,144</u>	<u>\$ 697,318</u>

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Plan Membership

At June 30, 2023, the valuation date, the Plan membership consisted of the following:

	Number of Participants
Inactive Employees Receiving Benefits	<u>131</u>
Active Employees	<u>380</u>
	<u>511</u>

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

	Certificated*	Classified*
Benefit types provided	Medical, dental and vision	Medical, dental and vision
Duration of Benefits	5 years, but not beyond age 65 for benefits in excess of CalPERS statutory minimum benefits	Lifetime
Required Service	10 years	15 years
Minimum Age	55	55
Dependent Coverage	Yes	Yes
District Contribution %	100% to cap	100% to cap for 5 years but not beyond age 65** 45% of \$625 plus 5% per year in subsequent years for coverage beyond 5 years (or age 65)
District Cap	Active cap*	\$9,250 per year

*Non-represented employees receive benefits based on the appropriate bargaining unit.

**Certain grandfathered employees may receive benefits as early as age 50 and receive 5 years of benefits even if benefits extend beyond age 65.

Contributions

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Fremont Unified District Teacher Association (FUDTA), the local California School Employees Association (CSEA), Service Employees International Union (SEIU), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, TCEA, CSEA, and the unrepresented groups. For measurement period of June 30, 2023, the District paid \$554,371 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of \$21,704,194 was measured as of June 30, 2023, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2023.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions, applied to all period included in the measurement, unless otherwise specified:

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age normal cost method
Inflation rate	2.50%
Investment rate of return	3.65%
Discount rate	3.65%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2021 CalPERS mortality for miscellaneous and schools employees were used.

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Changes in the Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2022	\$ 26,579,485	\$ -	\$ 26,579,485
Changes for the year:			
Service cost	1,324,485	-	1,324,485
Interest	954,562	-	954,562
Employer contributions	-	554,371	(554,371)
Experience gains/losses	(6,258,397)	-	(6,258,397)
Changes of assumptions	(341,570)	-	(341,570)
Expected benefit payments	(554,371)	(554,371)	-
Net change	(4,875,291)	-	(4,875,291)
Balance June 30, 2023	\$ 21,704,194	\$ -	\$ 21,704,194

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54 percent to 3.65 percent since the previous valuation.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

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

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

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.54%)
Net OPEB liability/(asset)	\$ 25,172,534	\$ 21,704,194	\$ 18,888,904

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease (3.00%)	Current Trend Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability/(asset)	\$ 19,044,178	\$ 21,704,194	\$ 25,043,432

OPEB Expense/(Benefit) and Deferred Outflows and Inflows of Resources related to OPEB

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,720,574
Change in assumptions	4,066,876	5,772,570
Investment gains and losses	-	-
District contributions subsequent to the measurement date	452,246	-
	<u>\$ 4,519,122</u>	<u>\$ 13,493,144</u>

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

OPEB Expense/(Benefit) and Deferred Outflows and Inflows of Resources related to OPEB, continued

The deferred outflows/(inflows) of resources for OPEB contributions subsequent to measurement date will be recognized as reduction of the total OPEB liability in the subsequent fiscal year. The remaining deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (1,031,587)
2026	(1,031,587)
2027	(1,031,587)
2028	(1,031,587)
2029	(1,031,587)
Thereafter	(4,268,333)
	<u>\$ (9,426,268)</u>

Medicare Premium Payment (MPP)

Program Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:
<http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Medicare Premium Payment (MPP), continued

Benefits Provided, continued

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

Net OPEB Liability and OPEB Expense

At June 30, 2024, the District reported a liability of \$246,485 for its proportionate share of the net OPEB liability/(asset) for the MPP Program. The net OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2022. The District’s proportion of the net OPEB liability/(asset) was based on a projection of the District’s long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District’s proportionate share for the measurement period June 30, 2023 and June 30, 2022, was 0.0812%, and 0.0735%, respectively, resulting in a net increase in the proportionate share of 0.0077%.

For the year ended June 30, 2024, the District recognized OPEB expense of \$4,229.

Actuarial Methods and Assumptions

The June 30, 2024 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total OPEB liability to June 30, 2023, using the assumptions listed in the following table:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.65%
Investment Rate of Return	3.65%
Medicare Part A Premium Cost Trend Rate*	4.50%
Medicare Part B Premium Cost Trend Rate*	5.40%

*The assumed increase in the Medicare Part A and Part B Cost Trend Rates vary by year; however, the increases are approximately equivalent to a 4.5% and 5.4% increase each year for Medicare Part A and Part B, respectively.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Medicare Premium Payment (MPP), continued

Actuarial Methods and Assumptions, continued

For the valuation as of June 30, 2022, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members’ age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 179 or an average of 0.13% of the potentially eligible population of 138,780.

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2023, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2023, is 3.65%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan’s fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.65%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2023, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 0.11% from 3.54% as of June 30, 2022.

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

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

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Net OPEB liability/(asset) - MPP Program	\$ 267,879	\$ 246,485	\$ 227,884

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Medicare Premium Payment (MPP), continued

Sensitivity of the District's Proportionate Share of the Net OPEB Liability/(Asset) to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the Medicare costs trend rates, as well as what the net OPEB liability/(asset) would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

	1% Decrease (3.50% Part A and 4.40% Part B)	Current Current (4.50% Part A and 5.40% Part B)	1% Increase (5.50% Part A and 6.40% Part B)
Net OPEB liability/(asset) - MPP Program	\$ 226,791	\$ 246,485	\$ 268,720

NOTE 12 – FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable				
Revolving cash	\$ 15,000	\$ -	\$ 950	\$ 15,950
Inventories	-	-	51,916	51,916
Total non-spendable	15,000	-	52,866	67,866
Restricted				
Legally restricted programs	8,913,066	-	-	8,913,066
Debt service	-	-	5,176,571	5,176,571
Capital projects	-	-	5,776,369	5,776,369
Child nutrition	-	-	2,813,537	2,813,537
Other restrictions	3,240,352	-	1,222,870	4,463,222
Total restricted	12,153,418	-	14,989,347	27,142,765
Committed				
Other commitments	17,643,866	-	-	17,643,866
Total committed	17,643,866	-	-	17,643,866
Assigned				
OPEB	3,210,225	-	-	3,210,225
Capital projects	-	34,355,037	63,325	34,418,362
Other assignments	2,909,090	-	1,923,448	4,832,538
Total assigned	6,119,315	34,355,037	1,986,773	42,461,125
Unassigned				
Reserve for economic uncertainties	2,821,814	-	-	2,821,814
Total unassigned	2,834,188	-	(198,274)	2,635,914
Total	\$ 38,765,787	\$ 34,355,037	\$ 16,830,712	\$ 89,951,536

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 – RISK MANAGEMENT

Description

The District's risk management activities are recorded in the General Fund. Employee life, health, vision, dental, disability, and workers' compensation programs are administered by the District. The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The District purchases insurance through West San Gabriel Property and Liability Joint Powers Authority for first party damage with coverage up to a maximum of \$50 million, subject to Self-Insured Retention of \$10,000 per occurrence. The District also purchases insurance for general liability claims with coverage up to \$5 million per occurrence with excess liability coverage up to \$50 million per occurrence with no aggregate, all subject to a \$10,000 Member Retained Limit per occurrence. The District purchases workers' compensation coverage from the West San Gabriel Workers' Compensation Joint Powers Authority with Statutory per occurrence limits with no deductibles.

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS

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

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 41,826,313	\$ 13,669,159	\$ 4,157,293	\$ 5,815,710
CalPERS	25,423,778	8,558,593	775,426	3,971,492
Total	<u>\$ 67,250,091</u>	<u>\$ 22,227,752</u>	<u>\$ 4,932,719</u>	<u>\$ 9,787,202</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Benefits Provided

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

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

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

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers’ Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District’s total contributions were \$6,344,935.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

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

At June 30, 2024, 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	\$ 41,826,313
State's proportionate share of the net pension liability associated with the District	20,040,525
Total	<u>\$ 61,866,838</u>

The net pension liability was measured as of June 30, 2023. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District’s proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.0549 percent and 0.0490 percent, resulting in an increase of 0.0059 percent in the proportionate share.

For the year ended June 30, 2024, the District recognized pension expense of \$5,815,710. In addition, the District recognized pension expense and revenue of (\$291,026) for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 176,948	\$ -
Differences between expected and actual experience	3,287,094	2,237,371
Changes in assumptions	242,190	-
Net changes in proportionate share of net pension liability	3,617,992	1,919,922
District contributions subsequent to the measurement date	6,344,935	-
Total	<u>\$ 13,669,159</u>	<u>\$ 4,157,293</u>

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

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

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (1,196,398)
2026	(1,934,483)
2027	4,144,843
2028	1,188,526
2029	416,594
Thereafter	547,849
	<u>\$ 3,166,931</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	38%	5.25%
Real Estate	15%	4.05%
Private Equity	14%	6.75%
Fixed Income	14%	2.45%
Risk Mitigating Strategies	10%	2.25%
Inflation Sensitive	7%	3.65%
Cash/Liquidity	2%	0.05%
	<u>100%</u>	

*20-year average. Real rates of return of net of assumed 2.75% inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these 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 total pension liability.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Discount Rate, continued

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 70,160,303	\$ 41,826,313	\$ 18,291,632

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	26.68%	26.68%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were \$3,461,108.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$25,423,778. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.0702 percent and 0.0693 percent, resulting in a net increase in the proportionate share of 0.0009 percent.

For the year ended June 30, 2024, the District recognized pension expense of \$3,971,492. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 2,715,622	\$ -
Differences between expected and actual experience	927,786	390,471
Changes in assumptions	1,171,263	-
Net changes in proportionate share of net pension liability	282,814	384,955
District contributions subsequent to the measurement date	3,461,108	-
Total	<u>\$ 8,558,593</u>	<u>\$ 775,426</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 1,153,533
2026	908,855
2027	2,114,477
2028	145,194
	<u>\$ 4,322,059</u>

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997, through June 30, 2015
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

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

*An expected inflation of 2.30% used for this period.

**Figures are based on the 2021-22 Asset Liability Management study.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Discount Rate

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 36,756,211	\$ 25,423,778	\$ 16,057,779

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$6,306,612. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 15 – COMMITMENTS AND CONTINGENCIES, continued

Litigation

The District is involved in various litigation arising from the normal course of business. There is one pending civil suit against the District in which the district prevailed in part of the matter and not in another part in the lower courts. The District has recorded a liability for an undisclosed amount related to this case since it is still ongoing.

Construction Commitments

As of June 30, 2024, the District did not have any commitments with respect to the unfinished capital projects.

NOTE 16 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS, JOINT POWERS AUTHORITIES AND OTHER RELATED PARTY TRANSACTIONS

The District is a member of the West San Gabriel Workers' Compensation Self-Insurance Authority and West San Gabriel Liability and Property Self-Insurance Authority. The relationship between the District and the JPAs is such that they are not a component unit of the District for financial reporting purposes.

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

During the year ended June 30, 2024, the District made payments of \$753,272 and \$1,000,025 to West San Gabriel Liability and Property Self-Insurance Authority and West San Gabriel Workers' Compensation Self-Insurance Authority, and West San Gabriel Valley Benefits Joint Powers Authority, respectively, for its property and liability and workers' compensation coverage.

NOTE 17 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2024 through December 15, 2024, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts*		Actual*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	\$ 64,392,702	\$ 64,601,113	\$ 64,631,232	\$ 30,119
Federal sources	5,082,337	5,402,963	4,271,930	(1,131,033)
Other state sources	7,934,295	9,265,114	12,933,940	3,668,826
Other local sources	6,446,257	8,560,648	8,685,192	124,544
Total Revenues	83,855,591	87,829,838	90,522,294	2,692,456
EXPENDITURES				
Certificated salaries	34,284,974	34,576,465	34,664,597	88,132
Classified salaries	12,529,364	12,560,013	12,556,762	(3,251)
Employee benefits	19,973,934	19,570,224	22,900,263	3,330,039
Books and supplies	6,728,380	4,821,737	5,372,293	550,556
Services and other operating expenditures	14,212,558	15,828,339	14,296,161	(1,532,178)
Capital outlay	22,200	330,448	319,034	(11,414)
Other outgo				-
Excluding transfers of indirect costs	1,788,558	2,573,805	2,300,886	(272,919)
Transfers of indirect costs	(77,774)	(77,774)	(133,158)	(55,384)
Total Expenditures	89,462,194	90,183,257	92,276,838	2,093,581
Excess/(Deficiency) of Revenues				
Over Expenditures	(5,606,603)	(2,353,419)	(1,754,544)	4,786,037
Other Financing Sources/(Uses):				
Transfers out	(450,000)	(450,000)	(450,000)	-
Other Financing Sources/(Uses)	(450,000)	(450,000)	(450,000)	-
NET CHANGE IN FUND BALANCE	(6,056,603)	(2,803,419)	(2,204,544)	598,875
Fund Balance - Beginning	37,760,106	37,760,106	37,760,106	-
Fund Balance - Ending	\$ 31,703,503	\$ 34,956,687	\$ 35,555,562	\$ 598,875

* General Fund amounts do not include activity related to the consolidation of the Fund 20, Special Reserve Fund for Postemployment Benefits as required by GASB Statement No. 54.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021
Total OPEB liability				
Service cost	\$ 1,324,485	\$ 1,801,638	\$ 1,868,331	\$ 1,323,917
Interest	954,562	678,468	651,146	790,322
Experience gains/(losses)	(6,258,397)	(30,870)	(965,637)	(100,470)
Changes of assumptions	(341,570)	(6,179,650)	753,885	5,053,257
Benefit payments	(554,371)	(430,544)	(450,875)	(304,690)
Net change in total OPEB liability	(4,875,291)	(4,160,958)	1,856,850	6,762,336
Total OPEB liability, beginning of year	26,579,485	30,740,443	28,883,593	22,121,257
Total OPEB liability, end of year (a)	\$ 21,704,194	\$ 26,579,485	\$ 30,740,443	\$ 28,883,593
Plan fiduciary net position				
Employer contributions	\$ 554,371	\$ 430,544	\$ 450,875	\$ 304,690
Expected benefit payments	(554,371)	(430,544)	(450,875)	(304,690)
Change in plan fiduciary net position	-	-	-	-
Fiduciary trust net position, beginning of year	-	-	-	-
Fiduciary trust net position, end of year (b)	\$ -	\$ -	\$ -	\$ -
Net OPEB liability/(asset), ending (a) - (b)	\$ 21,704,194	\$ 26,579,485	\$ 30,740,443	\$ 28,883,593
Covered payroll	N/A*	N/A*	N/A*	N/A*
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	N/A*	N/A*	N/A*	N/A*
Net OPEB liability/(asset) as a percentage of covered payroll	N/A*	N/A*	N/A*	N/A*

*The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

TEMPLE CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 1,315,939	\$ 1,375,212	\$ 1,338,406
Interest	852,064	821,278	697,918
Experience gains/(losses)	(2,576,040)	-	-
Changes of assumptions	888,142	(949,705)	-
Benefit payments	(326,141)	(408,921)	(393,193)
Net change in total OPEB liability	153,964	837,864	1,643,131
Total OPEB liability, beginning of year	21,967,293	21,129,429	19,486,298
Total OPEB liability, end of year (a)	\$ 22,121,257	\$ 21,967,293	\$ 21,129,429
Plan fiduciary net position			
Employer contributions	\$ 326,141	\$ 408,921	\$ 393,193
Expected benefit payments	(326,141)	(408,921)	(393,193)
Change in plan fiduciary net position	-	-	-
Fiduciary trust net position, beginning of year	-	-	-
Fiduciary trust net position, end of year (b)	\$ -	\$ -	\$ -
Net OPEB liability/(asset), ending (a) - (b)	\$ 22,121,257	\$ 21,967,293	\$ 21,129,429
Covered payroll	N/A*	N/A*	N/A*
Plan fiduciary net position as a percentage of the total OPEB liability	N/A*	N/A*	N/A*
Net OPEB liabilities/(asset) as a percentage of covered payroll	N/A*	N/A*	N/A*

*The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

TEMPLE CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET) – MPP
PROGRAM
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)			
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
District's proportion of the net OPEB liability	0.0812%	0.0735%	0.0755%	0.0897%
District's Proportionate Share of the Net OPEB Liability	\$ 246,485	\$ 242,256	\$ 301,032	\$ 379,983
District's Covered-Employee Payroll	N/A*	N/A*	N/A*	N/A*
Net OPEB liability as a Percentage of Covered Payroll	N/A*	N/A*	N/A*	N/A*
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.96%	-0.94%	-0.80%	-0.71%

* Plan participants are limited to retirees; therefore covered payroll is zero.

	Reporting Fiscal Year (Measurement Date)		
	2020 (2019)	2019 (2018)	2018 (2017)
District's proportion of the net OPEB liability	0.0909%	0.0917%	0.0914%
District's Proportionate Share of the Net OPEB Liability	\$ 338,334	\$ 351,073	\$ 384,513
District's Covered-Employee Payroll	N/A*	N/A*	N/A*
Net OPEB liability as a Percentage of Covered Payroll	N/A*	N/A*	N/A*
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.81%	-0.40%	0.01%

* Plan participants are limited to retirees; therefore covered payroll is zero.

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

TEMPLE CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
CalSTRS					
District's proportion of the net pension liability	0.0549%	0.0490%	0.0502%	0.0515%	0.0514%
District's proportionate share of the net pension liability	\$ 41,826,313	\$ 34,049,537	\$ 22,849,167	\$ 49,867,920	\$ 46,384,478
State's proportionate share of the net pension liability associated with the District	20,040,525	17,052,108	11,496,815	25,706,918	25,305,829
Total	\$ 61,866,838	\$ 51,101,645	\$ 34,345,982	\$ 75,574,838	\$ 71,690,307
District's covered-employee payroll	\$ 32,649,236	\$ 29,809,048	\$ 27,936,328	\$ 28,227,023	\$ 27,187,795
District's proportionate share of the net pension liability as percentage of covered-employee payroll	128%	114%	82%	177%	171%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%

	Reporting Fiscal Year (Measurement Date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
CalPERS					
District's proportion of the net pension liability	0.0702%	0.0693%	0.0703%	0.0708%	0.0720%
District's proportionate share of the net pension liability	\$ 25,423,778	\$ 23,830,041	\$ 14,300,782	\$ 21,729,520	\$ 20,974,419
District's covered-employee payroll	\$ 12,254,994	\$ 11,174,692	\$ 10,175,000	\$ 10,237,397	\$ 9,784,005
District's proportionate share of the net pension liability as percentage of covered-employee payroll	207%	213%	141%	212%	214%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%

TEMPLE CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS					
District's proportion of the net pension liability	0.0511%	0.0505%	0.0516%	0.0550%	0.0520%
District's proportionate share of the net pension liability	\$ 46,964,530	\$ 46,687,172	\$ 41,748,055	\$ 37,292,180	\$ 30,387,240
State's proportionate share of the net pension liability associated with the District	26,889,390	27,619,737	23,766,423	19,723,452	18,325,054
Total	\$ 73,853,920	\$ 74,306,909	\$ 65,514,478	\$ 57,015,632	\$ 48,712,294
District's covered-employee payroll	\$ 27,539,092	\$ 25,759,070	\$ 25,796,850	\$ 25,094,730	\$ 23,762,558
District's proportionate share of the net pension liability as percentage of covered-employee payroll	171%	181%	162%	149%	128%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%

	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS					
District's proportion of the net pension liability	0.0705%	0.0695%	0.0677%	0.0725%	0.0702%
District's proportionate share of the net pension liability	\$ 18,786,931	\$ 16,600,384	\$ 13,376,637	\$ 10,688,887	\$ 7,969,409
District's covered-employee payroll	\$ 10,578,102	\$ 8,481,063	\$ 8,104,617	\$ 8,021,026	\$ 7,382,337
District's proportionate share of the net pension liability as percentage of covered-employee payroll	178%	196%	165%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2024**

CalSTRS	Reporting Fiscal Year				
	2024	2023	2022	2021	2020
Statutorily required contribution	\$ 6,344,935	\$ 6,236,004	\$ 5,043,691	\$ 4,511,717	\$ 4,826,821
District's contributions in relation to the statutorily required contribution	6,344,935	6,236,004	5,043,691	4,511,717	4,826,821
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 33,219,555	\$ 32,649,236	\$ 29,809,048	\$ 27,936,328	\$ 28,227,023
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	16.92%	16.15%	17.10%
CalPERS	Reporting Fiscal Year				
	2024	2023	2022	2021	2020
Statutorily required contribution	\$ 3,461,108	\$ 3,109,092	\$ 2,560,122	\$ 2,106,225	\$ 2,018,917
District's contributions in relation to the statutorily required contribution	3,461,108	3,109,092	2,560,122	2,106,225	2,018,917
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 12,972,669	\$ 12,254,994	\$ 11,174,692	\$ 10,175,000	\$ 10,237,397
District's contributions as a percentage of covered-employee payroll	26.68%	25.37%	22.91%	20.70%	19.72%

TEMPLE CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2024

CalSTRS	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 4,426,173	\$ 3,973,891	\$ 3,240,491	\$ 2,768,002	\$ 2,228,412
District's contributions in relation to the statutorily required contribution	4,426,173	3,973,891	3,240,491	2,768,002	2,228,412
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 27,187,795	\$ 27,539,092	\$ 25,759,070	\$ 25,796,850	\$ 25,094,730
District's contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 1,767,187	\$ 1,642,885	\$ 1,177,850	\$ 960,154	\$ 944,155
District's contributions in relation to the statutorily required contribution	1,767,187	1,642,885	1,177,850	960,154	944,155
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 9,784,005	\$ 10,578,102	\$ 8,481,063	\$ 8,104,617	\$ 8,021,026
District's contributions as a percentage of covered-employee payroll	18.06%	15.53%	13.89%	11.85%	11.77%

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

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

Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, the plan's fiduciary net position, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms.
- *Changes of Assumptions* – The investment rate of return and discount rate changed from 3.54 percent to 3.65 percent from the previous valuation.

Schedule of the Proportionate Share of the Net OPEB Liability/(Asset) - MPP Program

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The plans discount rate was changed from 3.54 percent to 3.65 percent since the previous valuation.

Schedule of the Proportionate Share of the Net Pension Liability

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

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in assumptions since the previous valuation for CalSTRS. The consumer price inflation was changed from 2.50 percent to 2.30 percent since the previous valuation for CalPERS..

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 1 – PURPOSE OF SCHEDULES, continued

Schedule of Contributions – Pension

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

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2024, the District incurred an excess of expenditures over appropriations in General Fund presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Certificated salaries	\$ 34,576,465	\$ 34,664,597	\$ 88,132
Employee benefits	\$ 19,570,224	\$ 22,900,263	\$ 3,330,039
Books and supplies	\$ 4,821,737	\$ 5,372,293	\$ 550,556
Other outgo			
Transfers of indirect costs	\$ (77,774)	\$ (133,158)	\$ (55,384)

SUPPLEMENTARY INFORMATION

TEMPLE CITY UNIFIED SCHOOL DISTRICT
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2024

Temple City Unified School District was established on July 1, 1954 and consists of an area comprising approximately four square miles in the West San Gabriel Valley. The District operates four elementary schools, a middle school, a high school, a continuation high school, an adult education program, an independent student program, and preschool program. There were no boundary changes during the year.

GOVERNING BOARD		
Name	Office	Term Expires
Mary Sneed	President	December 2024
Vinson Bell	Vice President	December 2026
Matt W. Smith	Clerk	December 2024
Melissa Espinoza	Member	December 2024
Donna Georgino	Member	December 2026

ADMINISTRATION		
Art Cuncha <i>Superintendent</i>		
Connie Wu <i>Assistant Superintendent</i> <i>Business Services</i>		
Richard Lohman <i>Assistant Superintendent</i> <i>Educational Services</i>		
Tamar Kataroyan <i>Assistant Superintendent</i> <i>Human Resources Services</i>		

TEMPLE CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
<i>Passed Through California Department of Education</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13396	\$ 1,527,986
Supply Chain Assistance (SCA) Funds	10.555	15655	152,150
Total Child Nutrition Cluster			<u>1,527,986</u>
Total U.S. Department of Agriculture			<u>1,527,986</u>
Department of Health and Human Services			
<i>Passed Through California Department of Education</i>			
Advancing Wellness & Resilience in Education (NITT-AWARE) Program	93.243	15289	<u>52,236</u>
Total Department of Health and Human Services			<u>52,236</u>
U.S. Department of Education:			
<i>Passed Through California Department of Education</i>			
Special Education Cluster:			
IDEA Basic Local Assistance	84.027	13379	961,584
IDEA Preschool Grants, Part B, Section 619	84.173	13430	11,413
IDEA Mental Health	84.027A	15197	63,827
IDEA Preschool Staff Development	84.173	13431	<u>152</u>
Total Special Education Cluster			<u>1,036,976</u>
Education Stabilization Funds			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425D	15559	657,248
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	536,846
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	15620	337,303
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	<u>601,825</u>
Total Education Stabilization Funds			<u>2,133,222</u>
Adult Education: Secondary Education	84.002	13978	15,288
Adult Education: Adult Basic Education, English Language Acquisition, and ELCE (Section 231)	84.002A	14508	65,312
Title I Part A	84.010	14329	656,834
Title III, English Learner Student Program	84.365	14346	54,165
Title II, Part A, Supporting Effective Instruction	84.367	14341	147,375
Title IV Student Support & Academic Enrichment	84.424	15396	63,047
<i>Passed Through California Department of Rehabilitation</i>			
We Can Work	84.126	n/a	<u>28,525</u>
Total U.S. Department of Education			<u>4,200,744</u>
Total Federal Financial Assistance			<u>\$ 5,780,966</u>

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2024**

	Second Period Report	Annual Report
	Certification No. (1D2C9EE)	Certification No. (C6A8363D)
Regular ADA		
Transitional kindergarten through third	1,364.05	1,370.12
Fourth through sixth	1,096.64	1,101.88
Seventh and eighth	819.44	822.53
Ninth through twelfth	1,762.52	1,758.00
Total Regular ADA	5,042.65	5,052.53
Extended Year Special Education		
Transitional kindergarten through third	2.86	2.86
Fourth through sixth	1.72	1.72
Seventh and eighth	2.64	2.64
Ninth through twelfth	1.73	1.73
Total Extended Year Special Education	8.95	8.95
Special Education, Non-public, Nonsectarian Schools		
Transitional kindergarten through third	0.80	1.11
Fourth through sixth	-	-
Seventh and eighth	2.30	2.37
Ninth through twelfth	3.68	4.06
Total Special Education, Non-public, Nonsectarian Schools	6.78	7.54
Extended Year Special Education - Non-public		
Fourth through sixth	0.10	0.10
Ninth through twelfth	0.28	0.28
Total Extended Year Special Education - Non-public	0.38	0.38
ADA Totals	5,058.76	5,069.40

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2024**

Grade Level	Minutes Requirement	2023-24	Number of Days		Status
		Actual Minutes	Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	52,135	180	N/A	Complied
Grade 1	50,400	53,270	180	N/A	Complied
Grade 2	50,400	53,270	180	N/A	Complied
Grade 3	50,400	53,270	180	N/A	Complied
Grade 4	54,000	55,465	180	N/A	Complied
Grade 5	54,000	55,465	180	N/A	Complied
Grade 6	54,000	55,465	180	N/A	Complied
Grade 7	54,000	55,485	180	N/A	Complied
Grade 8	54,000	55,485	180	N/A	Complied
Grade 9	64,800	65,363	180	N/A	Complied
Grade 10	64,800	65,363	180	N/A	Complied
Grade 11	64,800	65,363	180	N/A	Complied
Grade 12	64,800	65,363	180	N/A	Complied

TEMPLE CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

	2025 (Budget)	2024	2023	2022
General Fund - Budgetary Basis**				
Revenues and Other Financing Sources	\$ 83,709,418	\$ 90,522,294	\$ 91,866,836	\$ 77,443,579
Expenditures and Other Financing Uses	92,234,150	92,726,838	82,824,193	71,762,175
Net Change in Fund Balance	(8,524,732)	(2,204,544)	9,042,643	5,681,404
Ending Fund Balance	\$ 21,349,426	\$ 29,874,158	\$ 32,078,702	\$ 23,036,059
Available Reserves*	\$ 2,756,288	\$ 2,834,188	\$ 2,524,735	\$ 16,270,548
Available Reserves as a Percentage of Outgo	3.0%	3.1%	3.0%	22.7%
Long-term Debt	\$ 192,128,169	\$ 196,375,659	\$ 193,091,486	\$ 178,992,892
Average Daily District ADA at P-2	5,011	5,059	4,998	5,061

The General Fund balance has increased by \$6,839,099 over the past two years. The fiscal year 2024-2025 budget projects a decrease of \$5,681,404, or 28.54%. For a district this size, the State recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have increased by \$17,382,767 over the past two years.

Average daily attendance has decreased by 2 over the past two years. Additional decline of 48 ADA is anticipated during fiscal year 2024-2025.

* Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund.

** General Fund amounts do not include activity related to the consolidation of the Fund 20, Special Reserve Fund for Postemployment Benefits as required by GASB Statement No. 54.

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Special Reserve Fund for Postemployment Benefits
June 30, 2024 annual financial and budget report fund balance	\$ 35,555,562	\$ 3,210,225
Adjustments and reclassifications		
Increase/(decrease) in total fund balance		
Fund balance transfer (GASB 54)	3,210,225	(3,210,225)
Fund 76 cash in county	1,337,839	
Fund 76 accounts receivable	1,092	
Fund 76 accounts payable	(1,338,931)	
Net adjustments and reclassifications	3,210,225	(3,210,225)
June 30, 2024 audited financial statements fund balance	\$ 38,765,787	\$ -

TEMPLE CITY UNIFIED SCHOOL DISTRICT
 SCHEDULE OF CHARTER SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2024

	Charter School	Number	Included in Audit Report
None noted		N/A	N/A

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024**

	Special Revenue Funds					Capital Projects Funds			Debt Service	Total Non-Major Governmental Funds
	Student Activity Special Revenue Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	
ASSETS										
Cash and cash equivalents	\$ 672,210	\$ 197,755	\$ 1,666,921	\$ 2,037,697	\$ 567,168	\$ 3,084,611	\$ 2,876,380	\$ 62,614	\$ 4,978,297	\$ 16,143,653
Accounts receivable	-	79,047	138,849	937,610	5,992	42,230	67,024	711	-	1,271,463
Inventories	11,430	-	-	40,486	-	-	-	-	-	51,916
Total Assets	\$ 683,640	\$ 276,802	\$ 1,805,770	\$ 3,015,793	\$ 573,160	\$ 3,126,841	\$ 2,943,404	\$ 63,325	\$ 4,978,297	\$ 17,467,032
LIABILITIES										
Accounts Payable	\$ 27,567	\$ 81,604	\$ 71,503	\$ 131,884	\$ -	\$ 293,876	\$ -	\$ -	\$ -	\$ 606,434
Total Liabilities	27,567	81,604	71,503	161,770	-	293,876	-	-	-	636,320
FUND BALANCES										
Non-spendable	12,380	-	-	40,486	-	-	-	-	-	52,866
Restricted	643,693	6,017	-	2,813,537	573,160	2,832,965	2,943,404	-	5,176,571	14,989,347
Assigned	-	189,181	1,734,267	-	-	-	-	63,325	-	1,986,773
Total Fund Balances	656,073	195,198	1,734,267	2,854,023	573,160	2,832,965	2,943,404	63,325	4,978,297	16,830,712
Total Liabilities and Fund Balances	\$ 683,640	\$ 276,802	\$ 1,805,770	\$ 3,015,793	\$ 573,160	\$ 3,126,841	\$ 2,943,404	\$ 63,325	\$ 4,978,297	\$ 17,467,032

See note to supplementary information.

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds					Capital Projects Funds			Debt Service	Total Non-Major Governmental Funds
	Student Activity Special Revenue Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	
REVENUES										
Federal sources	\$ -	\$ 80,600	\$ -	\$ 1,680,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,760,736
Other state sources	-	408,500	-	2,322,832	-	-	-	-	33,832	2,765,164
Other local sources	1,035,626	106,218	927,836	(15,492)	11,033	131,808	323,235	1,271	6,252,636	8,774,171
Total Revenues	1,035,626	595,318	927,836	3,987,476	11,033	131,808	323,235	1,271	6,286,468	13,300,071
EXPENDITURES										
Current										
Instruction	-	295,830	459,091	-	-	-	-	-	-	754,921
Instruction-related services										
Instructional supervision and administration	-	93,714	-	-	-	-	-	-	-	93,714
School site administration	-	151,153	141,624	-	-	-	-	-	-	292,777
Pupil services										
Food services	-	-	-	2,573,306	-	-	-	-	-	2,573,306
All other pupil services	-	1,334	-	-	-	-	-	-	-	1,334
General administration										
All other general administration	-	17,848	-	115,310	-	-	-	-	-	133,158
Plant services	-	22,462	-	-	-	-	-	-	-	22,462
Facilities acquisition and maintenance	-	-	-	-	-	2,437,681	-	-	-	2,437,681
Ancillary services	1,003,610	-	-	-	-	-	-	-	-	1,003,610
Enterprise activities	-	-	-	6,690	-	-	-	-	-	6,690
Debt service										
Principal	-	-	-	-	-	-	-	-	652,939	652,939
Interest and other	-	-	-	-	-	-	-	-	3,263,303	3,263,303
Total Expenditures	1,003,610	582,341	600,715	2,695,306	-	2,437,681	-	-	3,916,242	11,235,895
Excess/(Deficiency) of Revenues Over Expenditures	32,016	12,977	327,121	1,292,170	11,033	(2,305,873)	323,235	1,271	2,370,226	2,064,176
NET CHANGE IN FUND BALANCE	32,016	12,977	327,121	1,292,170	11,033	(2,305,873)	323,235	1,271	2,370,226	2,064,176
Fund Balance - Beginning	624,057	182,221	1,407,146	1,561,853	562,127	5,138,838	2,620,169	62,054	2,608,071	14,766,536
Fund Balance - Ending	\$ 656,073	\$ 195,198	\$ 1,734,267	\$ 2,854,023	\$ 573,160	\$ 2,832,965	\$ 2,943,404	\$ 63,325	\$ 4,978,297	\$ 16,830,712

See note to supplementary information.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 1 – PURPOSE OF SCHEDULES

Local Education Agency Organization Structure

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

Schedule of Expenditures of Federal Awards

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the Federal award activity of the Temple City Unified School District (the "District") under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position/fund balance of the District.

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

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

Schedule of Average Daily Attendance

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

Schedule of Instructional Time

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

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 1 – PURPOSE OF SCHEDULES, continued

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Charter Schools

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

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

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

OTHER INDEPENDENT AUDITORS' REPORTS



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

Board of Trustees
Temple City Unified School District
Temple City, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Temple City Unified School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



San Diego, California
December 15, 2024



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

Board of Trustees
Temple City Unified School District
Temple City, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Temple City Unified School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

CWDL, Certified Public Accountants

San Diego, California
December 15, 2024



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

Board of Trustees
Temple City Unified School District
Temple City, California

Report on Compliance

Opinion on State Compliance

We have audited Temple City Unified School District's (the "District") compliance with the requirements specified in the *2023-24 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, 2024.

In our opinion, the District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Yes
E. Continuation Education	Not applicable
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratios of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not applicable
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not applicable
N. Middle or Early College High Schools	Not applicable
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes

PROGRAM NAME	PROCEDURES PERFORMED
Q. Apprenticeship: Related and Supplemental Instruction	Yes
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Yes
TT. Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools:	
T. California Clean Energy Jobs Act	Not applicable
U. After/Before School Education and Safety Program	Not applicable
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not applicable
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded Learning Opportunities Program	Yes
EZ. Transitional Kindergarten	Yes
Charter Schools:	
AA. Attendance	Not applicable
BB. Mode of Instruction	Not applicable
CC. Nonclassroom-Based Instruction/Independent Study	Not applicable
DD. Determination of Funding for Nonclassroom-Based Instruction	Not applicable
EE. Annual Instructional Minutes - Classroom Based	Not applicable
FF. Charter School Facility Grant Program	Not applicable

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

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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, 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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

 CWDL, Certified Public Accountants

San Diego, California
December 15, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

TEMPLE CITY UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
JUNE 30, 2024

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Is a going concern emphasis-of-matter paragraph included in the auditors' report?	
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	
Identification of major programs:	<u>No</u>

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program of Cluster</u>
<u>10.555</u>	<u>Child Nutrition Cluster</u>
<u>84.027, 84.027A, 84.173</u>	<u>IDEA Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

STATE AWARDS

Internal control over state programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Noted</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

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

There were no financial statement findings for the year ended June 30, 2024.

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

FIVE DIGIT CODE

50000

AB3627 FINDING TYPES

Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2024.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

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

There were no state award findings or questioned costs for the year ended June 30, 2024.

**TEMPLE CITY UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

There were no findings or questioned costs for the year ended June 30, 2023.

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Temple City Unified School District (the “District”) in connection with the issuance of (i) \$ _____ of the District’s Election of 2012 General Obligation Bonds, Series D and (ii) \$ _____ of the District’s 2025 General Obligation Refunding Bonds (collectively, the “Bonds”). The Bonds are being issued pursuant to a resolutions of the District adopted for each respective series of the Bonds (the “Resolutions”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. 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, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean initially KeyAnalytics, a division of California Financial Services, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

“Financial Obligation” means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

“Official Statement” means that certain official statement, dated _____, 2025, relating to the offering and sale of the Bonds.

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

“Repository” shall mean, the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

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

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (presently ending June 30), commencing with the report for the 2024-25 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a timely notice to the Repository, no later than the date required in subsection (a) in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports. (a) The District’s Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District’s audited financial statements):

- (a) state funding received by the District as of the last completed fiscal year;
- (b) average daily attendance of the District for the last completed fiscal year;

- (c) outstanding District indebtedness, as of the last completed fiscal year;
- (d) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;
- (e) assessed valuations of taxable property within the District for the current fiscal year;
- (f) Secured tax charges and delinquency information for the District for the prior fiscal year, so long as the Teeter Plan is not in effect.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format, and accompanied by identifying information, prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.
2. tender offers.
3. defeasances.
4. rating changes.
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
6. unscheduled draws on the debt service reserves reflecting financial difficulties.
7. unscheduled draws on credit enhancement reflecting financial difficulties.
8. substitution of the credit or liquidity providers or their failure to perform.
9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or

governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. optional, contingent or unscheduled bond calls.
4. unless described under Section 5(a)(5) above material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.
8. incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the District, any of which affect bondholders.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give

notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and
- (d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this

Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2025

TEMPLE CITY UNIFIED SCHOOL DISTRICT

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: TEMPLE CITY UNIFIED SCHOOL DISTRICT

Name of Bond Issue: Election of 2012 General Obligation Bonds, Series D
2025 General Obligation Refunding Bonds

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

TEMPLE CITY UNIFIED SCHOOL DISTRICT

By _____ [form only; no signature required]

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APPENDIX D

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR TEMPLE CITY AND LOS ANGELES COUNTY

The following information concerning the City of Temple City (the “City”) and Los Angeles County (the “County”) is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the City or of the County. This material has been prepared by or excerpted from the sources as noted herein and has not been independently verified by the District, the Underwriter, the Municipal Advisor or Bond Counsel.

General

City of Temple City. Temple City is located in the West San Gabriel Valley, approximately five miles southeast of Pasadena and 13 miles northeast of downtown Los Angeles. Temple City was incorporated in 1960 and encompasses an area of approximately four square miles. The City operates under Council-Manager form of government. There are five council members, each of which serves a four-year term. The Mayor and Mayor Pro Tem are selected from among the council members.

Los Angeles County. Established by an act of the legislature of the State of California on February 18, 1850, the County encompasses an area of approximately 4,081 miles in southwestern California and borders 70 miles of coast on the Pacific Ocean. The County is home to 88 incorporated cities while more than 65% of the County remains unincorporated. In between the large desert portions of the County — which make up around 40% of its land area — and the heavily urbanized central and southern portions, sits the San Gabriel Mountains containing Angeles National Forest. Los Angeles is a Charter County governed by a five-member elected Board of Supervisors, each of whom serves alternating four-year terms.

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Population

The following table shows historical population figures for the City, the County and the State for the past 10 years of data that is currently available.

POPULATION ESTIMATES
2016 through 2025
City of Temple City, Los Angeles County and the State of California

<u>Year</u>	<u>City of Temple City</u>	<u>Los Angeles County</u>	<u>State of California</u>
2016	36,512	10,087,542	39,036,749
2017	36,436	10,107,312	39,273,915
2018	36,411	10,107,841	39,429,439
2019	36,436	10,067,476	39,503,656
2020	36,542	10,014,009	39,538,223
2021	36,476	9,966,353	39,369,530
2022	36,182	9,870,212	39,179,680
2023	36,084	9,834,286	39,228,444
2024	36,069	9,848,643	39,420,663
2025	36,322	9,876,811	39,529,101

Source: 2016-20 (2010 Demographic Research Unit Benchmark): California Department of Finance for May 2021. 2021-25 (2020 Demographic Research Unit Benchmark): California Department of Finance for January 1.

Personal Income

The following table shows per capita personal income for the County, the State, and the United States for the past 10 years of data currently available.

PER CAPITAL PERSONAL INCOME
2014 through 2023
Los Angeles County, State of California, and United States

<u>Year</u>	<u>Los Angeles County</u>	<u>State of California</u>	<u>United States</u>
2014	\$50,052	\$50,619	\$46,287
2015	53,067	53,817	48,060
2016	54,750	55,863	48,971
2017	56,635	58,214	51,004
2018	59,004	60,984	53,309
2019	62,604	64,219	55,566
2020	67,904	70,098	59,123
2021	73,343	76,882	64,460
2022	74,378	76,941	66,244
2023	78,302	81,255	69,810

Note: Per capital personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. Last updated: November 14, 2024 – new statistics for 2023; revised statistics for 2019-2022.

All dollar estimates are in current dollars (not adjusted for inflation).

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

Principal Employers

The following table lists the principal employers located in the County by number of employees.

LARGEST EMPLOYERS

2024

Los Angeles County⁽¹⁾

<u>Employer</u>	<u>Employees</u>
U.S. Government – Federal Executive Board	260,000
Los Angeles County ⁽²⁾	116,571
Los Angeles Unified School District	74,741
University of California, Los Angeles	54,148
Kaiser Permanente Southern California	47,438
City of Los Angeles ⁽³⁾	35,206
University of Southern California	24,099
Home Depot	12,000
UPS	11,542
Los Angeles Department of Water and Power	11,500
Long Beach Unified School District	11,000
Boeing Co.	10,783
Providence	10,153
Target Corp.	10,020
NBCUniversal	8,576
Cedars-Sinai	8,427
California Institute of Technology	8,419
Albertsons Cos.	7,476
Allied Universal	6,866
AT&T Inc.	6,475
City of Hope	6,427
City of Long Beach	6,000
Bank of America Corp.	5,490
Space Exploration Technologies Corp.	5,467
Children's Hospital Los Angeles	5,305
Amazon	5,200
Inter-Con Security	5,165
Costco Wholesale	5,143
California State University, Long Beach	5,000
Ralphs	4,435
Capital Group	4,251
California State University, Northridge	4,163
Los Angeles World Airports	4,000
Pomona Unified School District	4,000
CommonSpirit Health	3,360
Los Angeles County Metropolitan Transportation Authority	3,023

⁽¹⁾ This information was provided by representatives of the employers, company financial and annual budget reports and company LinkedIn profiles. Government agencies and companies are ranked by the current number of full-time employees in the County. Several organizations of companies may have qualified for this list but failed to submit information or do not break out local employment data.

⁽²⁾ Excludes law enforcement and judiciary employees.

⁽³⁾ Excludes proprietary departments (LADWP, LAWA, Port of L.A.).

Source: Los Angeles Business Journal, Weekly Lists, originally published August 26-September 1, 2024.

Employment

The following table summarizes the labor force, employment and unemployment figures for the past five years of data currently available for the City, the County and the State.

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGES
2020 through 2024
City of Temple City, Los Angeles County and State of California

<u>Year and Area</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate (%)</u>
<u>2020</u>				
City of Temple City	17,900	15,600	2,200	12.4
Los Angeles County	4,974,700	4,363,300	611,300	12.3
State of California	18,821,200	16,913,100	1,908,100	10.0
<u>2021</u>				
City of Temple City	17,700	16,300	1,400	7.9
Los Angeles County	5,007,600	4,558,900	448,700	9.0
State of California	19,041,000	18,127,700	913,300	4.8
<u>2022</u>				
City of Temple City	17,800	17,100	700	4.1
Los Angeles County	5,013,400	4,764,500	248,800	5.0
State of California	19,252,900	18,440,900	811,100	4.2
<u>2023</u>				
City of Temple City	17,800	17,100	700	4.1
Los Angeles County	5,015,600	4,763,600	252,000	5.0
State of California	19,308,300	18,388,300	920,000	4.8
<u>2024</u>				
City of Temple City	17,600	16,700	900	5.2
Los Angeles County	5,109,800	4,812,600	297,200	5.8
State of California	19,644,100	18,600,900	1,043,100	5.3

Note: Data is based on annual averages, unless otherwise specified, and is not seasonally adjusted.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2024 Benchmark.

Industry

The City and County are included in the Los Angeles-Long Beach-Glendale Metropolitan Division (the “MD”). The distribution of employment in the MD is presented in the following table for the past five calendar years of data currently available. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
2020 through 2024
Los Angeles-Long Beach-Glendale MD

<u>Category</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Farm	4,400	4,600	4,800	4,700	4,800
Mining and Logging	1,700	1,600	1,700	1,700	1,700
Manufacturing	315,400	313,100	321,700	319,200	310,800
Wholesale Trade	201,100	202,600	204,400	200,400	195,300
Retail Trade	375,700	396,100	406,500	407,200	400,100
Transportation, Warehousing and Utilities	207,900	215,200	223,600	218,800	218,600
Information	191,100	208,800	234,900	193,000	189,800
Financial Activities	213,200	213,200	215,700	211,000	208,700
Professional and Business Services	601,000	630,800	666,900	652,500	657,800
Educational and Health Services	821,700	844,400	871,100	914,500	969,400
Leisure and Hospitality	393,700	434,200	512,400	534,100	537,400
Other Services	128,800	135,700	153,000	157,800	158,400
Government	<u>570,200</u>	<u>560,200</u>	<u>570,000</u>	<u>582,300</u>	<u>591,100</u>
Total, All Industries	<u>4,172,500</u>	<u>4,309,700</u>	<u>4,537,900</u>	<u>4,548,200</u>	<u>4,594,700</u>

Note: Items may not add to total due to independent rounding.

Source: California Employment Development Department, Labor Market Information Division. March 2024 Benchmark.

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Commercial Activity

Summaries of annual taxable sale date for the past five years of data currently available for the City and County are shown in the following tables.

ANNUAL TAXABLE SALES
2020 through 2024
City of Temple City
(Dollars in Thousands)

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Outlets Taxable Transactions</u>
2020	543	\$119,360	933	\$130,651
2021	528	156,877	909	171,399
2022	528	191,439	922	207,895
2023	524	191,439	902	209,197
2024	551	191,193	927	207,892

Source: "Taxable Sales in California," California Department of Tax and Fee Administration.

ANNUAL TAXABLE SALES
2020 through 2024
Los Angeles County
(Dollars in Thousands)

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Taxable Transactions</u>
2020	226,643	\$113,415,974	376,990	\$157,737,984
2021	208,412	139,000,373	349,061	192,524,203
2022	210,441	150,622,623	354,092	213,716,609
2023	202,366	145,470,173	342,582	207,350,896
2024	202,854	141,136,404	344,742	202,317,676

Source: "Taxable Sales in California," California Department of Tax and Fee Administration.

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued for the past five years of data currently available for the City and County are shown in the following tables.

BUILDING PERMIT VALUATIONS 2019 through 2023 City of Temple City (Dollars in Thousands)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Valuation					
Residential	\$26,361	\$12,192	\$27,252	\$20,055	\$22,941
Non-Residential	<u>3,817</u>	<u>400</u>	<u>10,601</u>	<u>5,033</u>	<u>7,259</u>
Total	\$30,178	\$12,592	\$37,853	\$25,088	\$30,199
Units					
Single Family	73	42	46	59	65
Multiple Family	<u>0</u>	<u>0</u>	<u>73</u>	<u>2</u>	<u>2</u>
Total	73	42	119	61	67

Note: Totals may not sum because of rounding.

Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS 2019 through 2023 Los Angeles County (Dollars in Thousands)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Valuation					
Residential	\$6,554,316	\$5,678,400	\$6,020,503	\$7,126,963	\$5,097,976
Non-Residential	<u>6,589,602</u>	<u>3,513,049</u>	<u>1,863,348</u>	<u>1,863,348</u>	<u>3,989,678</u>
Total	\$13,143,918	\$9,191,449	\$7,883,851	\$8,990,311	\$9,087,654
Units					
Single Family	5,738	6,198	7,327	8,301	6,503
Multiple Family	<u>15,884</u>	<u>14,056</u>	<u>16,718</u>	<u>18,912</u>	<u>11,752</u>
Total	21,622	20,254	24,045	27,213	18,255

Note: Totals may not sum because of rounding.

Source: Construction Industry Research Board.

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APPENDIX E

LOS ANGELES COUNTY TREASURY POOL

The following information concerning the Los Angeles County (the “County”) Treasury Pool (the “Treasury Pool”) has been provided by the Treasurer-Tax Collector (the “Treasurer”), and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriter. None of the District, the Municipal Advisor or the Underwriter has made an independent investigation of the investments in the Treasury Pool nor any assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer may change the investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, none of the District, the Municipal Advisor or the Underwriter makes any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained is correct as of any time subsequent to its date. Further information may be obtained from the Treasurer at the following website: <https://ttc.lacounty.gov/>. However, the information presented on such website is not incorporated into this Official Statement by any reference.

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THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS

The Treasurer and Tax Collector (Treasurer) of Los Angeles County has the delegated authority to invest funds on deposit in the County Treasury (Treasury Pool). As of March 31, 2025, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

<u>Local Agency</u>	<u>Invested Funds (in billions)</u>
County of Los Angeles and Special Districts	\$23.546
Schools and Community Colleges	29.273
Discretionary Participants	<u>3.600</u>
Total	\$56.419

The Treasury Pool participation composition is as follows:

Non-discretionary Participants	93.63%
Discretionary Participants:	
Independent Public Agencies	6.25%
County Bond Proceeds and Repayment Funds	<u>0.12%</u>
Total	100.00%

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer's prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 11, 2025, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer prepares a monthly Report of Investments summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Report of Investments dated April 30, 2025, the March 31, 2025, book value of the Treasury Pool was approximately \$56.419 billion, and the corresponding market value was approximately \$54.769 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer's Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances daily. The Compliance Auditor's staff also reviews each investment trade for accuracy and compliance with the Board adopted Investment Policy. On a quarterly basis, the County's outside independent auditor (External Auditor) reviews the cash and investment reconciliations for completeness and accuracy. Additionally, the External Auditor reviews investment transactions on a quarterly basis for conformance with the approved Investment Policy and annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of March 31, 2025:

<u>Type of Investment</u>	<u>% of Pool</u>
Certificates of Deposit	2.93
U.S. Government and Agency Obligations	69.95
Bank Acceptances	0.00
Commercial Paper	27.07
Municipal Obligations	0.05
Corporate Notes & Deposit Notes	0.00
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	<u>0.00</u>
	100.00

The Treasury Pool is highly liquid. As of March 31, 2025, approximately 45.01% of the investments mature within 60 days, with an average of 649 days to maturity for the entire portfolio.

TreasPool Update
03/31/2025

APPENDIX F

TABLE OF ACCRETED VALUES

