NEW ISSUE – BOOK ENTRY ONLY **RATING: Moody's: "Aa3"**
(See "RATING" herein.)

In the opinion of Dannis Woliver Kelley, Bond Counsel to the District, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California, and, assuming continuing compliance after the date of initial delivery of the Bonds with certain covenants contained in the Resolution authorizing the Bonds and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds, and will not be included in computing the alternative minimum taxable income of the owners thereof; however, interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein.

$32,000,000
CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT
(Sonoma County, California)
GENERAL OBLIGATION BONDS,
2022 ELECTION, 2023 SERIES A

Dated: Date of Delivery **Due: August 1, as shown on inside cover.**

The City of Santa Rosa Elementary School District (Sonoma County, California) General Obligation Bonds, 2022 Election, 2023 Series A (the "Bonds") are being issued by the City of Santa Rosa Elementary School District (the "District") to finance the acquisition, construction, furnishing and equipping of District facilities and to pay certain costs of issuance associated therewith, as more fully described herein under the caption "THE PROJECTS." The Bonds were authorized at an election within the District held on November 8, 2022 (the "Election") at which at least fifty-five percent of the registered voters voting on the proposition voted to authorize the issuance and sale of $125,000,000 aggregate principal amount of general obligation bonds of the District (the "Authorization"). The Bonds are the first series of general obligation bonds issued under the Authorization. The Bonds are issued on a parity basis with all other outstanding general obligation bonds of the District.

The Bonds are general obligations of the District only and are not obligations of Sonoma County (the "County"), the State of California or any of its other political subdivisions. The Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* property taxes without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable.

Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2023. See ''THE BONDS'' herein.

The Bonds will be issued in book-entry form only, in denominations of $5,000 or integral multiples thereof. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchasers will not receive certificates representing their interests in the Bonds. Payments on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as Paying Agent, to DTC for subsequent disbursement to DTC participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry Only System."

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

MATURITY SCHEDULE
On Inside Cover

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.

The Bonds will be offered when, as and if issued and received by the Underwriter subject to the approval of legality by Dannis Woliver Kelley, Long Beach, California, Bond Counsel, and certain other conditions. Dannis Woliver Kelley, Long Beach, California, is acting as Disclosure Counsel for the issue. Certain matters will be passed upon for the Underwriter by its counsel, Norton Rose Fulbright US LLP, Los Angeles, California. It is anticipated that the Bonds will be available for delivery in definitive form in New York, New York, through the facilities of DTC on or about April 18, 2023.

RAYMOND JAMES®

The Date of this Official Statement is: March 29, 2023.

MATURITY SCHEDULE

$32,000,000
CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT
(Sonoma County, California)
GENERAL OBLIGATION BONDS,
2022 ELECTION, 2023 SERIES A

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[1] (802598)
2024	$1,815,000	5.000%	2.390%	QA3
2025	2,275,000	5.000	2.310	QB1
2026	595,000	5.000	2.190	QC9
2027	695,000	5.000	2.150	QD7
2034	395,000	5.000	2.380[C]	QE5
2035	465,000	5.000	2.550[C]	QF2
2036	535,000	5.000	2.760[C]	QG0
2037	610,000	5.000	2.910[C]	QH8
2038	690,000	5.000	3.030[C]	QJ4
2039	775,000	5.000	3.140[C]	QK1
2040	870,000	5.000	3.320[C]	QL9
2041	970,000	5.000	3.400[C]	QM7
2042	1,075,000	5.000	3.460[C]	QN5
2043	1,185,000	5.000	3.560[C]	QP0

$2,725,000 4.000% Term Bonds due August 1, 2045; Yield 4.110%, CUSIP 802598QQ8[1]

$5,015,000 4.000% Term Bonds due August 1, 2048; Yield 4.150%, CUSIP 802598QR6[1]

$11,310,000 4.000% Term Bonds due August 1, 2053; Yield 4.200%, CUSIP 802598QS4[1]

[1] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter, or their agents or counsel assumes responsibility for the accuracy of such numbers.

[C] Yield to par call on August 1, 2032.

SANTA ROSA CITY SCHOOLS
Sonoma County, California

Board of Education*

Stephanie Manieri, *President*
Omar Medina, *Vice President*
Alegria De La Cruz, *Director*
Ever Flores, *Director*
Roxanne McNally, *Director*
Ed Sheffield, *Director*

District Administrators

Anna Trunnell, *Superintendent*
Lisa Cavin, *Associate Superintendent, Business Services*
Dr. Roderick Castro, *Assistant Superintendent, Educational Services*
Michael Shepherd, *Assistant Superintendent, Human Resources*

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Dannis Woliver Kelley
Long Beach, California

Municipal Advisor

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

Paying Agent, Transfer Agent, Registration Agent

The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

* Laurie Fong, former Clerk of the Board, recently resigned from the Board in order to serve as the Principal of a Santa Rosa City Schools high school. Santa Rosa City Schools is in the process of determining a replacement.

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(continued)

No dealer, broker, salesperson or other person has been authorized by the City of Santa Rosa Elementary School District (the "District") to provide any information or to make any representations other than as contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell, 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 described herein, are intended solely as such and are not to be construed as a representation of facts.

The information and expressions of opinion herein are subject to change without notice and neither 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. Although certain information set forth in this Official Statement has been provided by Sonoma County has not approved this Official Statement and is not responsible for the accuracy or completeness of the statements contained in this Official Statement except for the information set forth under the caption "SONOMA COUNTY POOLED INVESTMENT FUND."

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 offered hereby at levels above those that 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 securities dealers, institutional investors, banks or others at prices lower or higher than the public offering prices stated on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

Santa Rosa City Schools maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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.

$32,000,000
CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT
(Sonoma County, California)
GENERAL OBLIGATION BONDS,
2022 ELECTION, 2023 SERIES A

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover 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 City of Santa Rosa Elementary School District (the "District") proposes to issue $32,000,000 aggregate principal amount of its General Obligation Bonds, 2022 Election, 2023 Series A under and pursuant to a bond authorization (the "Authorization") for the issuance and sale of not more than $125,000,000 of general obligation bonds approved by 55% or more of the qualified voters of the District voting on the proposition at a general election held on November 8, 2022 (the "Election"). The Bonds are the first series of general obligation bonds issued under the Authorization. Subsequent to the issuance of the Bonds, $93,000,000 aggregate principal amount of general obligation bonds will remain for issuance pursuant to the Authorization.

Proceeds from the sale of the Bonds will be used to finance the acquisition, construction, furnishing and equipping of District facilities and to pay certain costs of issuance associated therewith. See "THE PROJECTS" herein.

The Bonds are issued on a parity basis with each other and all outstanding general obligation bonds of the District.

Registration

The Bank of New York Mellon Trust Company, N.A. will act as the initial registrar, transfer agent and paying agent for the Bonds (the "Paying Agent"). As long as The Depository Trust Company, New York, New York ("DTC") is the registered owner of the Bonds and DTC's book entry-method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. See "THE BONDS – Description of the Bonds" herein.

The District

The District, together with the City of Santa Rosa High School District (the "High School District"), operates as Santa Rosa City Schools ("Santa Rosa City Schools"). Pursuant to Section 35110 *et seq.* of the Education Code of the State of California (the "State"), on April 26, 1983, the Board of Education of the District (the "Board") adopted Resolution No. E-349 which deemed the District and the High School District to be a single school district for all purposes, including, but not limited to, budget and personnel matters, and the governing board of the District and the governing board of the High School District, together, to be the governing board of a single school district. Each of the District and the High School District, however, continue to hold title to property in their own name and any indebtedness for such property also remains the indebtedness of each separate district. The District and the High School District incur bonded indebtedness as separate school districts.

The District is located in the northern San Francisco Bay Area in Sonoma County (the "County") approximately 50 miles north of San Francisco and 85 miles northwest of Sacramento and consists primarily of the City of Santa Rosa (the "City"). The District provides kindergarten through sixth grade education services in 9 elementary schools and one virtual learning environment. In addition, the District includes three charter schools. Students from the District, as well as eight distinct elementary districts, feed students into the High School District. The average daily attendance ("ADA") for Santa Rosa City Schools for fiscal year 2022-23, as of the Second Interim Report, is 13,090 students, and the District has a 2022-23 total assessed valuation of $11,738,491,291. The audited financial statements for Santa Rosa City Schools for the fiscal year ended June 30, 2022 are attached hereto as APPENDIX B. For further information concerning the District, see the caption "CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT" 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 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 interest on the Bonds when due. See "SECURITY FOR THE BONDS" and "TAX BASE FOR REPAYMENT OF THE BONDS" herein.

Continuing Disclosure

The District has covenanted that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement executed by the District in connection with the Bonds. See "THE BONDS – Continuing Disclosure Agreement," "CONTINUING DISCLOSURE" herein and "APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

Professionals Involved in the Offering

Dannis Woliver Kelley, Long Beach, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, is acting as registrar, transfer agent and paying agent for the Bonds. Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, California, is acting as Municipal Advisor to the District in connection with the issuance of the Bonds. Norton Rose Fulbright US LLP, Los Angeles, California, is acting as counsel to the Underwriter with respect to the Bonds. Dannis Woliver Kelley, The Bank of New York Mellon Trust Company, N.A. and Isom Advisors, a Division of Urban Futures, Inc. will receive compensation from the District contingent upon the sale and delivery of the Bonds. Norton Rose Fulbright US LLP will also receive compensation contingent upon the sale and delivery of 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," "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.

Closing Date

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 on or about April 18, 2023.

THE BONDS

Authority for Issuance

The Bonds are general obligations of the District. The Bonds are being issued by the District under the provisions of Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the Government Code of the State (the "Government Code") (commencing with Section 53506) and pursuant to a resolution of the Board of Education of the District (the "Board") adopted on March 8, 2023 (the "Resolution").

Purpose of Issue

The net proceeds of the Bonds will be used to finance certain capital improvements for the District as specified in the District bond proposition submitted at the Election which includes upgrading Santa Rosa elementary school classrooms, science labs, learning technology and art and music classrooms; repairing and replacing deteriorating portables, leaky roofs inefficient heating, cooling, electrical, and plumbing systems and improving campus security, fire and earthquake safety. See also, "THE PROJECTS" herein.

Description of the Bonds

The Bonds will be dated their date of delivery and will be issued only as fully registered bonds in denominations of $5,000 principal amount or integral multiples thereof.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the owners or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the beneficial owners of the Bonds.

Book-Entry Only System

The Bonds will be issued under a book-entry system, evidencing ownership of the Bonds in denominations of $5,000 principal amount or integral multiples thereof, with no physical distribution of Bonds made to the public. DTC will act as depository for the Bonds, which will be immobilized in their custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC. For further information regarding DTC and the book entry system, see APPENDIX F hereto.

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest or premium, if any, on the Bonds are payable by wire transfer or New York Clearing House or by wire transfer of same day funds by The Bank of New York Mellon Trust Company, N.A., as Paying Agent, to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC participants for subsequent disbursement to the beneficial owners. See "APPENDIX F – BOOK-ENTRY ONLY SYSTEM" herein.

Payment of the Bonds

Principal of the Bonds is payable on August 1 commencing August 1, 2024 and on August 1 thereafter, of each of the years as shown on the inside front cover hereto, until maturity or the earlier redemption thereof. Interest on the Bonds is payable commencing August 1, 2023, and semiannually thereafter on February 1 and August 1 of each year (each, an "Interest Payment Date"). The Bonds shall be issued in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof.

Interest on each Bond shall accrue from its dated date at the interest rates applicable thereto as set forth on the inside cover page hereof. Interest shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date (the "Record Date"). Interest with respect to each Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of $1,000,000 or more of such Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest.

Redemption

Optional Redemption of Bonds. The Bonds maturing on or before August 1, 2027 are not subject to redemption prior to their stated maturity dates. The Bonds maturing on and after August 1, 2034 are subject to redemption prior to maturity, at the option of the District, from any available source of funds, on August 1, 2032, or on any date thereafter, at a price equal to the principal amount thereof to be redeemed, without premium, together with accrued interest thereon to the redemption date.

Mandatory Redemption of the Bonds. The Bonds maturing on August 1, 2045 are subject to redemption from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2044, at a redemption price equal to the principal amount thereof as of the date set for such redemption, without premium, together with accrued interest thereon to the redemption date. The principal amount to be so redeemed and the dates therefor and the final payment date is as indicated in the following table:

Mandatory Sinking Fund Payment Date (August 1)	Principal Amount to be Redeemed
2044	$1,305,000
2045 [1]	1,420,000

[1] Maturity.

The Bonds maturing on August 1, 2048 are subject to redemption from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2046, at a redemption price equal to the principal amount thereof as of the date set for such redemption, without premium, together with accrued interest thereon to the redemption date. The principal amount to be so redeemed and the dates therefor and the final payment date is as indicated in the following table:

Mandatory Sinking Fund Payment Date (August 1)	Principal Amount to be Redeemed
2046	$1,540,000
2047	1,670,000
2048 [1]	1,805,000

[1] Maturity.

The Bonds maturing on August 1, 2053 are subject to redemption from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2049, at a redemption price equal to the principal amount thereof as of the date set for such redemption, without premium, together with accrued interest thereon to the redemption date. The principal amount to be so redeemed and the dates therefor and the final payment date is as indicated in the following table:

Mandatory Sinking Fund Payment Date (August 1)	Principal Amount to be Redeemed
2049	$1,945,000
2050	2,095,000
2051	2,255,000
2052	2,420,000
2053 [1]	2,595,000

[1] Maturity.

In the event that a portion of the Bonds maturing on August 1, 2045, August 1, 2048 or August 1, 2053 is optionally redeemed, 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 principal amount of such Bonds optionally redeemed.

Selection of Bonds for Redemption

If less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 45 days prior to the date designated for such redemption, shall select Bonds for redemption in such order as the District may direct, or, in the absence of such direction, in inverse order of maturity within a series. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption

When redemption is authorized, the Paying Agent, upon written instruction from the District given at least 30 days prior to the date designated for such redemption, shall give notice of the redemption of the Bonds. Such redemption notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such redemption notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with the interest accrued to the redemption date, and that from and after such date interest with respect thereto shall cease to accrue or accrete and be payable.

At least 20 but not more than 60 days prior to the redemption date, such redemption notice shall be given to the respective Owners of Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the records of the Paying Agent held on behalf of the District listing the names and address of the owners of the Bonds ("Bond Register"). Notice of redemption may be given on a conditional basis in contemplation of a refunding of the Bonds.

Right to Rescind Notice of Redemption

The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Debt Service Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the Principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Effect of Notice of Redemption

When notice of redemption has been given substantially as provided in the Resolution and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside for the payment of their redemption price, the Bonds to be redeemed shall become due and payable on such date of redemption. If on such redemption date, money for the redemption of all the Bonds to be redeemed, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity shall be cancelled upon surrender thereof and delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

Transfer and Exchange

If the Bonds are no longer in book-entry-only form, any Bond may be exchanged for Bonds of like tenor, series, maturity and principal amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the 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 principal office of the Paying Agent together with an assignment executed by the Owner or 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 principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Defeasance

All obligations of the District and the Paying Agent under the Resolution with respect to outstanding bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of the Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under the Resolution, if any or all outstanding Bonds shall be paid and discharged in any one or more of the following ways: (a) by well and truly paying or causing to be paid the principal of and interest on all Bonds outstanding, as and when the same become due and payable; (b) by depositing with the Paying Agent, in trust, at or before maturity, cash which, together with the amounts then on deposit in the Debt Service Fund plus the interest to accrue thereon without the need for further investment, is fully sufficient to pay all Bonds outstanding on their redemption date or at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or (c) by depositing with an institution to act as escrow agent selected by the District and which meets the requirements of serving as Paying Agent pursuant to the Resolution, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America and described under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient, in the opinion of a verification agent satisfactory to the District, to pay and discharge all Bonds outstanding on their redemption date or at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment.

Continuing Disclosure Agreement

In accordance with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission, the District will enter into a Continuing Disclosure Agreement (the

"Continuing Disclosure Agreement") in the form of APPENDIX D hereto, on or prior to the delivery of the Bonds in which the District will undertake, for the benefit of the beneficial owners of the Bonds, to provide certain information as set forth therein. See "CONTINUING DISCLOSURE" herein and "APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

SOURCES AND USES OF FUNDS

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

Sources of Funds	The Bonds
Principal Amount of Bonds	$32,000,000.00
Net Original Issue Premium	888,578.05
Total Sources	$32,888,578.05
Uses of Funds	
Deposit to Building Fund	$31,830,000.00
Deposit to Debt Service Fund	792,578.05
Costs of Issuance[(1)]	266,000.00
Total Uses	$32,888,578.05

(1) Includes Underwriter's discount, Bond and Disclosure Counsel fees, Municipal Advisory fees, paying agent fees, rating agency fees and other costs of issuance.

Application of Proceeds

The net proceeds from the sale of the Bonds (other than premium) shall be paid to the County to the credit of the City of Santa Rosa Elementary School District Building Fund (the "Building Fund") established pursuant to the Resolution and shall be disbursed for the payment of the costs of acquiring and constructing the projects (as described below). Any premium or accrued interest received by the District from the sale of the Bonds will be deposited in the Debt Service Fund. Earnings on the investment of moneys in either the Building Fund or the Debt Service Fund will be retained in the respective fund and used only for the purposes to which the respective fund may lawfully be applied. Moneys in the Debt Service Fund may only be applied to make payments of principal of and interest, and premium, if any, on bonds of the District. All funds held in the Building Fund and the Debt Service Fund will be invested by the Sonoma County Treasurer-Tax Collector (the "Treasurer").

DEBT SERVICE SCHEDULES

The following table summarizes the principal and interest payments on the Bonds, assuming no optional redemption.

DEBT SERVICE ON THE BONDS

Bond Year Ending August 1	Principal	Interest	Total Annual Debt Service
2023	$ --	$ 403,273.61	$ 403,273.61
2024	1,815,000.00	1,409,500.00	3,224,500.00
2025	2,275,000.00	1,318,750.00	3,593,750.00
2026	595,000.00	1,205,000.00	1,800,000.00
2027	695,000.00	1,175,250.00	1,870,250.00
2028	--	1,140,500.00	1,140,500.00
2029	--	1,140,500.00	1,140,500.00
2030	--	1,140,500.00	1,140,500.00
2031	--	1,140,500.00	1,140,500.00
2032	--	1,140,500.00	1,140,500.00
2033	--	1,140,500.00	1,140,500.00
2034	395,000.00	1,140,500.00	1,535,500.00
2035	465,000.00	1,120,750.00	1,585,750.00
2036	535,000.00	1,097,500.00	1,632,500.00
2037	610,000.00	1,070,750.00	1,680,750.00
2038	690,000.00	1,040,250.00	1,730,250.00
2039	775,000.00	1,005,750.00	1,780,750.00
2040	870,000.00	967,000.00	1,837,000.00
2041	970,000.00	923,500.00	1,893,500.00
2042	1,075,000.00	875,000.00	1,950,000.00
2043	1,185,000.00	821,250.00	2,006,250.00
2044	1,305,000.00	762,000.00	2,067,000.00
2045	1,420,000.00	709,800.00	2,129,800.00
2046	1,540,000.00	653,000.00	2,193,000.00
2047	1,670,000.00	591,400.00	2,261,400.00
2048	1,805,000.00	524,600.00	2,329,600.00
2049	1,945,000.00	452,400.00	2,397,400.00
2050	2,095,000.00	374,600.00	2,469,600.00
2051	2,255,000.00	290,800.00	2,545,800.00
2052	2,420,000.00	200,600.00	2,620,600.00
2053	2,595,000.00	103,800.00	2,698,800.00
Total	$32,000,000.00	$27,080,023.61	$59,080,023.61

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The following table shows the annual debt service payments on all of the District's outstanding general obligation bonds, comprising the General Obligation Bonds, 2014 Election, 2016 Series A (the "Series A Bonds"), the General Obligation Bonds, 2014 Election, 2016 Series C (the "Series C Bonds"), the General Obligation Bonds, 2014 Election, 2018, Series D (the "Series D Bonds"), the General Obligation Bonds, 2014 Election, 2021 Series F (the "Series F Bonds"), the 2021 General Obligation Refunding Bonds, Series A (the "Series A Refunding Bonds"), the 2021 General Obligation Refunding Bonds, Series B (the "Series B Refunding Bonds"), the 2022 General Obligation Refunding Bonds (the "2022 Refunding Bonds") and the Bonds.

CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT
Debt Service Schedule for Outstanding General Obligation Bonds

Period Ending August 1	Series A Bonds	Series C Bonds	Series D Bonds	Series F Bonds	Series A Refunding Bonds	Series B Refunding Bonds	2022 Refunding Bonds	The Bonds	Total Debt Service
2023	$305,350.00	$ 195,750.00	$ 8,000.00	$ 694,800.00	$ 414,800.00	$ 789,743.20	$ 904,711.40	$ 403,273.61	$3,716,428.21
2024	304,800.00	218,000.00	8,000.00	739,600.00	410,600.00	786,864.96	904,877.80	3,224,500.00	6,597,242.76
2025	307,200.00	243,750.00	8,000.00	782,400.00	411,000.00	792,362.70	904,967.80	3,593,750.00	7,043,430.50
2026	307,200.00	267,750.00	168,000.00	668,200.00	410,800.00	794,917.16	904,981.40	1,800,000.00	5,321,848.56
2027	306,700.00	--	--	693,200.00	--	790,507.80	1,389,021.70	1,870,250.00	5,049,679.50
2028	305,700.00	--	--	727,000.00	--	798,837.80	1,430,566.60	1,140,500.00	4,402,604.40
2029	304,200.00	--	--	754,200.00	--	375,316.60	1,482,353.80	1,140,500.00	4,056,570.40
2030	304,600.00	--	--	785,000.00	--	378,073.40	1,531,048.50	1,140,500.00	4,139,221.90
2031	304,600.00	--	--	814,200.00	--	--	1,585,678.60	1,140,500.00	3,844,978.60
2032	304,200.00	--	--	851,800.00	--	--	1,636,020.90	1,140,500.00	3,932,520.90
2033	306,100.00	--	--	887,400.00	--	--	1,686,131.20	1,140,500.00	4,020,131.20
2034	307,700.00	--	--	916,000.00	--	--	1,741,953.70	1,535,500.00	4,501,153.70
2035	309,000.00	--	--	957,800.00	--	--	1,792,265.20	1,585,750.00	4,644,815.20
2036	--	--	--	1,172,200.00	--	--	1,983,149.40	1,632,500.00	4,787,849.40
2037	--	--	--	1,227,200.00	--	--	2,030,616.60	1,680,750.00	4,938,566.60
2038	--	--	--	1,273,800.00	--	--	2,082,489.10	1,730,250.00	5,086,539.10
2039	--	--	--	1,327,200.00	--	--	2,132,571.60	1,780,750.00	5,240,521.60
2040	--	--	--	1,367,000.00	--	--	2,200,836.20	1,837,000.00	5,404,836.20
2041	--	--	--	1,408,600.00	--	--	2,271,697.00	1,893,500.00	5,573,797.00
2042	--	--	--	2,506,800.00	--	--	1,288,986.60	1,950,000.00	5,745,786.60
2043	--	--	--	2,579,200.00	--	--	--	2,006,250.00	4,585,450.00
2044	--	--	--	--	--	--	--	2,067,000.00	2,067,000.00
2045	--	--	--	--	--	--	--	2,129,800.00	2,129,800.00
2046	--	--	--	--	--	--	--	2,193,000.00	2,193,000.00
2047	--	--	--	--	--	--	--	2,261,400.00	2,261,400.00
2048	--	--	--	--	--	--	--	2,329,600.00	2,329,600.00
2049	--	--	--	--	--	--	--	2,397,400.00	2,397,400.00
2050	--	--	--	--	--	--	--	2,469,600.00	2,469,600.00
2051	--	--	--	--	--	--	--	2,545,800.00	2,545,800.00
2052	--	--	--	--	--	--	--	2,620,600.00	2,620,600.00
2053	--	--	--	--	--	--	--	2,698,800.00	2,698,800.00
Total	$3,977,350.00	$ 925,250.00	$192,000.00	$23,133,600.00	$1,647,200.00	$5,506,623.62	$31,884,925.10	$59,080,023.61	$126,346,972.33

SECURITY FOR THE BONDS

General

The Bonds are general obligations of the District, and the Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* taxes upon all property within the District subject to taxation by the County, without limitation as to rate or amount (except certain personal property which is taxable at limited rates) for payment of both principal of and interest on the Bonds. The District received authorization to issue $125,000,000 principal amount of general obligation bonds pursuant to an election of the qualified electors within the District on November 8, 2022. Subsequent to the issuance of the Bonds, $93,000,000 aggregate principal amount of general obligation bonds will remain for issuance under the Authorization.

Property Taxation System

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

Local property taxation is the responsibility of various county officers. School districts whose boundaries extend into more than one county are treated for property tax purposes as separate jurisdictions in each county in which they are located. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer and tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the treasurer and tax collector, as *ex officio* treasurer of each school district located in the county, holds school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on the bonds when due.

Restrictions on use of *Ad Valorem* Taxes and Statutory Lien on Debt Service

Under State of California (the "State") law, school districts may levy *ad valorem* taxes (in addition to their share of the 1% county tax to pay operating expenses) only to pay principal of and interest on general obligation bonds that, like the Bonds, are approved at an election to finance specified projects or are bonds issued to refund such general obligation bonds. Moreover, State law provides that the *ad valorem* taxes may be levied to pay the principal of and interest on bonds and for no other purpose. Consequently, under State law, the District is not authorized to divert revenue from *ad valorem* taxes levied to pay the Bonds to a purpose other than payment of the Bonds.

Pursuant to Section 53515 of the Government Code, effective for any bonds issued on or after January 1, 2016, 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.

Pledge of Tax Revenues

Under the Resolution, the District has pledged, as security for the Bonds and the interest thereon, the proceeds from the levy of the *ad valorem* tax which the County levies and receives and all interest earnings thereon (the "Pledged Moneys"). The Pledged Moneys shall be used to pay the principal of, premium, if any, and interest on the Bonds when and as the same shall become due and payable.

The Bonds are the general obligations of the District, payable solely from Pledged Moneys and do not constitute an obligation of the County except as provided in the Resolution. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds or the interest thereon. Other than the Pledged Moneys, no funds or accounts of the District are pledged to payment of the Bonds.

THE PROJECTS

The District will apply the net proceeds of the Bonds to finance the acquisition, construction, furnishing and equipping of District facilities in accordance with the bond proposition approved at the Election which includes the ballot measure and a project list. The "Smaller Classes, Safer Schools, and Financial Accountability Act," a Constitutional amendment known as Proposition 39, controls the method by which the District will expend Bond proceeds on its capital improvements. Prior to the Election, the District prepared and submitted to the Board for approval a master list of capital improvement projects to be built, acquired, constructed or installed with the proceeds of the Bonds, which was then submitted to the voters at the Election (the "Project List"). The District will prioritize and may not complete all components of the Project List.

TAX BASE FOR REPAYMENT OF THE 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 taxes levied and collected by the County on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.

Ad Valorem Property Taxation

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a "floating lien date"). 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 property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situs" growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll secured by the assessee's fee ownership of land with respect to which taxes are delinquent is declared tax-defaulted on or about June 30. Those properties on the secured roll that become tax-defaulted on June 30 of the fiscal year that are not secured by the assessee's fee ownership of land are transferred to the unsecured roll and are then subject to the Treasurer's enforcement procedures (*i.e.*, seizures of money and property, liens and judgments). Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the Treasurer.

Property taxes on the unsecured roll as of July 31 become delinquent, if unpaid, on August 31 and are subject to a 10% delinquency penalty. Unsecured property taxes remaining unpaid on October 31 are also subject to an additional penalty of one and one half percent per month on the first day of each month thereafter. The additional penalties shall continue to attach until the time of payment or until the time a court judgment is entered for the amount of unpaid taxes and penalties, whichever occurs first.

The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the respective County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements, bank accounts or possessory interests belonging or assessed to the taxpayer.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIIIA of the California Constitution. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES" herein.

The State Constitution currently requires a credit of $7,000 of the taxable value of an owner-occupied dwelling for which application has been made to the County Assessor. The revenue estimated to be lost to local taxing agencies due to the exemption is reimbursed from State sources. Reimbursement is based upon total taxes due upon such exempt value and is not reduced by any amount for estimated or actual delinquencies. Current law also provides, upon application, a basis exemption of $100,000 increased by inflation for veterans with specified disabilities or for unmarried spouses of deceased veterans. The exemption may be raised to $150,000 if the applicant meets the income limit of $40,000.

In addition, certain classes of property such as cemeteries, free public libraries and museums, public schools, churches, colleges, not-for-profit hospitals and charitable institutions are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

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The following table presents the historical assessed valuation in the District since fiscal year 2012-13. The District's total assessed valuation is $11,738,491,291 for fiscal year 2022-23.

CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT
Summary of Assessed Valuations
Fiscal Years 2012-13 Through 2022-23

Fiscal Year	Local Secured	Utility	Unsecured	Total	Annual % Change
2012-13	$ 7,063,055,403	$ 1,744,132	$ 369,774,777	$ 7,434,574,312	--
2013-14	7,220,220,626	1,744,132	368,144,754	7,590,109,512	2.1%
2014-15	7,793,393,886	2,690,299	398,871,360	8,194,955,545	7.9
2015-16	8,538,298,050	2,690,299	397,248,700	8,938,237,049	9.1
2016-17	9,027,593,228	2,690,299	391,192,017	9,421,475,544	5.4
2017-18	9,376,670,799	2,690,299	345,516,088	9,727,877,186	3.4
2018-19	9,308,781,869	2,927,533	402,624,652	9,714,334,054	(0.2)(1)
2019-20	9,730,359,862	2,927,533	388,698,095	10,121,985,490	4.2
2020-21	10,315,902,542	2,927,533	420,149,347	10,738,949,422	6.1
2021-22	10,603,993,024	2,927,533	428,700,092	11,035,620,649	2.8
2022-23	11,298,260,722	3,058,047	437,172,522	11,738,491,291	6.4

(1) Reflects decrease in assessed value due to the impact of the Tubbs Fire. See "Natural Disasters Impacting Assessed Valuations" below.
Source: *California Municipal Statistics, Inc.*

Economic and other factors beyond the District's control, such as general market decline in property values, disruption in financial markets that may reduce availability of financing for purchasers of property, 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, fire, drought, flood 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 "SECURITY FOR THE BONDS."

Natural Disasters Impacting Assessed Valuations

Recent Wildfires in Sonoma County. In recent years, certain portions of the State, including the District, have been affected by large wildfires which have destroyed both natural lands and residential and commercial properties and resulted in large-scale property value reductions in the impacted areas.

In October, 2017, the Tubbs Fire broke out in rural Napa County and spread to the County including areas in the District and the High School District. According to the California Department of Forestry and Fire Protection ("Cal Fire"), the Tubbs Fire burned 36,807 acres for 123 days. The Tubbs Fire destroyed 5,636 structures and killed 22 people. A large portion of the structures destroyed were homes and businesses in the City.

As a result of the Tubbs Fire, Santa Rosa City Schools closed all of its schools on October 9, 2017. A portion of the schools were re-opened on October 27, 2017 with the balance re-opening on October 30, 2017. Two Santa Rosa City Schools' properties were destroyed by the wildfires; Hidden Valley Elementary School Satellite campus (owned by the District) and Santa Rosa High School's Farm on Alba

Lane (owned by the High School District). 817 students and 80 employees of Santa Rosa City Schools lost their homes in the fires.

In September, 2020, the Glass Fires, a complex of fires, broke out in neighboring Napa County and spread to the County. According to Cal Fire, the Glass Fire burned for 23 days over 67,484 acres and destroyed 1,555 structures and damaged 282 structures. All of the District and High School District schools closed for one day due to evacuation orders within the City. The Glass Fire did not cause any damage within the District or the Elementary School District.

Drought Conditions. Water shortfalls resulting from the driest conditions in recorded State history caused a State-wide drought State of Emergency for California in 2014 and the imposition by State regulators of reductions in water usage through 2017 when the State-wide drought ended in almost all California counties.

During fiscal year 2020-21, fiscal year 2021-22, and continuing during fiscal year 2022-23, much of the State has experienced Severe or Extreme Drought, pursuant to the U.S. Drought Monitor Classification Scheme. On July 8, 2021, Governor Newsom signed Executive Order N-10-21 calling on all Californians to voluntarily reduce water usage by 15%. On October 19, 2021, Governor Newsom declared a State of Emergency due to drought in the State. On January 4, 2022, State Water Board adopted emergency use regulations prohibiting certain wasteful water practices such as watering ornamental landscapes during rain and using potable water to clean hard surfaces and driveways. On June 14, 2022, additional emergency water conservation regulations took effect limiting watering of ornamental grasses in certain locations.

According to the U.S. Drought Monitor, as of March 7, 2023, 26.84% of the State is experiencing no drought, 30.10% of the State is experiencing Abnormally Dry conditions, 24.06% of the State is experiencing Moderate Drought, and 19.00% of the State is experiencing Severe Drought. The County is currently experiencing Abnormally Dry and Moderate Drought conditions. The District cannot predict if or when water usage restrictions might be imposed again or what impact such restrictions, if imposed, might have on the assessed valuation of the District and the local economy.

Earthquakes. All jurisdictions in California are subject to the effects of damaging earthquakes. Earthquakes are considered a threat to the District due to the highly active seismic region and the proximity of fault zones, which could influence much of the California coastline including the San Francisco Bay Area. An earthquake along one of the faults in the vicinity, either known or unknown, could cause a number of casualties and extensive property damage. The effects of such a quake could be aggravated by aftershocks and secondary effects such as fires, landslides, dam failure, liquefaction and other threats to public health, safety and welfare. The potential direct and indirect consequences of a major earthquake can easily exceed the resources of the District and other local public entities and would require a high level of self-help, coordination and cooperation.

Seismic activity is also a risk in the region where the District is located. The Rodgers Creek fault runs beneath the City. The 2014 Working Group on Earthquake Probabilities estimated that there is a 33% chance of a 6.7 magnitude or greater earthquake on the Rodgers Creek-Hayward fault system between 2014 and 2043. Most recently, on September 22, 2022, a magnitude 4.4 earthquake occurred on the Rodgers Creek fault impacting the northern portion of the City of Santa Rosa. No damage resulted from the earthquake.

Climate Change. Climate change caused by human activities may have adverse effects on the property within the boundaries of the District. Climate change can also result in more variable weather patterns throughout the State, which can lead to longer and more severe droughts and wildfires as well as increased risk of flooding and a rise in sea levels. Projections of the impacts of global climate change are complex and depend on many factors that are outside 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. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when adverse impacts of climate change will occur or the extent of such impacts.

The occurrence of natural disasters within the boundaries of the District could result in substantial damage to property within the District (including District properties) and, in turn, could substantially reduce assessed valuations of such property.

Change in Economic Conditions. The outbreak of COVID-19 and the corresponding measures to prevent its spread caused widespread unemployment and economic slow-down in the United States, the State and the County. While the Biden Administration recently announced that the United States would end its COVID-19 emergency declarations on May 11, 2023, a recurrence of the COVID-19 pandemic, including various variants, or future outbreaks could lead to an economic recession or depression and a general market decline in real estate values. Such a decline may cause a reduction of assessed values in the District. See "DISTRICT FINANCIAL INFORMATION – COVID-19 Outbreak and its Economic Impact" for more information regarding the impact of COVID-19.

The District cannot make any representation regarding the effects that the drought, change in economic conditions, caused by pandemic or otherwise, or fire conditions or earthquakes has had, or may have on the value of taxable property within the District, or to what extent such conditions could cause disruptions to agricultural production, destroy property, reduce land values and adversely impact other economic activity within the boundaries of the District.

Reassessments and Appeals of Assessed Valuations

Pursuant to California Proposition 8 of November 1978 ("Proposition 8"), property owners may apply for a reduction of their property tax assessment by filing a written application, in a form prescribed by the State Board of Equalization ("SBE"), with the appropriate county board of equalization or assessment appeals board. County assessors may independently reduce assessed values as well based upon the factors described in the paragraph above or reductions in the fair market value of the taxable property. In most cases, an appeal is filed because the applicant believes that present market conditions (such as lower residential home sale 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 XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Article XIIIA of the California Constitution."

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.

County assessors, at their discretion, may also, from time to time, review certain property types purchased between specific time periods (e.g., all single family homes and condominiums purchased shortly prior to widespread declines in the fair market value of residential real estate within the county, as occurred between 2009 and 2011) and may proactively, temporarily reduce the assessed value of qualifying properties to Proposition 8 assessed values without owner appeal therefor.

A property that has been reassessed under Proposition 8, whether pursuant to owner appeal or due to county assessor review, is subsequently reviewed annually to determine its lien date value. Assuming no change in ownership or new construction, and if and as market conditions improve, the assessed value of a property with a Proposition 8 assessed value in place may increase as of each property tax lien date by more than the standard annual inflationary factor growth rate allowed under Article XIIIA (currently, a 2% annual maximum) until such assessed value again equals the Article XIIIA base year value for such property as adjusted for inflation and years of ownership, at which point such property is again taxed pursuant to Article XIIIA and base year values may not be increased by more than the standard Article XIIIA annual inflationary factor growth rate. A change in ownership while a property is subject to a Proposition 8 reassessment assessed valuation will cause such assessed valuation to become fixed as a new Article XIIIA base year value for such property. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Article XIIIA of the California Constitution" herein.

No assurance can be given that property tax appeals and reassessments in the future will not significantly reduce the assessed valuation of property within the District.

Reassessments after the Tubbs Fire. Subsequent to the Tubbs Fire, under Revenue and Taxation Code section 170, each parcel of property within the District sustaining damage of at least $10,000 was reassessed to reflect its value after the damage from the Tubbs Fire for the period from October 8, 2017 through June 30, 2018 for purposes of the 2017-18 assessment roll. New property tax statements were provided to property owners reflecting the reassessed value. Property owners that had already paid any portion of the 2017-18 property tax received a credit on their new property tax bill and a refund of the amount over the revised property tax statement amount. Additionally, penalties were waived for payments of the first installment payments received by April 10, 2018 for taxpayers who experienced evacuation or loss of employment as a result of the Tubbs Fire. Reassessments resulting from the Tubbs Fire caused the total assessed valuation in the District to decrease by approximately 0.2% between 2017-18 to 2018-19. See "-Assessed Valuations" above.

Property owners whose property was substantially damaged or destroyed by the Tubbs Fire (physical damage amounting to more than 50% of the full cash value of the property prior to the damage) are also permitted to transfer the base year value of the damaged property to a replacement property within the County within five years of the Tubbs Fire. Accordingly, after re-building, damaged properties will not be re-assessed to their current market value but will have their pre-Tubbs Fire assessed value restored. The District can make no prediction or estimate as to what impact reassessments resulting from re-construction will have on assessed values in the District or when or if such re-assessments will fully restore the pre-Tubbs Fire assessed value within the District.

As fire-damaged properties are repaired or re-built, the newly-built improvements will be re-assessed and assessed values will increase in the District. The District is not able, however, to give any assurances as to when or to what extent such repairs and re-building will commence or occur.

The State has agreed to pay to Santa Rosa City Schools the difference in the 1% general County-wide assessment resulting from the lower assessed value from the wildfires and that which would have been payable based on the pre-wildfire assessed value. The State did not reimburse the District for the difference in the general obligation bond tax levy but the County had sufficient reserves on hand in the District's debt service fund to pay debt service due on the District's outstanding general obligation bonds during fiscal year 2017-18.

Assembly Bill 102. On June 27, 2017, the Governor of the State (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 only hears appeals related to the programs that it constitutionally administers, and the Office of Tax Appeals hears appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

No assurance can be given that property tax appeals and reassessments in the future will not significantly reduce the assessed valuation of property within the District.

Assessed Valuation by Jurisdiction

The table below sets forth the assessed valuation within the District by political jurisdiction.

CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT
2022-23 Assessed Valuation by Jurisdiction

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Santa Rosa	$11,609,716,651	98.90%	$29,402,899,729	39.48%
Unincorporated Sonoma County	128,774,640	1.10	$43,766,698,280	0.29%
Total District	$11,738,491,291	100.00%		
Sonoma County	$11,738,491,291	100.00%	$108,854,631,375	10.78%

Source: *California Municipal Statistics, Inc.*

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Assessed Valuation by Land Use

The table below sets forth the assessed valuation of the taxable property within the District by land use for fiscal year 2022-23.

CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT
2022-23 Assessed Valuation and Parcels by Land Use

Non-Residential:	2022-23 Assessed Valuation(1)	% of Total	No. of Parcels	% of Total
Agricultural	$ 6,340,728	0.06%	28	0.13%
Commercial	1,845,130,378	16.33	1,226	5.74
Vacant Commercial	71,175,610	0.63	119	0.56
Industrial	590,070,752	5.22	197	0.92
Vacant Industrial	3,748,305	0.03	27	0.13
Recreational	33,883,828	0.30	21	0.10
Government/Social/Institutional	360,469,032	3.19	108	0.51
Miscellaneous	21,009,064	0.19	94	0.44
Subtotal Non-Residential	$2,931,827,697	25.95%	1,820	8.51%
Residential:				
Single Family Residence	$5,682,691,807	50.30%	13,265	62.06%
Condominium/Townhouse	665,951,710	5.89	2,727	12.76
Mobile Home	18,014,165	0.16	312	1.46
Mobile Home Park	31,939,005	0.28	11	0.05
Hotel/Motel	167,683,120	1.48	25	0.12
2-4 Residential Units	898,353,979	7.95	1,921	8.99
5+ Residential Units/Apartments	730,099,280	6.46	280	1.31
Vacant Residential	171,699,959	1.52	1,014	4.74
Subtotal Residential	$8,366,433,025	74.05%	19,555	91.49%
Total	$11,298,260,722	100.00%	21,375	100.00%

(1) Local Secured Assessed Valuation, excluding tax-exempt property.
Source: *California Municipal Statistics, Inc.*

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Assessed Valuation of Single Family Homes

The following table sets forth ranges of assessed valuations of single family homes in the District for fiscal year 2022-23, including the median and average assessed value per single family parcel.

CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT
Per Parcel 2022-23 Assessed Valuation of Single Family Homes

	No. of Parcels	2022-23 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	13,265	$5,682,691,807	$428,397	$386,993

2022-23 Assessed Valuation	No. of Parcels[(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	232	1.749%	1.749%	$ 8,258,943	0.145%	0.145%
$50,000 - $99,999	833	6.280	8.029	60,891,755	1.072	1.217
$100,000 - $149,999	629	4.742	12.770	78,984,316	1.390	2.607
$150,000 - $199,999	799	6.023	18.794	139,789,799	2.460	5.067
$200,000 - $249,999	1,222	9.212	28.006	276,425,001	4.864	9.931
$250,000 - $299,999	1,245	9.386	37.392	340,922,372	5.999	15.930
$300,000 - $349,999	1,048	7.900	45.292	339,599,749	5.976	21.906
$350,000 - $399,999	852	6.423	51.715	319,882,253	5.629	27.535
$400,000 - $449,999	898	6.770	58.485	381,481,531	6.713	34.248
$450,000 - $499,999	969	7.305	65.790	461,250,833	8.117	42.365
$500,000 - $549,999	903	6.807	72.597	473,752,588	8.337	50.702
$550,000 - $599,999	863	6.506	79.103	494,675,733	8.705	59.407
$600,000 - $649,999	648	4.885	83.988	403,880,539	7.107	66.514
$650,000 - $699,999	548	4.131	88.119	368,885,270	6.491	73.006
$700,000 - $749,999	331	2.495	90.614	239,614,322	4.217	77.222
$750,000 - $799,999	246	1.855	92.469	190,478,809	3.352	80.574
$800,000 - $849,999	180	1.357	93.826	148,188,505	2.608	83.182
$850,000 - $899,999	131	0.988	94.813	114,442,935	2.014	85.196
$900,000 - $949,999	130	0.980	95.793	119,819,574	2.109	87.304
$950,000 - $999,999	89	0.671	96.464	86,920,825	1.530	88.834
$1,000,000 and greater	469	3.536	100.000	634,546,155	11.166	100.000
	13,265	100.000%		$5,682,691,807	100.000%	

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

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Largest Taxpayers

The table below sets forth the largest local secured taxpayers within the District in fiscal year 2022-23.

CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT
2022-23 Largest Total Secured Taxpayers

	Property Owner	Primary Land Use	Assessed Valuation	Total[1]
1.	Keysight Technologies Inc.	Industrial	$ 327,958,318	2.90%
2.	Varenna LLC	Assisted Living Facility	90,462,196	0.80
3.	EMI Santa Rosa LP	Shopping Center	87,109,236	0.77
4.	Coddingtown LLC	Shopping Center	71,916,194	0.64
5.	THI VI Sonoma LLC	Hotel	59,844,626	0.53
6.	OSL Santa Rosa Fountaingrove LLC	Assisted Living Facility	53,538,501	0.47
7.	Fit Ren Paulin Creek LP	Assisted Living Facility	48,857,644	0.43
8.	SR Stony Point LLC	Office Building	48,011,054	0.42
9.	MDR-TFP LLC	Apartments	47,333,247	0.42
10.	VPM Vintage Ridge LP	Apartments	44,084,404	0.39
11.	Winterfell Vineyard Commons CA Owner LP	Apartments	42,275,502	0.37
12.	Arterial Vascular Engineering Inc.	Industrial	38,051,468	0.34
13.	Safeway Inc.	Supermarket	35,046,552	0.31
14.	Prime Creekside	Apartments	33,581,800	0.30
15.	Target Corporation	Shopping Center	29,404,837	0.26
16.	LCS Santa Rosa LLC	Assisted Living Facility	27,717,901	0.25
17.	Santa Rosa Headley Properties LLC	Commercial Store	26,226,145	0.23
18.	Six1Five Apartments LLC	Apartments	26,034,490	0.23
19.	Value Center Ventures Ltd.	Residential Properties	24,938,621	0.22
20.	Woodmont Capital – Overlook LP	Apartments	24,932,862	0.22
			$1,187,325,598	10.51%

[1] 2022-23 local secured assessed valuation: $11,298,260,722.
Source: *California Municipal Statistics, Inc*.

The top 20 taxpayers on the secured roll for fiscal year 2022-23 account for 10.51% of the secured assessed value in the District which is $11,298,260,722. According to California Municipal Statistics, Inc., the largest secured taxpayer in the District for fiscal year 2022-23 is Keysight Technologies Inc., accounting for 2.90% of the total secured assessed value in the District. No other secured taxpayer accounts for more than 0.80% of the total secured assessed value in the District. The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner.

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Tax Rates

The following table sets forth tax rates levied in Tax Rate Area 4-009 located within the District for fiscal years 2018-19 through 2022-23.

CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT
Typical Tax Rate per $100 Assessed Valuation (TRA 4-009)[(1)]

	2018-19	2019-20	2020-21	2021-22	2022-23
General Tax Rate	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Warm Springs Dam-Russian River Project	.0070	.0070	.0070	.0070	.0070
Santa Rosa Elementary School District	**.0430**	**.0390**	**.0350**	**.0335**	**.0260**
Santa Rosa High School District	.0620	.0458	.0360	.0285	.0295
Sonoma Joint Community College District	.0360	.0370	.0370	.0370	.0350
Total Tax Rate	$1.1480	$1.1315	$1.1150	$1.1060	$1.0975

[(1)] 2022-23 assessed valuation of TRA 4-009 is $5,762,343,494 which is 49.09% of the District's total assessed valuation.
Source: *California Municipal Statistics, Inc*.

The Teeter Plan

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan for the County, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency.

The Teeter Plan for the County is applicable to all tax levies for which the County acts as the tax-levying or tax-collecting agency, or for which the County Treasury is the legal depository of tax collections.

Under the Teeter Plan, the District will receive 100% of its *ad valorem* property tax levied on the secured roll with respect to the Bonds irrespective of actual delinquencies in the collection of property taxes by the County.

The Teeter Plan of the County is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors of the County receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event the Board of Supervisors of the County orders discontinuance of its Teeter Plan, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency. In addition, if the delinquency rate for all *ad valorem* property taxes levied within the District exceeds 3%, the Board of Supervisors can terminate the Teeter Plan with respect to the District. In the event that the Teeter Plan were terminated with regard to the secured tax roll, the amount of the levy of *ad valorem* property taxes would depend upon the collection of *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

The District is not aware of any petitions for the discontinuance of the Teeter Plan now pending in the County.

Direct and Overlapping Debt

Numerous local agencies that provide public services overlap the District's service area. These local agencies have outstanding debt in the form of general obligation, lease revenue and special assessment bonds. The following table shows the District's estimated direct and overlapping bonded debt. The statement excludes self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations. The District has not reviewed this table and there can be no assurance as to the accuracy of the information contained in the table; inquiries concerning the scope and methodology of procedures carried out to compile the information presented should be directed to California Municipal Statistics, Inc.

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The following table is a statement of the District's direct and estimated overlapping bonded debt as of March 1, 2023:

CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT
Direct and Overlapping Bonded Indebtedness

2022-23 Assessed Valuation: $11,738,491,291

Direct and Overlapping Tax and Assessment Debt	% Applicable	Debt as of 3/1/23
Sonoma County Joint Community College District	10.707%	$ 42,594,587
Santa Rosa High School District	30.461	46,159,076
Santa Rosa Elementary School District	**100.000**	**47,697,000**[1]
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$136,450,663
Direct and Overlapping General Fund Debt		
Sonoma County General Fund Obligations	10.784%	$ 759,841
Sonoma County Pension Obligation Bonds	10.784	22,101,269
Sonoma County Office of Education Certificates of Participation	10.784	316,643
Santa Rosa High School District Certificates of Participation	30.461	2,381,554
West County Transportation Agency	30.461	1,264,117[2]
City of Santa Rosa Certificates of Participation	39.485	4,716,483
City of Santa Rosa Pension Obligation Bonds	39.485	2,791,590
TOTAL OVERLAPPING GENERAL FUND DEBT		$34,331,497
Overlapping Tax Increment Debt (Successor Agency):	65.647%	$17,560,573
COMBINED TOTAL DEBT		**$187,967,733**[3]

Ratios to 2022-23 Assessed Valuation

Direct Debt ($47,322,000) 0.40%
Total Direct and Overlapping Tax and Assessment Debt 1.16%
Combined Total Debt...1.60%

Ratios to Redevelopment Successor Agency Incremental Valuation ($1,156,400,524):

Overlapping Tax Increment Debt...1.52%

(1) Excludes Bonds to be sold.
(2) West County Transportation Agency 2017 Bonds (Transportation Facility Project). Santa Rosa City Schools has agreed to make certain payments to the Transportation Agency. The Transportation Agency has pledged these payments to repay the bonds.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: *California Municipal Statistics Inc*.

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FINANCIAL INFORMATION FOR SANTA ROSA CITY SCHOOLS

The information in this section concerning the operations of Santa Rosa City Schools and the District and Santa Rosa City Schools' (including the District's) 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 interest on the Bonds is payable from the general fund of Santa Rosa City Schools. The Bonds are payable from the proceeds of an ad valorem tax approved by the voters pursuant to all applicable laws and State Constitutional requirements, and required to be levied by the County on all taxable property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY FOR THE BONDS" and "TAX BASE FOR REPAYMENT OF THE BONDS" herein.

State Funding of Education

On June 27, 2013, the State adopted a new method for funding school districts commonly known as the "Local Control Funding Formula." The Local Control Funding Formula ("LCFF") was implemented in stages, beginning in fiscal year 2013-14 with full implementation in fiscal year 2018-19. Prior to adoption of the LCFF, the State used a revenue limit system.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), enacted as a part of the 2013-14 State Budget (defined below) enacted the LCFF beginning in fiscal year 2013-14, which replaced the revenue limit funding system and many categorical programs. The LCFF distributes resources to schools through a guaranteed base funding grant (the "Base Grant") per unit of ADA. The average Base Grant is $7,643 per unit of ADA, which is $2,375 more than the average revenue limit. A Base Grant is assigned to each of four grade spans. Additional supplemental funding is made available based on the proportion of English language learners, low-income students and foster youth.

For fiscal year 2022-23, the LCFF provided to school districts and charter schools a Target Base Grant for each Local Education Agency ("LEA") equivalent to (a) $9,132 per ADA for kindergarten through grade 3; (b) $9,269 per ADA for grades 4 through 6; (c) $9,545 per ADA for grades 7 and 8; and (d) $11,060 per ADA for grades 9 through 12.

Beginning in fiscal year 2013-14, and in each subsequent year, the Base Grants have been adjusted for cost-of-living increases by applying the implicit price deflator for government goods and services. With full implementation of the LCFF, the provision of cost-of-living-adjustments ("COLA") is now subject to appropriation for such adjustment in the annual State budget. For fiscal year 2022-23, a 6.56% COLA was included. See "State Budget Measures – 2022-23 State Budget" herein and "-Proposed 2023-24 State Budget" for information regarding the proposed COLA for fiscal year 2023-24. 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.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Unless 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. Additional add-ons are also provided 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.

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 ("FRPM") and are not discussed separately herein). A supplemental grant add-on (each, a "Supplemental Grant") is authorized 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 following table sets forth the historical ADA and enrollment for Santa Rosa City Schools for fiscal years 2016-17 through 2021-22.

SANTA ROSA CITY SCHOOLS
Historical ADA and Enrollment[1]
Fiscal Years 2016-17 through 2021-22

Fiscal Year	ADA	Enrollment
2016-17	15,579	16,556
2017-18	15,410	16,434
2018-19	15,107	16,105[2]
2019-20	14,919	15,967
2020-21	13,409	15,472
2021-22	13,272	15,267

(1) Includes four dependent charter schools.
(2) Decrease in enrollment of 329 students is due to the impact of the Tubbs Fire. See "TAX BASE FOR REPAYMENT OF THE BONDS - Natural Disasters Impacting Assessed Valuations" herein.
Source: *Santa Rosa City Schools*.

Enrollment Trends. Over the prior five fiscal years, the Santa Rosa City Schools has experienced declining enrollment of approximately 1,200 students. Such decline is attributable to the Tubbs fire, declining enrollment occurring through-out the State, as well as the impact of the Covid-19 pandemic. See "TAX BASE FOR REPAYMENT OF THE BONDS- Natural Disasters Impacting Assessed Valuations." However, the District is projecting that enrollment will level off over the next two fiscal years as reflected in its budget and as shown in the following table. The District expects an increase in housing development, including rebuilding after the Tubbs fire, to contribute to the end of declining enrollment. See "DISTRICT FINANCIAL INFORMATION – District Budgets" for a discussion of the impact of declining enrollment, among other factors, on the District's financial condition.

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The following table sets forth the ADA, enrollment and the percentage of EL/LI enrollment (by school district) for Santa Rosa City Schools budgeted for fiscal year 2022-23 and projections for fiscal years 2023-24 and 2024-25.

SANTA ROSA CITY SCHOOLS
ADA, English Language/Low Income Enrollment
Fiscal Years 2022-23 through 2024-25

	ADA					Enrollment		
Fiscal Year	TK-3	4-6	7-8	9-12	Total ADA	Total Enrollment	% of EL/LI Enrollment (High School District)	% of EL/LI Enrollment (District)
2022-23[1]	2,258	1,692	2,648	6,796	13,392	14,932	46.01%	69.91%
2023-24[2]	2,258	1,692	2,648	6,796	13,392	14,932	46.01	69.48
2024-25[2]	2,258	1,692	2,648	6,796	13,392	14,932	48.52	71.44

(1) Budgeted.
(2) Projected.
Source: *Santa Rosa City Schools*

Due to the COVID-19 pandemic and related State budget-implementing legislation, California school districts, other than certain charter school districts, were held harmless against any loss of ADA for purposes of calculating apportionment in the 2020-21 fiscal year, with ADA for purposes of calculation of state funding based on ADA for fiscal year 2019-20. Additionally, due to State-wide declining enrollment trends, additional hold harmless measures have been instituted to shelter school districts from large annual revenue losses. For fiscal year 2021-22, ADA for funding purposes is based on 2019-20 ADA. Additional changes to LCFF funding were implemented in the fiscal year 2022-23 State budget that permit school districts to use the greater of the current year or prior year ADA or an average of the three prior years' ADA to calculate LCFF funding going forward. See "DISTRICT FINANCIAL INFORMATION – State Budget Measures."

The sum of a school district's adjusted Base, Supplemental and Concentration Grants will be multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable economic recovery target or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and 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, formerly known as "basic aid" districts and now referred to as "community-funded" districts under the LCFF, have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Community-funded school districts receive 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 State Constitution. The implication for community-funded districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The

District does not currently qualify as a community-funded district and does not expect to in future fiscal years.

Accountability. The State Board of Education has promulgated regulations regarding the expenditure of supplemental and concentration funding, including a requirement that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such district on the basis of the number and concentration of such EL/LI students, as well as the conditions under which school district can use supplemental or concentration funding on a school-wide or district-wide basis.

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

Support and Intervention. AB 97, as amended by SB 91, establishes 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.

Revenue Sources

Santa Rosa City Schools categorizes its general fund revenues into four sources. The following table presents each revenue source as a percentage of total revenues for fiscal years 2018-19 through 2022-23.

SANTA ROSA CITY SCHOOLS
Percentage of Revenues by Source
Fiscal Years 2018-19 through 2022-23

Revenue Source	2018-19	2019-20	2020-21	2021-22	2022-23[(1)]
LCFF sources	75.63%	79.43%	69.86%	69.17%	67.82%
Federal revenues	5.12	4.38	12.43	9.48	6.14
Other State revenues	12.51	9.55	11.88	12.82	17.77
Other local revenues	6.74	6.63	5.83	8.53	8.28

(1) Based on Second Interim Report for fiscal year 2022-23.
Source*: Santa Rosa City Schools.*

Each of these revenue sources is briefly described below. For more information regarding the LCFF, see "-State Funding of Education" above.

LCFF Sources. State funding under the LCFF consists of Base Grants and Supplemental Grants as described above. This category also includes local property taxes. See "- State Funding of Education – Local Control Funding Formula" above.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Every Child Succeeds.

Other State Revenues. The District receives some other State revenues. These other State revenues are primarily restricted revenues funding items such as the Special Education Master Plan, Economic Impact Aid, School Improvement Program, instructional materials, and various block grants.

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

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

Developer Fees

The District receives developer fees per square foot pursuant to Education Code Section 17620 which must be used to fund construction or reconstruction of school facilities. Current developer fees collected by the High School District are $3.48 per square foot for residential construction and $0.56 per square foot of commercial/residential construction. The High School District has a sharing arrangement with the elementary school districts located within its boundaries, including the District, such that the High School District keeps approximately 30% of the developers fees collected.

The following table sets forth developer fee collections by Santa Rosa City Schools for the last five fiscal years and the current collections for fiscal year 2022-23.

SANTA ROSA CITY SCHOOLS
Developer Fee Collections

Fiscal Year	Developer Fees Collected
2017-18	$1,593,695.26
2018-19	921,189.78
2019-20	923,902.62
2020-21	2,188,961.32
2021-22	2,473,566.62
2022-23[(1)]	1,548,548.85

[(1)] Projected
Source: *Santa Rosa City Schools*.

COVID-19 Outbreak and its Economic Impact

In late 2019, an outbreak of COVID-19, a respiratory virus, initially occurred in China and subsequently spread globally. The global outbreak, together with measures undertaken to limit the spread of COVID-19 imposed by local and federal governments, caused volatility in financial markets as well as operating restrictions upon many businesses. 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 increases in inflation as these restrictions and closures have been lifted.

Federal Response. On March 13, 2020, in response to the COVID-19 outbreak, then President Trump declared a national emergency, making available more than $50 billion in federal resources to combat the spread of COVID-19. Contemporaneously, Congress enacted and the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") to provide relief and stimulus to American businesses and individuals impacted by COVID-19. The CARES Act also designated $339.8 billion for state and local governments with $274 billion for COVID-19 response efforts as well as an additional $13 billion for K-12 schools. In order to provide extensions to certain benefits previously provided under the CARES Act, as well as address ongoing economic impacts of the COVID-19 pandemic, in December, 2020, the federal government enacted the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA") which included $900 billion of coronavirus emergency response and relief including $54.3 billion for K-12 schools and $22.7 billion for higher education. In March, 2021, President Biden signed a $1.9 trillion stimulus package (the "American Rescue Package") into law, authorizing a third round of one-time stimulus payments for qualifying Americans, extending additional unemployment benefits, and providing $123 billion in new, flexible aid to school districts. On January 31, 2023, the Biden Administration announced that the United States would end its COVID-19 emergency declarations on May 11, 2023.

State Response. In response to the outbreak of COVID-19 in the State, on March 4, 2020, Governor Gavin Newsom declared a State of Emergency. On March 19, 2020, Governor Newsom issued an Executive Order requiring mandatory shelter-in-place for all non-essential services. In September, 2020, the Governor replaced the Executive Order with the "Blueprint for a Safer Economy" ("Blueprint") which provided regulations for economic and social activity on a county by county basis related to certain metrics of disease transmission. The Blueprint system was terminated on June 15, 2021 and Governor Newsom ended the State of Emergency relating to COVID-19 on February 28, 2023.

As a result of the various regulations imposed in order to slow the spread of COVID-19, economic activity within the State, the County and the community around and within the District suffered episodes of recession and/or depression. Generally, a majority of the State's general fund revenue is derived from personal income tax receipts. However, the 2021-22 State Budget (defined below) and 2022-23 State Budget (defined below) indicated increases in State revenues during the COVID-19 pandemic, although current projections for the 2023-24 State budget forecast revenues decreasing from recent years. See " – State Budget Measures – Proposed 2023-24 State Budget" for additional information regarding projected State revenues in fiscal year 2023-24.

Impact of COVID-19 on California School Districts

To assist school districts respond to the spread of COVID-19, on March 13, 2020, Governor Newsom issued Executive Order N-26-20, providing that school districts that initiate a school closure would continue to receive state funding to support all of the following during the period of closure: (1) continued delivery of high-quality educational opportunities to students through, among other options, distance learning and/or independent study; (2) the provision of school meals in noncongregate settings; (3) arrangement for supervision for students during ordinary school hours; and (4) continued payment of school district employees. The Executive Order also provided that statutory mandated maintenance of schools for a minimum of 175 days was waived for school districts that initiated a school closure to address COVID-19.

To address the impacts of school closures and the COVID-19 response, the California legislature, in 2020, adopted legislation to appropriate $500,000,000 from the State General Fund for any purpose related to the Governor's declared State of Emergency. Among other things, the legislation provided that, for all school districts that complied with Executive Order N-26-20, attendance during only full school months from July 1, 2019, to February 29, 2020, inclusive, would be reported for apportionment purposes and, further, held harmless school districts not meeting minimum instructional day and minute requirements, in order to prevent a loss of funding related to school closures due to the outbreak.

Santa Rosa City Schools, in tandem with other school districts in the State, closed its school campuses for the remainder of the 2019-20 school year and implemented a distance learning program. Santa Rosa City Schools began the 2020-21 school year with a distance learning program and began offering a hybrid model of instruction for all grades beginning in the second half of the 2020-21, when the County moved into a lower risk assessment tier under the Blueprint. Santa Rosa City Schools began the 2021-22 school year offering full time in-person learning, for which the State provided grants to incentivize and assist school districts with re-opening and learning loss mitigation.

During the COVID-19 pandemic, the District received approximately $60 million in aggregate relief, including funding from the CARES Act, CRRSA and the American Rescue Package. The District has used such funding for, among other things, staff training, sanitizing supplies, educational technology, mental health services, professional development, broadband connectivity, meal services for families, and learning loss staffing and plans to use additional COVID-19 funding to improve air quality and ventilation, outdoor learning spaces, curriculum and instructional materials, and English language development and math supports.

Santa Rosa City Schools' cannot predict the extent or duration of another COVID-19 outbreak or what impact it may have on the Santa Rosa City Schools' General Fund revenues. However, the Bonds are general obligations of the District payable solely from ad valorem property taxes and are not payable from the General Fund of Santa Rosa City Schools. See "SECURITY FOR THE BONDS" herein.

Budget Procedures

State Budgeting Requirements. Santa Rosa City Schools 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.

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. In 2014, Assembly Bill 2585 was enacted, which repealed provisions authorizing school districts to use a dual budget adoption cycle. Instead, all school districts must be on a single budget cycle. The single budget is only readopted if it is disapproved by the county office of education, or as needed. Santa Rosa City Schools is on a single budget cycle and adopts its budget on or before July 1.

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, will determine if the budget allows the district to meet its current obligations and will determine if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. On or before August 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by August 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 August 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than August 20, the county superintendent must notify the State Superintendent of all school districts whose budget has been disapproved.

For districts whose budgets have been disapproved, the district must revise and readopt its budget by September 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 district budgets and not later than October 8, will 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. Until a district's budget is approved, the 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 fiscal year. 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.

The table below presents the interim certifications for Santa Rosa City Schools for each reporting period in the current year and the last six years.

Interim Report	Certification
2016-17 First Interim	Qualified
2016-17 Second Interim	Qualified
2017-18 First Interim	Qualified
2017-18 Second Interim	Qualified
2018-19 First Interim	Positive
2018-19 Second Interim	Positive
2019-20 First Interim	Qualified
2019-20 Second Interim	Qualified
2020-21 First Interim	Positive
2020-21 Second Interim	Positive
2021-22 First Interim	Qualified
2021-22 Second Interim	Positive
2022-23 First Interim	Qualified
2022-23 Second Interim	Positive

Source: *Santa Rosa City Schools*.

Beginning in fiscal year 2016-17, increases in expenditures budgeted for fiscal years 2017-18 and 2018-19, including step and column salary increases and increasing retirement contribution rates, combined with declining enrollment, caused Santa Rosa City Schools to find that it might not be able to meet its financial obligations in the subsequent two fiscal years and to certify its 2016-17 Interim Reports as qualified. Santa Rosa City Schools formed a Fiscal Stabilization Committee which developed potential budget reductions which were subsequently approved by the Board. The budget reductions implemented in fiscal year 2016-17 included maintaining staffing ratios at 28:1 for middle and high school classrooms, various reductions to LCAP services including books and supplies and staffing, reducing transportation costs by outsourcing busing services to a local joint powers authority and reducing certain outside contracts. Such budget reductions were implemented in the 2016-17 Second Interim Report but were not sufficient to permit the Santa Rosa City Schools' multi-year projections to show that it would meet its financial obligations.

In connection with the Santa Rosa City Schools' 2017-18 First Interim Report, Santa Rosa City Schools included certain non-specific monetary budget solutions with the intent for the Fiscal Stabilization Committee to identify specific solutions for implementation in the 2017-18 Second Interim Report. Subsequent to the announcement of the State's proposed budget for fiscal year 2018-19, the actual budget solutions were identified and approximately $7.2 million in budgets solutions were approved by the Board as a part of the 2017-18 Second Interim Report. Such reductions were necessary in order for Santa Rosa City Schools to meet its minimum reserve requirements but were insufficient to allow Santa Rosa City Schools to certify that it would meet its financial obligations in fiscal year 2019-20, the second year out, and required that the 2017-18 Second Interim Report be filed with a qualified certification.

Included in Santa Rosa City School's adopted budget for fiscal year 2018-19 were unidentified expenditure reductions of approximately $2.4 million for fiscal year 2019-20 and $7.6 million for fiscal year 2020-21. Such reductions permitted Santa Rosa City Schools to certify both of its fiscal year 2018-19 interim reports with positive certifications.

In order to maintain a balanced budget, Santa Rosa City Schools' 2019-20 adopted budget recognized the need for additional expenditure reductions of $4.3 million in fiscal year 2020-21 and $13.8 million in fiscal year 2021-22 but did not identify specific reductions. Due to increased salary and benefit expenses, declining enrollment and uncertain COLA and one-time revenues, Santa Rosa City Schools projected depletion of its general fund balance in fiscal year 2021-22 and therefore filed its 2019-20 first interim report with a qualified certification. The 2019-20 First Interim Report cited the need for future unidentified fiscal stabilization measures in fiscal year 2021-22 (the second year out) of $12.9 million. In September, 2019, Santa Rosa City Schools reconvened its Fiscal Stabilization Committee in order to start the process of identifying expenditure reductions and revenue enhancements. On February, 2020, the Fiscal Stabilization Committee presented its Fiscal Stabilization Plan- Part 1, which had been accepted by the then current Superintendent, and included a total of $11.6 million in expenditure reductions through fiscal year 2021-22. The Fiscal Stabilization Plan- Part 1 was approved by the Board and implemented in the 2019-20 Second Interim Report, which was filed with a qualified certification due to the need for an additional $3.6 million in reductions. The Board subsequently, in June 2020, approved the Fiscal Stabilization Plan – Part 2 which included an additional $8.1 million in reductions through fiscal year 2022-23 and was implemented in Santa Rosa City Schools' 2020-21 adopted budget.

Santa Rosa City Schools certified its 2020-21 First Interim Report with a positive certification, however, the County Office of Education conditioned that certification upon a Board-approved fiscal stabilization plan being included in the 2020-21 Second Interim Report that shows a reserve for economic uncertainties of 3% in fiscal year 2022-23. On February 24, 2021, the Board approved $14.1 million in expenditure reductions as required. Santa Rosa City Schools certified its 2020-21 Second Interim Report with a positive certification.

Santa Rosa City Schools certified its 2021-22 First Interim Report with a qualified certification. The 2021-22 First Interim report Multi Year Projection ("MYP"), 3-year projection, indicated that after Santa Rosa City Schools met all of its financial obligations, the minimum 3% reserve for economic uncertainty could be met in fiscal year 2021-22, but not in fiscal year 2022-23 nor fiscal year 2023-24. To address these factors, the MYP included "Future Unidentified Fiscal Stabilization Measures" in the second year (2022-23) of $5.98 million and the third year (2023-24) of $18.05 million. Santa Rosa City Schools certified its 2021-22 Second Interim Report with a positive certification.

Santa Rosa City Schools certified its 2022-23 First Interim Report with a qualified certification. The qualified certification was based on the Future Unidentified Fiscal Stabilization Measures of $5,142,905.00 in fiscal year 2024-25. Santa Rosa City Schools has certified its 2022-23 Second Interim Report as positive.

General Fund Budget. Santa Rosa City Schools' general fund adopted budgets for fiscal years 2018-19 through 2022-23, audited actuals for the fiscal years 2018-19 through 2021-22 and second interim report for fiscal year 2022-23 are set forth on the following page.

SANTA ROSA CITY SCHOOLS
GENERAL FUND BUDGETING

	Original Budget 2018-19[(1)]	Audited Actuals 2018-19[(1)]	Original Budget 2019-20[(1)]	Audited Actuals 2019-20[(1)]	Original Budget 2020-21[(1)]	Audited Actuals 2020-21[(1)]	Original Budget 2021-22[(1)]	Audited Actuals 2021-22[(1)]	Adopted Budget 2022-23[(2)]	Second Interim Report 2022-23[(3)]
REVENUES										
LCFF Sources	$144,258,342	$144,390,916	$145,257,092	$144,768,832	$145,023,173	$143,519,705	$149,220,648	$146,221,115	$155,456,632	$162,843,362
Federal	8,628,519	9,772,749	8,831,724	7,988,905	8,726,737	25,543,722	10,496,015	20,033,624	14,065,966	14,736,660
Other State	11,952,866	23,889,562	13,254,580	17,408,251	13,980,252	24,414,840	14,558,197	27,103,268	36,593,606	42,665,079
Other Local	9,836,899	12,860,040	10,524,364	12,083,094	11,852,173	11,973,478	11,695,517	18,024,446	15,403,551	19,872,807
Total Revenues	174,676,626	190,913,267	177,597,760	182,249,082	179,582,335	205,451,745	185,970,377	211,382,453	221,519,755	240,117,907
EXPENDITURES										
Certificated Salaries	75,875,743	76,285,970	76,577,133	78,771,124	80,519,787	84,159,046	85,199,934	87,904,683	91,625,773	93,188,180
Classified Salaries	22,900,675	20,286,734	24,564,981	22,807,980	25,099,606	23,547,369	26,678,005	25,788,437	28,502,820	29,801,529
Employee Benefits	32,837,993	41,541,329	40,250,585	41,462,641	43,092,668	41,881,789	47,106,839	47,175,251	53,425,968	53,596,600
Books and Supplies	6,312,304	5,411,874	3,856,502	8,178,513	6,027,657	8,819,462	2,912,783	9,958,852	4,025,793	7,455,705
Services, Other Operating Expenses	40,248,039	42,111,031	39,307,309	39,989,120	39,558,690	38,840,080	35,673,779	41,676,627	37,918,529	46,514,940
Capital outlay	20,000	394,543	84,000	114,316	151,256	2,214,155	146,435	1,421,317	581,226	677,663
Other Outgo	(553,264)	(678,034)	(924,236)	(913,993)	88,086	223,629	77,921	605,506	77,921	77,921
Direct Support & Indirect Costs	-	-	-	-	--	--	--	--	(713,246)	(392,156)
Total Expenditures`	177,641,490	185,353,447	183,716,274	190,409,701	194,537,750	199,685,530	197,795,696	214,530,673	215,444,784	230,920,383
EXCESS (DEFICIENCY) OR REVENUES OVER (UNDER) EXPENDITURES	(2,964,864)	5,559,820	(6,118,514)	(8,160,619)	(14,955,415)	5,766,215	(11,825,319)	(3,148,220)	6,074,971	9,197,524
OTHER FINANCING SOURCES (USES)										
Interfund Transfers in	733,000	733,000	(979,415)	979,414	4,779,415	4,657,646	1,779,415	1,719,258	1,496,000	330,577
Interfund Transfers out	(138,790)	(359,865)	(138,790)	-	--	(42,694)	--	(664,609)	--	--
Total Other Financing Sources and Uses	594,210	373,135	(1,118,205)	979,414	4,779,415	4,614,952	1,779,415	1,054,649	1,496,000	3330,577
Net Change in Fund Balances	(2,370,654)	5,932,955	(7,236,719)	(7,181,205)	(10,176,000)	10,381,167	(10,045,904)	(2,093,571)	7,570,971	9,528,102
Prior Period Adjustment	--	--	--	--	--	868,509	--	(4,013)	--	
Fund Balance, July 1	--	25,437,519	--	31,370,474	--	24,189,269	--	35,438,945	31,251,439	32,655,031
Fund Balance, June 30	--	$31,370,474	--	$24,189,269	--	$35,438,945	--	$33,341,361	$38,822,410	$42,183,133

(1) From Santa Rosa City Schools' comprehensive audited financial statements for fiscal years 2018-19 through 2021-22, respectively.
(2) From Santa Rosa City Schools' adopted budget for fiscal year 2022-23.
(3) From Santa Rosa City Schools' Second Interim Report for fiscal year 2022-23
Source: *Santa Rosa City Schools.*

Comparative Financial Statements

The District operates under a single budget with the High School District as Santa Rosa City Schools. The District's Annual Financial Reports are audited and presented together with those of the High School District as if the two districts are a single district called Santa Rosa City Schools. The financial information that follows for Santa Rosa City Schools includes financial information for both the District and the High School District.

Santa Rosa City Schools' general fund finances the legally authorized activities of the District and the High School District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Audited financial statements for Santa Rosa City Schools for the fiscal year ended June 30, 2022 and prior fiscal years are on file with the District and available for public inspection at the Office of the Superintendent, 211 Ridgway Avenue, Santa Rosa, California 95401. See APPENDIX B hereto for the 2021-22 Audited Financial Statements of Santa Rosa City Schools.

The financial statements included herein were prepared by Santa Rosa City Schools using information from the Annual Financial Reports which are prepared by the Associate Superintendent, Business Services for Santa Rosa City Schools and audited by independent certified public accountants each year.

The following table reflects the District's audited general fund revenues, expenditures and fund balances from fiscal year 2019-20 to fiscal year 2021-22:

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SANTA ROSA CITY SCHOOLS
GENERAL FUND
Statement of Revenues, Expenditures and Change in Fund Balances
for Fiscal Years 2019-20 through 2021-22

	2019-20 Audit	2020-21 Audit	2021-22 Audit
REVENUES			
LCFF Sources	$144,768,832	$143,519,705	$146,221,115
Federal Revenues	7,988,905	25,543,722	20,033,624
Other State Revenues	17,408,251	24,414,840	27,103,268
Other Local Revenues	12,083,094	11,973,478	18,024,446
TOTAL REVENUES	182,249,082	205,451,745	211,382,453
EXPENDITURES			
Current			
Instruction	116,743,823	120,520,226	126,955,250
Instruction-related services:			
Supervision of Instruction	8,020,236	8,484,391	6,910,806
Instruction library, media and technology	1,184,875	1,801,500	1,423,063
School site administration	14,874,709	15,899,556	16,936,843
Pupil services:			
Home-to-school transportation	7,069,463	6,463,110	8,000,749
Food services	1,471,712	246	--
All other pupil services	13,805,223	14,201,429	18,787,728
General administration:			
Data processing	845,703	903,698	889,370
All other general administration	9,538,841	12,485,109	10,355,140
Plant services	13,666,253	13,159,696	15,774,134
Facilities acquisition and construction	--	2,005,274	1,099,120
Ancillary services	1,793,569	2,197,957	4,794,248
Community services	1,322,341	1,339,709	1,591,043
Payment to other agencies	72,953	141,759	114,290
Debt Service			
Principal	--	81,870	735,361
Interest	--	--	163,528
TOTAL EXPENDITURES	190,409,701	199,685,530	214,530,673
Excess (Deficiency) of Revenues Over Expenditures	(8,160,619)	5,766,215	(3,148,220)
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	979,414	4,657,646	1,719,258
Operating Transfers Out	--	(42,694)	(664,609)
TOTAL OTHER FINANCING SOURCES (USES)	979,414	4,614,952	1,054,649
Net Change in Fund Balances	(7,181,205)	10,381,167	(2,093,571)
Fund Balances at Beginning of Year	31,370,474	24,189,269	35,438,945
Prior Period Adjustments	--	868,509	(4,013)
Fund Balances at End of Year	$24,189,269	$35,438,945	$33,341,361

Source*: Santa Rosa City Schools*.

Accounting Practices

The accounting policies of Santa Rosa City Schools 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. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

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 guaranty the accuracy or completeness of this information and has not independently verified such information.

2022-23 State Budget. Governor Newsom signed legislation which enacted the budget for the State for fiscal year 2022-23 (the "2022-23 State Budget") on June 30, 2022. The 2022-23 State Budget projected approximately $219.7 billion in general fund revenues with a prior year balance of $22.5 billion for total resources of $242.2 billion, and $234.4 billion in expenditures for fiscal year 2022-23. For fiscal year 2021-22, the 2022-23 State Budget estimated $265.4 billion in resources and $242.9 billion in expenditures. The 2022-23 State Budget projected $37.2 billion in reserves including $23.3 billion in the Budget Stabilization Account (the "BSA") for fiscal emergencies, $900 million in the Safety Net Reserve, $9.5 billion in the Public School Stabilization Account (the "PSSSA"), and an estimated $3.5 billion in the State's operating reserve. The BSA is at its constitutional maximum (10% of general fund revenues) requiring $465 million to be dedicated for infrastructure investments in fiscal year 2022-23. Over the multi-year forecast period, the 2022-23 State Budget reflected $8 billion in supplemental deposits split evenly between the BSA and the Safety Net Reserve. As a result of the deposits to the PSSSA, the 10% cap on school district reserves was projected to be applicable in fiscal year 2022-23. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Proposition 2" herein for more information regarding school district reserves.

The 2022-23 State Budget prioritized one-time spending over ongoing spending, allocating 93% of discretionary funds to one-time spending. The 2022-23 State Budget provided an over $17 billion broad-based relief package, including a refund of up to $1,050 to benefit millions of Californians based on income level and the size of household. The relief package also included increased grants for the State's lowest income families and individuals, and additional funding for food banks.

The 2022-23 State Budget also addressed environmental matters facing California. The 2022-23 State Budget included $1.2 billion to advance wildfire prevention and forest resilience investments and funded an additional 1,265 new positions to expand the State's wildfire response capacity. $1.2 billion was included for immediate drought support with an additional $1.5 billion deferred for allocation for long-term water resilience. The 2022-23 State Budget also allocated $4.3 billion to provide energy reliability insurance through the development of a strategic reserve, protection to ratepayers, and accelerated deployment of clean energy projects, with an additional $3.8 billion deferred for allocation in the summer of 2022 to further reliability and affordability and accelerate the State's clean energy future.

With respect to K-12 education, the 2022-23 State Budget included total funding of $128.6 billion ($78.6 billion general fund and $50 billion other funds) for all K-12 education programs. The 2022-23 State Budget estimated Proposition 98 funds of $96.1 billion in fiscal year 2020-21, $110.2 billion in fiscal year 2021-22, and $110.4 billion in fiscal year 2022-23 for K-14 education programs. For K-12 schools, the result was Proposition 98 per pupil spending of $16,993 in 2022-23, a $3,017 increase over the fiscal year 2021-22 per pupil spending levels. Additionally, in the same period, per pupil spending from all sources increased to $22,893 under the 2022-23 State Budget.

The 2022-23 State Budget included an LCFF COLA of 6.56%. Additionally, the 2022-23 State Budget included $4.32 billion ongoing Proposition 98 funds to increase LCFF base funding by an additional 6.28%. The 2022-23 State Budget also included $101.2 million ongoing Proposition 98 funds to augment LCFF funding for county offices of education.

To support school districts with a declining student population, the 2022-23 State Budget provided that school districts might use the greater of the current year or prior year ADA or an average of the three prior years' ADA to calculate LCFF funding. Further, 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 school districts that can demonstrate they provided independent study offerings during 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. The 2022-23 State Budget included $2.8 billion of ongoing funding under Proposition 98 and $413 million in one-time funding under Proposition 98 to implement these school fiscal stabilization policies.

Additional significant provisions of the 2022-23 State Budget relating to K-12 education included the following:

- *Learning Recovery Emergency Fund* – $7.9 billion in one-time Proposition 98 funds to support learning recovery initiatives through the 2027–28 school year.

- *Arts, Music, and Instructional Materials Discretionary Block Grant* – $3.6 billion one-time Proposition 98 funds for arts and music programs, standards-aligned professional development, instructional materials, developing diverse book collections, operational costs, and expenses related to the COVID-19 Pandemic.

- *Expanded Community School Model* – $1.1 billion in Proposition 98 funds to expand the community school model and provide grants for high needs schools in communities with high levels of poverty.

- *Educator Workforce* – $48.1 million for training and retention of well-prepared educators including waiving certain teacher examination fees, grants for integrated teacher preparation programs and operations support for the Commission on Teacher Credentialing.

- *Teacher and School Counsel Residencies* – $250 million one-time Proposition 98 funds to expand residency slots for teachers and school counselors and eligibility for the Golden State Teacher Grant Program.

- *Educator Support for Science, Technology, Engineering, and Mathematics (STEM) Instruction* – $85 million one-time Proposition 98 funds for the Next Generation Science Standards, the California Math Framework, the California Computer Science Standards, and the math and science domains of the California Preschool Learning Foundations.

- *State Preschool* – $312.7 million in Proposition 98 funds and $172.3 million in other funds to increase State Preschool Program adjustment factors for students with disabilities, dual language learners, and childhood mental health, $250 million one-time Proposition 98 funds to support the Inclusive Early Education Expansion Program, $300 million one-time Proposition 98 funds for planning and implementation grants, $166.2 million Proposition 98 funds to support the full-year costs of State preschool rate increases and $148.7 million one-time funds to maintain reimbursement rate increases.

- *Transitional Kindergarten* – $614 million in Proposition 98 funds for the first year of expanded eligibility for transitional kindergarten and $383 million Proposition 98 funds to add one additional staff person to every transitional kindergarten class.

- *Expanded Learning Opportunities Program* – $3 billion Proposition 98 funds to accelerate expanded-day, full-year instruction and enrichment focused on school districts with the highest concentrations of low-income students, English language learners, and youth in foster care.

- *Community Engagement Initiative* – $100 million in Proposition 98 funds to further positive relationship building between school districts and local communities.

- *Special Education* – $500 million in Proposition 98 funds for the special education funding formula, amending the special education funding formula to calculate special education base funding allocations at the local educational agency level, and consolidating the special education extraordinary cost pools into a single cost pool to simplify the current funding formula.

- *College and Career Pathways* – $500 million in Proposition 98 funds to support the development of pathway programs focused on technology, health care, education, and climate-related fields and $200 million in Proposition 98 funds to strengthen and expand student access and participation in dual enrollment opportunities.

- *Home-to-School Transportation* – $637 million in Proposition 98 funds to reimburse school districts for up to 60% of their transportation costs in the prior year.

- *Zero Emission School Buses* – $1.5 billion in Proposition 98 general funds for greening school bus fleets.

- *Nutrition* – $596 million in Proposition 98 funds for universal subsidized school meals, $611.8 million in Proposition 98 funds to augment the state meal reimbursement rate, $600 million in Proposition 98 funds for school kitchen infrastructure upgrades and equipment, food service employee training, and compensation related to serving fresh, minimally processed California-grown foods, and $100 million in Proposition 98 funds for procurement practices for plant-based, restricted diet meals, California-grown or California-produced, sustainably grown, or whole or minimally processed foods, or to prepare meals fresh onsite.

- *K-12 School Facilities* – Approximately $1.4 billion in Proposition 51 funds for school construction projects as well as $1.3 billion in fiscal year 2021-22, $2.1 billion in fiscal year 2023-24 and $875 million in fiscal year 2024-25 for new construction and modernization projects, and $100 million in fiscal year 2021-22 and $550 million in fiscal year 2023-24 for the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program.

Proposed 2023-24 State Budget. Governor Newsom announced his proposed budget for the State for fiscal year 2023-24 (the "Proposed 2023-24 State Budget") on January 10, 2023, citing a downturn in current State revenues of approximately $29.5 billion from the 2022-23 State Budget resulting in a $22.5 billion budget deficit in fiscal year 2023-24. The Proposed 2023-24 State Budget projects revenues and transfers in fiscal year 2023-24 of $231 billion and expenditures of $223 billion. A balanced budget is accomplished through funding delays, reductions and shifts from general funds to other funding sources. However, certain reductions in the areas of climate and transportation, housing, parks and workforce training are set to be restored if sufficient revenues are available in subsequent fiscal years. The Proposed 2023-24 State Budget reflects $35.6 billion in total budgetary reserves including $22.4 billion in the BSA, $8.5 billion in the PSSSA, $900 million in the Safety Net Reserve and $3.8 billion in the State's operating reserve.

The Proposed 2023-24 State Budget provides total K-12 education funding of $128.5 billion ($78.7 billion general fund and $49.8 billion from other funds). K-12 per pupil funding totals $17,519 from Proposition 98 sources, its highest level ever, and $23,723 per pupil when accounting for all funding sources. The projected decrease in State revenues under the Proposed 2023-24 State Budget also lowers the Proposition 98 guarantee to $110.4 billion in fiscal year 2021-22, $106.9 billion on fiscal year 2022-23 and $108.8 billion in fiscal year 2023-24. The deposit to the PSSSA is also lowered under the Proposed 2023-24 State Budget to $365 million in fiscal year 2023-24, however, the cap of 10% on school district reserves remains in effect because the $8.1 billion balance in the PSSSA in fiscal year 2022-23 is greater than 3% of the total K-12 Proposition 98 guarantee.

LCFF funding under the Proposed 2023-24 State Budget receives a COLA of 8.13%. The Proposed 2023-24 State Budget also includes $300 million ongoing Proposition 98 funds to establish an equity multiplier as an add-on to the LCFF to augment resources for the highest-need schools in the State.

The Proposed 2023-24 State Budget includes $690 million to implement the second year of transitional kindergarten ("TK") expansion and $165 million to support an additional certificated or classified staff person in TK classrooms, however, the Proposed 2023-24 State Budget delays the 2022-23 State Budget's $550 million investment in the Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program planned for fiscal year 2023-24 until 2024-25.

Significant provisions of the Proposed 2023-24 State Budget pertaining to K-12 education are as follows:

- Proposition 28—$941 million (equivalent to 1% of the Proposition 98 guarantee) to fund the Arts and Music in Schools-Funding Guarantee approved by voters in November, 2022 to increase art instruction and/or arts programs.

- State Preschool Program—$64.5 million Proposition 98 funds and $51.8 million general funds to continue the multi-year plan to ramp-up inclusivity in the State Preschool Program.

- Commercial Dishwasher Grants—$15 million one-time Proposition 98 funds to support school kitchen infrastructure related investments to specifically support a local educational agency's acquisition and installation of a commercial dishwasher.

- Student Friendly Services—$3.9 million ongoing Proposition 98 funds to support the California College Guidance Initiative.

- K-12 High Speed Network—$3.8 million ongoing Proposition 98 funds to support the K-12 High Speed Network program.

- Reversing Opioid Overdoses—An increase of $3.5 million ongoing Proposition 98 general funds for all middle and high school sites to maintain at least two doses of naloxone hydrochloride or another medication to reverse an opioid overdose on campus for emergency aid.

- Data Support—An increase of $2.5 million non-Proposition 98 general funds and 15 positions for the California Department of Education to meet state and federal data and accountability reporting requirements, support data exchanges with other agencies, and to quickly respond to emergent needs for data both internally and externally.

- Fiscal Crisis and Management Assistance Team (FCMAT)—An increase of $750,000 ongoing Proposition 98 general funds to support the professional development of local educational agencies' Chief Budget Officers through mentorship programming by FCMAT.

Future Actions. The State has in past years experienced budgetary difficulties and has balanced its budget by requiring local political subdivisions to fund certain costs theretofore borne by the State. No prediction can be made as to whether the State will, in the future, take further measures which would, in turn, adversely affect the District. Further State actions taken to address any budgetary difficulties could have the effect of reducing District support indirectly, and the District is unable to predict the nature, extent or effect of such reductions. See also "- COVID-19 Outbreak and its Economic Impact" for a discussion of COVID-19 and its impact on the State economy.

The District cannot predict the extent to which the State will encounter budgetary difficulties and what budget actions will be taken to resolve those difficulties in future fiscal years. The District also cannot predict the impact future State Budgets will have on District finances and operations or what actions the State Legislature and the Governor may take to respond to changing State revenues and expenditures. Current and future State Budgets will be affected by national and State economic conditions and other factors which the District cannot control.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES

Article XIIIA of the California Constitution

Article XIIIA of the State Constitution ("Article XIIIA") limits the amount of *ad valorem* taxes on real property to 1% of "full cash value" as determined by the County assessor. Article XIIIA 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 XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the base year value. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on outstanding general obligation bonds of the District, including the Bonds. See "TAX BASE FOR REPAYMENT OF THE BONDS – Assessed Valuations" herein.

Article XIIIA requires a vote of two-thirds of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIIIA 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 55% 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 principal of and interest on the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIIIA 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.

Property Tax Base Transfer Constitutional Amendment. On November 3, 2020, voters in the State approved a constitutional amendment entitled Property Tax Transfers, Exemptions and Revenue for Wildfire Agencies and Counties Amendment. Proposition 19: (i) expands 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 a natural disaster or contamination, when they buy a different home; (ii) narrows existing special rules for inherited properties; and (iii) broadens the scope of legal entity ownership changes that trigger reassessment of properties. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on assessed valuation of real property in the District.

Legislation Implementing Article XIIIA

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

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

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

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

Unitary Property

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

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. Because the District is not a community-funded 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 XIIIB of the California Constitution

Article XIIIB of the State Constitution ("Article XIIIB"), 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 XIIIB defines

(a) "change in the cost of living" with respect to school districts to mean the percentage change in California per capita income from the preceding year, and

(b) "change in population" with respect to a school district to mean the percentage change in the average daily attendance of the school district from the preceding fiscal year.

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

The appropriations of an entity of local government subject to Article XIIIB 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 certain debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

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

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "–Proposition 98" and "–Proposition 111" below.

Article XIIIC and Article XIIID of the California Constitution

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

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA 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 in the State approved Proposition 26. Proposition 26 amends Article XIIIC 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 XIIID. 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.

Proposition 98

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

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

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

Proposition 111

On June 5, 1990, the voters of California approved the Traffic Congestion Relief and Spending Limitation Act of 1990 ("Proposition 111"), which modified the State Constitution to alter the Article XIIIB spending limit and the education funding provisions of Proposition 98. Proposition 111 took effect on July 1, 1990.

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

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

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

d. Recalculation of Appropriations Limit. The Article XIIIB 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 (the "first test") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendment 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 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, and property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to buy or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement 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 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate per $100,000 of taxable property value projected to be levied as the result of any single election be no more than $60 (for a unified school 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 XIIIA of the Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Jarvis v. Connell

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

Proposition 1A and Proposition 22

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

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

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos*, finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in California were dissolved as of February 1, 2012, and all net tax increment revenues, after payment of redevelopment bonds debt service and administrative costs, will be distributed to cities, counties, special districts and school districts. The Court also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to school districts and county offices of education, totaling $1.7 billion statewide. ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to such redevelopment agency will be allocated to the Successor Agency, to be used for the payment of pass-through payments to local taxing entities and to any other "enforceable obligations" (as defined in the Dissolution Act), as well to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally requirement payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations. Tax revenues in excess of such amounts, if any, will be distributed to local taxing entities in the same proportions as other tax revenues.

The District can make no representations as to the extent to which its property tax apportionments may be offset by the future receipt of pass through tax increment revenues, or any other surplus property tax revenues pursuant to the Dissolution Act.

Proposition 30

On November 6, 2012, voters approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending January 1, 2019, Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $500,000 but less than $600,001 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 temporary tax increases were 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 – Proposition 98" and "—Proposition 111" herein. From an accounting perspective, the revenues generated from the temporary tax increases were 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 were and will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds are distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 55

At the November 8, 2016 general election, the voters in the State approved the Tax Extension of Education and Healthcare Initiative ("Proposition 55") which extends the increase in personal income tax on high-income taxpayers imposed under Proposition 30 until 2030. Proposition 55 did not extend the sales and use tax increases imposed under Proposition 30 which expired at the end of 2016.

Proposition 51

The Kindergarten through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) was a voter initiative that was approved by voters in the State on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in general obligation bonds by the State for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. 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. If a school district lacks sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school ($500 million) and technical education ($500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for state loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, state grants are capped at $3 million for a new facility and $1.5 million for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the State legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and State legislature will select among eligible projects as part of the annual state budget process.

The District makes no representation that it will either pursue or qualify for Proposition 51 State facilities funding.

Proposition 2

Proposition 2, a legislatively referred Constitutional amendment approved by the voters in November, 2014 ("Proposition 2"), changed the way in which the State pays off existing debts, funds its reserves and draws from those reserves in times of economic slowdowns, as well as requires that reserves be set aside for schools and community colleges under certain circumstances. In addition, as a result of the passage of Proposition 2, new rules for school district reserves were implemented.

Under Proposition 2, the State is required annually to deposit 1.5% of general fund revenues into the BSA. From fiscal years 2015-16 through 2029-30, under Proposition 2, one half of the amount required to be deposited to the BSA must be applied to the payment of debts for pension and retiree benefits and specified debts to local governments and certain other State accounts. In years when capital gains tax revenues exceed 8% of general fund revenues, a portion of such excess capital gains tax revenue is also required to be applied to the pay down of State debt. Deposits to the BSA are required until the amount on hand in the BSA reaches 10% of general fund revenues. Once the maximum has been reached, the required deposit amount may be applied to other expenditures.

In the event the Governor were to declare a budget emergency, Proposition 2 would permit a smaller deposit to the BSA. A budget emergency may be called if there is a natural disaster such as an earthquake or flood or general fund revenues reach a certain minimum level. Withdrawals from the BSA, under Proposition 2, are permitted upon a majority vote of the legislature only when the Governor has declared a budget emergency. If a budget emergency is called for two straight years in a row, in the second budget emergency year, the entire amount on hand might be withdrawn.

Public School System Stabilization Account. In the event capital gains tax revenues collected by the State in any given fiscal year exceed 8% of general fund revenues, a portion of such excess is required to be deposited into the PSSSA which serves as a reserve account for school funding in years when the State budget is smaller. See "DISTRICT FINANCIAL INFORMATION - State Budget Measures – Proposed 2023-24 State Budget" above for information regarding the deposit of funds to the PSSSA in fiscal year 2023-24.

SB 858 and SB 751. State regulations require school districts to budget a reserve for economic uncertainties. The recommended minimum amounts vary from 1% to 5% of total expenditures and other financing uses, depending on the district's ADA. SB 858, adopted in June 2014, imposed limitations relating to ending fund balances for school districts. Beginning in fiscal year 2015–16, a school district that proposes to adopt or revise a budget that includes an ending fund balance that is two to three times higher than the state's minimum recommended reserve for economic uncertainties must substantiate the need for the higher balance. SB 751, which was adopted in October 2017 and amended Section 42127.01 of the Education Code, placed certain restrictions on the amount of a school district's ending fund balances if a certain amount of funds is available in the PSSSA. In a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts for that fiscal year, (see "– Proposition 98"), a school district's adopted or revised budget may not contain an assigned or unassigned ending fund balance higher than 10% of expenditures and other financing uses. A county superintendent could waive the prohibition, pursuant to specified conditions, for up to two consecutive years within a three-year period. SB 751 does not apply to school districts with an ADA of less than 2,501 students and basic aid school districts.

If the cap is triggered, unless exempted, a school district would be required to increase expenditures in order to bring its ending fund balance down to the maximum level. The PSSSA appears to be intended to provide a substitute for local reserves in the event of a future economic downturn.

Santa Rosa City Schools is required to maintain a reserve for economic uncertainties at least equal to 2% of general fund expenditures and other financing uses. On June 30, 2022, Santa Rosa City Schools had available reserves of $17,111,529, consisting of all unassigned fund balances including all amounts reserved for economic uncertainties contained within the general fund. Santa Rosa City Schools is unable to predict what the effect on its budget will be following implementation of these new rules. It is anticipated that if the cap is triggered, it will materially change the Santa Rosa City Schools' current policies on reserves.

Proposition 28. On November 8, 2022, voters approved The Arts and Music in Schools- Funding Guarantee and Accountability Act which provides additional funding for arts and music education in all K–12 public schools (including charter schools) by annually allocating from the State general fund an amount equal to 1% of total State and local revenues received by public schools in the preceding fiscal year under Proposition 98. Amounts provided under Proposition 28 are in addition to and not considered a part of the Proposition 98 guarantee. Funds appropriated under Proposition 28 are to be allocated 70% based on a school district's share of Statewide enrollment and 30% based on such school district's share of Statewide enrollment of economically disadvantaged students and must be distributed to school sites following such allocation. School districts must expend funds received pursuant to Proposition 28 within three years or such funds revert to CDE for reallocation under Proposition 28.

As a condition to receipt of funds under Proposition 28, school districts must certify that funds are to be used for arts education and that funds received in the prior fiscal year were, in fact, used for those purposes. Additionally, no more than 1% of Proposition 28 funds may be used for administrative purposes in implementing Proposition 28 programs. Schools with 500 or more students must certify that at least 80% of the funding is to be used to employ teachers and that the remainder will be spent on training, supplies, and education partnerships. Amounts appropriated under Proposition 28 in a given year may be reduced if the State legislature suspends the Proposition 98 guarantee but only in an amount equal to the percent reduction of the Proposition 98 guarantee. See "DISTRICT FINANCIAL INFORMATION – State Budget Measures – Proposed 2023-24 State Budget" for information regarding Proposition 28 in the Proposed 2023-24 State Budget.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 26, 98, 111, and 28 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 Santa Rosa City Schools revenues or Santa Rosa City Schools' ability to expend revenues. The nature and impact of these measures cannot be anticipated by the Santa Rosa City Schools.

SANTA ROSA CITY SCHOOLS

Introduction

The District, together with the High School District, operates as Santa Rosa City Schools. Pursuant to Section 35110 *et seq.* of the Education Code of the State, on April 26, 1983, the Board adopted Resolution No. E-349 which deemed the District and the High School District to be a single school district for all purposes, including, but not limited to, budget and personnel matters, and the governing board of the District and the governing board of the High School District, together, to be the governing board of a single school district. Each of the District and the High School District, however, continue to hold title to property in their own name and any indebtedness for such property also remains the indebtedness of each separate district. The District and the High School District incur bonded indebtedness as separate school districts.

The District is located in the northern San Francisco Bay Area in the County approximately 50 miles north of San Francisco and 85 miles northwest of Sacramento and consists primarily of the City. The District provides kindergarten through sixth grade education services in 9 elementary schools and one virtual learning environment. In addition, the District includes three charter or alternative schools. Students from the District, as well as eight distinct elementary districts, feed students into the High School District. The ADA for Santa Rosa City Schools for fiscal year 2022-23, as of the Second Interim Report, is 13,090 students, and the District has a 2022-23 total assessed valuation of $11,738,491,291. The audited financial statements for Santa Rosa City Schools for the fiscal year ended June 30, 2022 are attached hereto as APPENDIX B.

Board of Education

The District, together with the High School District, operating as Santa Rosa City Schools, is governed by a Board. The Board consists of seven members who are elected by trustee area to overlapping four-year terms at elections held in staggered years. If a vacancy arises during any term, the vacancy is filled by either an appointment by the majority vote of the remaining Board members or by a special election. The years in which the current terms for each member of the Board expire are set forth in the following table:

SANTA ROSA CITY SCHOOLS
Board of Education

Name	Office	Trustee Area	Term Expires December
Stephanie Manieri	President	6	2026
Omar Medina	Vice-President	4	2026
Vacant*	Clerk	7	2024
Alegria De La Cruz	Director	3	2024
Ever Flores	Director	1	2024
Roxanne McNally	Director	2	2026
Ed Sheffield	Director	5	2024

Source: *Santa Rosa City Schools*.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by Santa Rosa City Schools. Additional information concerning the District and copies of the most recent and subsequent audited financial statements of Santa Rosa City Schools may be obtained by contacting: Santa Rosa City Schools, 211 Ridgway Avenue, Santa Rosa, California 95401, Attention: Associate Superintendent of Business Services. The District may charge a small fee for copying, mailing and handling.

Key Personnel

The following is a listing of the key administrative personnel of Santa Rosa City Schools and brief biographies of the Superintendent and the Assistant Superintendent, Business Services follow.

Name	Title
Anna Trunnell	Superintendent
Lisa Cavin	Associate Superintendent, Business Services
Dr. Roderick Castro	Assistant Superintendent, Educational Services
Michael Shepherd	Assistant Superintendent, Human Resources

Anna Trunnell. Superintendent Trunnell has served as the Superintendent of Santa Rosa City Schools since July 2021. She previously served as Assistant Superintendent for Human Resources for Santa Rosa City Schools. Prior to joining Santa Rosa City Schools, Superintendent Trunnell served as Executive Director of Technology and Curriculum at Stockton Unified School District, Director of Curriculum and Professional Learning at Elk Grove Unified School District, Director of Curriculum, Instruction and Assessment in Washington Unified School District and as a Principal and Director of Secondary Curriculum at Twin Rivers Unified School District. She began her career as teacher and program director at Grant Union High School District. Superintendent Trunnell earned a Bachelor's degree from the University of California, Davis and a Master's degree in educational leadership from California State University, Sacramento.

Lisa Cavin Ms. Cavin has served as the Assistant Superintendent, Business Services of Santa Rosa City Schools since November, 2022. Prior to Santa Rosa City Schools, Ms. Cavin served as the

* Laurie Fong, former Clerk of the Board, recently resigned from the Board in order to serve as the Principal of a Santa Rosa City Schools high school. Santa Rosa City Schools is in the process of determining a replacement.

Deputy Superintendent, Business Services of Plumas Unified School District. Ms. Cavin has also served as Human Resources Manager and Executive Assistant at Lassen Union High School District. Ms. Cavin received a Bachelor's Degree from the University of Arizona Global Campus.

Employees and Labor Relations

Santa Rosa City Schools employs approximately 888 full-time equivalent ("FTE") certificated academic professionals, approximately 530 FTE classified employees and approximately 144 management, supervisor and confidential FTE employees.

The certificated employees of Santa Rosa City Schools have assigned the Santa Rosa Teachers Association ("SRTA") as their exclusive bargaining agent. The contract between Santa Rosa City Schools and SRTA expires on June 30, 2024.

The classified employees have assigned California School Employees Association ("CSEA") Classified Local 75 as their exclusive bargaining unit. The contract between Santa Rosa City Schools and CSEA expires on October 31, 2024.

District Retirement Systems

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

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries. Benefit provisions and employer contributions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. For fiscal year 2022-23, the District is currently required by such statutes to contribute 19.10% of eligible salary expenditures, while participants contribute either 10.25% or 10.205% of their respective salaries. The State also contributes to STRS, currently in an amount equal to 10.328% of teacher payroll for fiscal year 2022-23. The State's contribution reflects a base contribution of 2.017% and a supplemental contribution that will vary from year-to-year based on statutory criteria.

As part of the 2014-15 State Budget, the Governor signed Assembly Bill 1469 ("AB 1469") which implemented a new funding strategy for STRS, increasing the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. Such rate increased by 1.85% in fiscal year 2015-16 and will continue to increase annually as further described below. Teacher contributions also increased from 8.00% to a total of 10.25% of pay, over the period from 2014-15 through 2017-18. The State's total contribution also increased from approximately 3% in fiscal year 2013-14 to 6.30% of payroll in fiscal year 2016-17, plus the continued payment of 2.5% of payroll annually for a supplemental inflation protection program for a total of 8.80%. In addition, AB 1469 provides the State Teachers Retirement Board with authority to modify the percentages paid by employers and employees for fiscal year 2021-22 and each fiscal year thereafter to eliminate the STRS unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 by June 30, 2046, which is premised upon an actuarially assumed earnings rate of 7.00%. The State Teachers Retirement Board would also have authority to reduce employer and State contributions if they are no longer necessary.

Pursuant to AB 1469, school districts' employer contribution rates increased over a seven-year phase-in period beginning in fiscal year 2014-15 through fiscal year 2019-20 when employer contribution rates reached 16.15% (including certain reductions in the contribution rate for supplemental payments made by the State in fiscal years 2019-20 and 2020-21.)

Subsequent to the increases to the school district's contribution rates to STRS, AB 1469 requires that for fiscal year 2021-22 and each fiscal year thereafter, STRS adjust the school districts' contribution rate to reflect the rate required to eliminate the unfunded liability by July 1, 2046. The 2020-21 State Budget applied certain funds in fiscal year 2020-21 intended under the 2019-20 State Budget to reduce future obligations to STRS to the school districts' then current obligations to STRS to reduce the school district's contribution rates to STRS in fiscal year 2020-21 from 18.41% to approximately 16.15% and in fiscal year 2021-22 from 17.9% to 16.02%.

Santa Rosa City Schools contributed $11,276,388 to STRS for fiscal year 2017-18, $12,897,120 for fiscal year 2018-19, $14,064,362 for fiscal year 2019-20, $13,872,063 for fiscal year 2020-21 and $15,975,434 for fiscal year 2021-22. Such contributions were equal to 100% of the required contributions for the respective years. Santa Rosa City Schools has budgeted a contribution of $24,654,599 for fiscal year 2022-23, as of the Second Interim Report. With the implementation of AB 1469, Santa Rosa City Schools anticipates that its contributions to STRS will increase in future fiscal years as compared to prior fiscal years. Santa Rosa City Schools, nonetheless, is unable to predict all factors or any changes in law that could affect its required contributions to STRS in future fiscal years.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended, with the Public Employees' Retirement Laws. Santa Rosa City Schools is currently required to contribute to PERS at an actuarially determined rate, which is 25.37% of eligible salary expenditures for fiscal year 2022-23, while participants enrolled in PERS (prior to January 1, 2013) contribute 7% of their respective salaries and those enrolled subsequent to January 1, 2013 contribute 8.00%. See –"California Public Employees' Pension Reform Act of 2013" below.

On April 19, 2017, the Board of Administration of PERS ("PERS Board") adopted new contribution rates for school districts. The revised contribution rates are, as were the previous contribution rates, based on certain demographic assumptions adopted by the PERS Board in February 2014 which took into account longer life spans of public employees from previous assumptions. Such demographic assumptions generally increase costs for the State and public agency employers (including school districts), which costs will be amortized over 20 years and were phased in over three years beginning in fiscal year 2014-15 for the State and amortized over 20 years and phased in over five years beginning in fiscal year 2016-17 for the employers. PERS estimated that the new demographic assumptions would cost public agency employers up to 5% of payroll for miscellaneous employees at the end of the five-year phase in period. To the extent, however, that current and future experiences differ from PERS' assumptions, the required employer contributions may vary. The 2017-18 contribution rate also took into account increased payroll over 2016-17, a lowered discount rate (which was approved in December 2016) as well as lower than predicted investment returns in prior years. As a result of payments to be made by the State as part of the 2019-20 State Budget, the estimated future employer contribution rates to PERS were again revised downward for fiscal years 2019-20 through 2025-26 but remain subject to annual adoption by the PERS Board. See "DISTRICT FINANCIAL INFORMATION- State Funding of Education" herein.

On April 18, 2022, the PERS Board set the fiscal year 2022-23 employer contribution rate at 25.37%. The PERS Board also approved an increase in the employee contribution rate for members subject to the Reform Act (defined below) from 7.00% of earnings to 8.00% of earnings for fiscal year 2022-23. On July 20, 2022, PERS reported a preliminary negative 6.1% net return on investments for fiscal year 2021-22, which is PERS' first negative return on investments since fiscal year 2008-09. The negative 6.1% net return on investments is less than the assumed annual rate of return on investments of 6.80%.

The most recent PERS actuarial valuation report for the Schools Pool, dated as of June 30, 2021, estimates future employer contribution rates as follows:

Fiscal Year	Prior Projected Employer Contribution Rates	New Projected Employer Contribution Rates (PERS Actuarial Report)
2023-24	25.20%	27.00%
2024-25	24.60	28.10
2025-26	23.70	28.80
2026-27	22.60	29.20
2027-28	22.60	30.70

The projected rates reflect the preliminary investment loss for fiscal year 2021-22 described above. Projected rates also reflect the anticipated decrease in normal cost due to new hires entering lower cost benefit tiers. The PERS Board is expected to set the actual fiscal year 2023-24 employer contribution rate at its April 2023 meeting.

Santa Rosa City Schools contributed to PERS $3,344,202 for fiscal year 2017-18, $3,865,049 for fiscal year 2018-19, $4,711,818 for fiscal year 2019-20, $4,899,392 for fiscal year 2020-21 and $6,547,949 for fiscal year 2021-22 which amounts equaled 100% of required contributions to PERS. Santa Rosa City Schools has budgeted a contribution of $7,248,875 for fiscal year 2022-23 as of the Second Interim Report.

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 PERS and STRS as of July 1, 2021.

FUNDED STATUS
STRS (DEFINED BENEFIT PROGRAM) and PERS
Actuarial Valuation as of July 1, 2021
(Dollar Amounts in Millions) [(1)]

Plan	Accrued Liability	Market Value of Trust Assets	Unfunded Liability
Public Employees Retirement Fund (PERS)	$ 110,507	$ 86,519	$ (23,988)
State Teachers' Retirement Fund Defined Benefit Program (STRS)	332,082	292,580	(60,136)

(1) Amounts may not add due to rounding.
Source*: PERS State & Schools Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.*

Unlike PERS, STRS contribution rates for participant employers, employees hired prior to the Implementation Date (defined herein) and the State are set by statute and do not currently vary from year-to-year based on actuarial valuations. As a result of the Reform Act (defined below), the contribution rate for STRS participants hired after the Implementation Date will vary from year-to-year based on actuarial valuations. See "—California Public Employees' Pension Reform Act of 2013" below. In recent years, the combined employer, employee and State contributions to STRS have been significantly less than actuarially required amounts. As a result, and due in part to investment losses, the unfunded liability of STRS has increased significantly. AB 1469 is intended to address this unfunded liability. Santa Rosa City Schools can make no representations regarding the future program liabilities of STRS, or whether it will be required to make larger contributions to STRS in the future. Santa Rosa City Schools can also provide no assurances that its 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 Employee's Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled to 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 (currently 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 and benefit base for members participating in Social Security or 120% for members not participating in social security, 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 (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on Santa Rosa City Schools 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 Santa Rosa City Schools, took effect for the fiscal year beginning July 1, 2014.

Santa Rosa City Schools' proportionate shares of the net pension liability of STRS and PERS, as of June 30, 2022, are as shown in the following table.

Pension Plan	Proportionate Share of Net Liability
STRS	$70,349,911
PERS	39,844,506
Total	$110,194,417

Source: *Santa Rosa City Schools.*

For further information about the Santa Rosa City Schools' contributions to STRS and PERS, see Note 9, in Santa Rosa City Schools' audited financial statements for fiscal year ended June 30, 2022 attached hereto as APPENDIX B.

School districts' retirement contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in school district contributions. Santa Rosa City Schools cannot determine whether current financial market losses and/or volatility might impact the value of investments held by either PERS or STRS to fund retirement benefits or whether the Santa Rosa City Schools' contribution rates to PERS or STRS might increase in the future as a result of any declines in the value of investments.

Other Post-Employment Benefits

In June 2004, the Governmental Accounting Standards Board ("GASB") pronounced Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions.* The pronouncement required public agency employers providing healthcare benefits to retirees to recognize and account for the costs for providing these benefits on an accrual basis and provide footnote disclosure on the progress toward funding the benefits. In June 2015, GASB replaced Statement No. 45 with Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Employees who are eligible to receive retiree employment benefits other than pensions ("Health and Welfare Benefits") while in retirement must meet specific criteria, *i.e.*, age and years of service to Santa Rosa City Schools. As of June 30, 2021 (the valuation date), 849 active employees and 92 inactive employees were covered under the benefit terms. Additionally, three retired Board members are entitled to lifetime Health and Welfare Benefits under a Board policy that has since been repealed.

Expenditures for Health and Welfare Benefits are recognized each pay period at a rate that approximates the amount of premiums paid. Santa Rosa City Schools has not set-aside any amounts in a trust to pre-fund Health and Welfare Benefits. The following table shows the changes in the net Health and Welfare Benefits during fiscal year 2021-22.

	Total Liability
Balance at June 30, 2021	$24,752,522
Service Cost	2,282,016
Interest in Total Health and Welfare Benefits Liability	644,273
Balance of diff between actual and exp experience	3,913,389
Changes in benefit terms	4,193,464
Balance of changes in assumptions	372,722
Benefit payments	(1,475,330)
Net Changes	9,930,534
Balance at June 30, 2022	$34,683,056

Source: *Santa Rosa City Schools*.

Risk Management

The District is exposed to various risks of loss related to tortious liability, theft, damage or destruction of assets, errors or omissions, employee injuries or natural disasters. Santa Rosa City Schools is a member of Redwood Empire Schools Insurance Group ("RESIG"), a joint powers authority that provides various types of insurance to its members as requested. RESIG provides property, liability and workers' compensation to Santa Rosa City Schools.

Santa Rosa City Schools maintains insurance or self-insurance in such amounts and with such retentions and other terms providing coverages for property damage, fire and theft, general public liability and worker's compensation as are adequate, customary and comparable with such insurance maintained by similarly situated school districts. In addition, based upon prior claims experience, the District believes that the recorded liabilities for self-insured claims are adequate.

Cyber Security

School districts, like other governmental and business entities, face significant risks relating to the use and application of computer software and hardware for educational and operational and management purposes. Santa Rosa City Schools also collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, and contractors. As the custodian of such information, Santa Rosa City Schools may face cybersecurity threats from time to time. Given the importance of cybersecurity for school districts, federal lawmakers recently approved the K-12 Cybersecurity Act of 2021 to study cybersecurity risks that school districts face and develop recommended guidelines and an online training toolkit for school district officials to address such cybersecurity risks. Santa Rosa City Schools is not aware of any major cybersecurity attack or breach of its systems during the last five years. To protect itself from cybersecurity attacks, the Santa Rosa City Schools utilizes firewalls, anti-virus and anti-malware software, and provides cybersecurity training to

Santa Rosa City Schools employees. In addition, Santa Rosa City Schools has an informal general technology use policy. As a result, the Santa Rosa City Schools expects that any such disruptions caused by a cyberattack would be temporary in nature. Santa Rosa City Schools currently maintains a policy of cyber liability insurance. There can be no assurance that a future cyberattack or attempted cyberattack would not compromise the personal information that the Santa Rosa City Schools collects, processes and stores or cause a disruption in Santa Rosa City Schools operations, particularly given that students, teachers, and staff are accessing Santa Rosa City Schools computer systems and platforms remotely which may increase the risks of intrusion by third parties.

Charter Schools

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

The District has certain fiscal oversight and other responsibilities with respect to any independent and District-operated charter schools established within its boundaries. However, any independent charter schools would receive funding directly from the State, and such funding would not be reported in the District's audited financial statements. Any District-operated charter schools would receive funding through the District, and such funding would be reflected in the District's audited financial statements. Currently, there are four District-operated charter schools established within the District's boundaries.

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

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District Debt Structure

Long-Term Debt. A schedule of Santa Rosa City School's changes in long-term debt for the year ended June 30, 2022 is shown below:

SANTA ROSA CITY SCHOOLS
Long-Term Debt
Fiscal year ended June 30, 2022

	Balance July 1, 2021	GASB Adjustments	Additions	Deductions	Balance June 30, 2022	Due Within One Year
General Obligation Bonds	$246,922,800	$ --	$46,527,000	$ 65,765,166	$227,684,634	$7,159,000
Direct Borrowing						
School Facilities Program Loan	4,641,279	--	--	136,776	4,504,503	139,535
PG&E Energy Efficient Loan	4,748,423	--	--	483,029	4,265,394	483,029
Leased Portable Buildings	--	4,395,705	--	252,332	4,143,373	262,141
Certificates of Participation						
Principal Payments	7,943,372	--	--	125,000	7,818,372	125,251
Accreted Interest	316,681	--	65,992	--	382,673	
Total COPs	8,260,053	--	65,922	125,000	8,201,045	125,251
Net Pension Liability	195,425,275	--	83,360,251	168,591,029	110,194,497	--
Total OPEB Liability	24,752,522	--	16,404,652	6,474,118	34,683,056	--
Compensated Absences	1,594,462	--	1,135,732	1,037,976	2,052,218	--
Total Long Term Liabilities	$486,704,814	$4,395,705	$147,493,627	$242,865,426	$395,728,720	$8,168,956

Source: *Santa Rosa City Schools.*

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General Obligation Bonds

The District received authorization from the voters within the District to issue $12,000,000 aggregate principal amount of general obligation bonds pursuant to an authorization on November 4, 1997 (the "1997 Authorization") and $19,125,000 aggregate principal amount of general obligation bonds pursuant to an authorization on March 5, 2002 (the "2002 Authorization"). The District issued its $4,950,000 2011 General Obligation Refunding Bonds and its $9,815,000 2013 General Obligation Refunding Bonds to refund certain general obligation bonds issued under the 2002 Authorization. The District issued its $5,415,000 2015 General Obligation Refunding Bonds to refund certain general obligation refunding bonds which refunded certain general obligation bonds issued under the 1997 Authorization. No further general obligation bonds remain to be issued under the 1997 Authorization or the 2002 Authorization, except for possible refunding bonds.

The District issued its $1,830,000 City of Santa Rosa Elementary School District (Sonoma County, California) 2021 General Obligation Refunding Bonds, Series A to refund the 2011 Refunding Bonds and $5,325,000 City of Santa Rosa Elementary School District (Sonoma County, California) 2021 General Obligation Refunding Bonds, Series B to refund a portion of the outstanding 2013 Refunding Bonds.

The District received authorization from the voters within the District to issue $54,000,000 aggregate principal amount of general obligation bonds pursuant to an authorization on November 4, 2014 (the "2014 Authorization"). On February 25, 2016, the District issued its $5,700,000 General Obligation Bonds, 2014 Election, 2016 Series A and its $3,800,000 General Obligation Bonds, 2014 Election, 2016 Series B, on December 22, 2016, the District issued its $15,000,000 General Obligation Bonds 2014 Election, 2016 Series C (the "2014 Series C Bonds"), on June 14, 2018, the District issued its $10,000,000 General Obligation Bonds, 2014 Election, 2018 Series D (the "2014 Series D Bonds") and $3,000,0000 General Obligation Bonds, 2014 Election, 2018 Series E and on June 3, 2021, the District issued its $16,500,000 General Obligation Bonds, 2014 Election, 2021 Series F under the 2014 Authorization. On June 22, 2022 the District issued its $22,849,000 2022 General Obligation Refunding Bond to refund a portion of the District's 2014 Series C Bond and 2014 Series D Bonds. No general obligation bonds remain for issuance under the 2014 Authorization.

The District received authorization from the voters within the District to issue $125,000,000 aggregate principal amount of general obligation bonds pursuant to an authorization on November 8, 2022. The Bonds are the first series of bonds to be issued under the Authorization. Subsequent to the issuance of the Bonds, $93,000,000 aggregate principal amount of general obligation bonds will remain for issuance under the Authorization.

The Bonds are issued on a parity with all general obligation bonds of the District. See "DEBT SERVICE SCHEDULE" for the debt service payments to be made on all of the District's outstanding general obligation bonds.

Certificates of Participation

The District has no outstanding certificates of participation.

On June 12, 2008, the High School District executed and delivered $6,116,013 aggregate principal amount of certificates of participation (the "2008 Certificates") in order to finance certain capital improvements to High School District facilities. On December 16, 2015, the High School District executed and delivered $8,195,444.15 aggregate principal and issue amount of its 2015 Refunding Certificates of Participation (the "Refunding Certificates") in order to prepay a portion of the 2008

Certificates. The Refunding Certificates were issued as current interest certificates and capital appreciation certificates and are secured by the general fund of Santa Rosa City Schools. The annual payments with respect to the Refunding Certificates through maturity are as follows:

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
High School District Certificates of Participation Debt Service

Bond Year (June 1)	Principal Component	Current Interest Component	Compounded Interest Component	Total Annual Certificate Payments
2023	$ 125,251.20	$ 241,343.76	$ 34,748.80	$ 401,343.76
2024	145,403.70	241,343.76	49,596.30	436,343.76
2025	225,000.00	241,343.76	0	466,343.76
2026	181,199.70	235,718.76	88,800.30	505,718.76
2027	192,650.20	235,718.76	112,349.80	540,718.76
2028	204,553.95	235,718.76	140,446.05	580,718.76
2029	217,393.80	235,718.76	172,606.20	625,718.76
2030	226,919.60	235,718.76	203,080.40	665,718.76
2031	475,000.00	235,718.76	--	710,718.76
2032	550,000.00	219,687.50	--	769,687.50
2033	635,000.00	201,125.00	--	836,125.00
2034	725,000.00	178,900.00	--	903,900.00
2035	820,000.00	153,525.00	--	973,525.00
2036	925,000.00	123,800.00	--	1,048,800.00
2037	1,040,000.00	86,800.00	--	1,126,800.00
2038	1,130,000.00	45,200.00	--	1,175,200.00
Total	$7,818,372.15	$3,147,381.34	$801,627.85	$11,767,381.34

Source: *Santa Rosa City Schools.*

Loans. In 2016, the Charter School Facilities Program ("CSFP"), which is jointly administered by the California School Finance Authority ("CSFA") and the Office of Public School Construction (OPSC), issued Santa Rosa City Schools two loans totaling $5,035,367 for facilities construction projects at the Santa Rosa Charter for the Arts campus. CSFP provides low-cost financing for charter school facilities through 50% grant and 50% loan agreements. The first loan of $2,954,076 was for new construction and the second loan of $2,081,291 was for rehabilitation of existing facilities. Both loans have payments through August 1, 2047 and with a 2.000% annual interest rate.

Santa Rosa City Schools received zero interest loans from Pacific Gas & Electric Company ("PG&E") totaling $4,830,293 to finance energy-efficient retrofit projects implemented under PG&E Energy Efficiency Programs. Principal payments of $40,252 are due monthly maturing in December 2031 and do not bear interest.

Short-Term Debt. As of June 30, 2022, the District did not have any short-term debt outstanding. The District does not expect to issue any tax and revenue anticipation notes in fiscal year 2022-23.

Joint Powers Authority

On July 1, 2016, Santa Rosa City Schools joined West County Transportation Agency ("WCTA") which provides pupil transportation services to its member school districts within the County. Santa Rosa City Schools has agreed to make service payments to WCTA in an amount equal to its actual annual transportation costs. Pursuant to the Joint Powers Agreement under which WCTA was formed, member agencies, such as Santa Rosa City Schools, may only terminate their membership in WCTA after three consecutive years as a member and, upon termination, must pay any liabilities incurred during such member's membership, including bonded indebtedness. In April, 2017, WCTA issued its $10,835,000 Series 2017 Bonds (Transportation Facility Project) (the "WCTA Bonds"). Payments on the WCTA Bonds will be made by WCTA from service payments made to it by its members. See "TAX BASE FOR REPAYMENT OF THE BONDS – Direct and Overlapping Indebtedness" herein for information regarding Santa Rosa City Schools' proportionate liability for the WCTA Bonds.

SONOMA COUNTY POOLED INVESTMENT FUND

The following information and the information contained in Appendix E hereto concerning the Sonoma County Pooled Investment Fund has been provided by the Treasurer and has not been confirmed or verified by the District. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.

Under California law, the District is required to pay all monies received from any source into the Sonoma County Treasury to be held on behalf of the District. The Treasurer has authority to implement and oversee the investment of funds on deposit in commingled funds of the Treasury.

Decisions on the investment of funds in the Pooled Investment Fund are made by the Treasurer and his deputies in accordance with established policy guidelines. In the County, investment decisions are governed by California Government Code Sections 53601 and 53635, *et seq*., which govern legal investments by local agencies in the State of California, and a more restrictive Investment Policy proposed by the Treasurer and adopted by the County Board of Supervisors on an annual basis. The Investment Policy is reviewed and approved annually by the County Board of Supervisors. The Treasurer's compliance with the Investment Policy is also audited annually by an independent certified public accountant.

The District has not made an independent investigation of the investments in the Pooled Investment Fund and has made no assessment of the current County Investment Policy. The value of the various investments in the Pooled Investment Fund 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, after a review by the Committee and approval by the Board may change the County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Pooled Investment Fund will not vary significantly from the values described therein.

The County's current Investment Policy and a copy of the Quarterly Investment Report for the quarter ending December 31, 2022 are attached hereto as APPENDIX E.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than 9 months following the end of the District's fiscal year (currently ending June 30), which date would be April 1, commencing with the report for the 2022-23 fiscal year, and to provide notices of the occurrence of certain enumerated events. The District has entered into a Continuing Disclosure Agreement ("Continuing Disclosure Agreement") for the benefit of the Owners of the Bonds. The Annual Report and each notice of enumerated events will be filed by the District with the Electronic Municipal Markets Access system ("EMMA") of the Municipal Securities Rulemaking Board (the "MSRB"), or any other repository then recognized by the Securities and Exchange Commission. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT hereto. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Within the last five years, the District has not failed to comply, in all material respects, with any previous undertakings it has entered into with respect to the Rule. The District has engaged Isom Advisors, a Division of Urban Futures, Inc. to act as Dissemination Agent with respect to the undertaking to be entered into with respect to the Bonds and to assist the District with compliance with its current and future continuing disclosure obligations.

LEGAL MATTERS

The legal opinion of Dannis Woliver Kelley, Long Beach, California, Bond Counsel to the District ("Bond Counsel"), attesting to the validity of the Bonds, will be supplied to the Underwriter of the Bonds without charge, a form of which is attached hereto as APPENDIX A. Dannis Woliver Kelley is also acting as Disclosure Counsel to the District. Norton Rose Fulbright US LLP, Los Angeles, California, is acting as counsel to the Underwriter ("Underwriter's Counsel"). Bond Counsel and Disclosure Counsel and Underwriter's Counsel will receive compensation contingent upon the sale and delivery of the Bonds.

Limitation on Remedies; Amounts Held in the County Treasury Pool

The opinion of Bond Counsel, the proposed form of which is attached hereto as APPENDIX A, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. The rights of the owners of the Bonds are subject to certain limitations. Enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the District, are limited by applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles that may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose, and the limitations on remedies against school and community college districts in the State. Bankruptcy proceedings, if initiated, could subject the beneficial 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.

Under Chapter 9 of the Federal Bankruptcy Code (Title 11, United States Code) (the "Bankruptcy Code"), which governs the bankruptcy proceedings for public agencies, no involuntary petitions for bankruptcy relief are permitted. While current State law precludes school districts from voluntarily seeking bankruptcy relief under Chapter 9 of the Bankruptcy Code without the concurrence of the State, such concurrence could be granted or State law could be amended.

The Resolution and the Act require the County to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of, premium, if any, and interest on the Bonds. The County, on behalf of the District, is thus expected to be in possession of the annual *ad valorem* taxes and certain funds to repay the Bonds and may invest these funds in the County's Investment Pool, as described in "APPENDIX E – SONOMA COUNTY QUARTERLY

INVESTMENT REPORT AND INVESTMENT POLICY STATEMENT" attached hereto. In the event the District or the County were to go into bankruptcy, a federal bankruptcy court might hold that the owners of the Bonds are unsecured creditors with respect to any funds received by the District or the County prior to the bankruptcy, where such amounts are deposited into the County Treasury Pool, and such amounts may not be available for payment of the principal of and interest on the Bonds unless the owners of the Bonds can "trace" those funds. There can be no assurance that the owners could successfully so "trace" such taxes on deposit in the District's Debt Service Fund where such amounts are invested in the County Investment Pool. Under any such circumstances, there could be delays or reductions in payments on the Bonds.

California Senate Bill 222

Government Code Section 53515, added by SB 222, applicable to general obligations bonds issued after its effective date, removes the extra step between (a) the issuance of general obligation bonds by cities, counties, cities and counties, school districts, community college districts, authorities and special districts; and (b) the imposition of a lien on the future *ad valorem* property taxes that are the source of repayment of the general obligation bonds. By clarifying that the lien created with each general obligation bond issuance is a "statutory" lien (consistent with bankruptcy statutory law and case precedent), SB 222, while it does not prevent default, should reduce the ultimate bankruptcy risk of non-recovery on local general obligation bonds, and thus potentially improve ratings, interest rates and bond cost of issuance.

TAX MATTERS

The delivery of the Bonds is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the "Code"), of the owners thereof pursuant to section 103 of the Code, (2) will not be included in computing alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on individuals, and (3) will be taken into account in determining adjusted financial statement income for the alternative minimum tax imposed on certain corporations. The delivery of the Bonds is also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State of California, that interest on the Bonds is exempt from personal income taxes of the State of California. The form of Bond Counsel's anticipated opinion respecting the Bonds is included in APPENDIX A. The statutes, regulations, rulings, and court decisions on which such opinions will be based are subject to change.

Bond Counsel observes that certain of the Bonds may be issued on a basis such that interest thereon is not excludable from the gross income of the owners thereof if it is beneficial to the District.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District made in a certificate (the "Tax Certificate") of even date with the initial delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance with the provisions of the Resolution by the District subsequent to the issuance of the Bonds. The Tax Certificate contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities and equipment financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, if required, the calculation and payment to the United States Treasury of any "arbitrage profits" and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants could cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service ("IRS" or the "Service") or the State of California with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service or the State of California. The Service has an ongoing program of auditing the tax status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures, the Service is likely to treat the District as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the respective Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Tax Accounting Treatment of Discount and Premium on Certain of the Bonds

The initial public offering price of certain of the Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. The tax rules requiring inclusion in income annually by the holder of a debt instrument having original issue discount of the daily portion of original issue discount for each day during a taxable year in which such holder held such debt instrument is inapplicable to the Bonds. A portion of such original issue discount, allocable to the holding period of such Discount Bond by the initial purchaser, will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, and will be added to the holder's basis in the Discount Bond, for federal income tax purposes, on the same terms and conditions as those for other interest on the bonds described above under "TAX MATTERS." Such interest is considered to be accrued in accordance with the constant-yield-to-maturity method over the life of a Discount Bond taking into account the semiannual compounding of accrued interest at the yield to maturity on such Discount Bond, and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial Owner prior to maturity, the amount realized by such Owner in excess of the basis of such Discount Bond in the hands of such Owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Bonds and with respect to the state and local tax consequences of owning Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial offering price of certain Bonds (the "Premium Bonds"), may be greater than the amount payable on such bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning Premium Bonds.

Form of Bond Counsel Opinion. The form of the proposed opinion of Bond Counsel relating to the Bonds is attached to this Official Statement as Appendix A.

LEGALITY FOR INVESTMENT

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

RATING

Moody's Investors Service ("Moody's") has assigned its municipal bond rating of "Aa3" to the Bonds. Such rating reflects only the views of Moody's and an explanation of the significance of such rating may be obtained as follows: Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, tel. (212) 553-0300. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating 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.

UNDERWRITING

Raymond James & Associates, Inc. (the "Underwriter"), has agreed to purchase the Bonds at the purchase price of $32,792,578.05 (reflecting the aggregate principal amount of the Bonds plus a net original issue premium in the amount of $888,578.05 less an Underwriter's discount of $96,000.00), at the rates and yields shown on the inside cover hereof.

The Underwriter may offer and sell the Bonds to certain dealers and others at yields other than the yields stated on the inside cover page. The offering prices may be changed from time to time by the Underwriter.

NO LITIGATION

No litigation is pending concerning the validity of the Bonds, and the District's 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* taxes or to collect other revenues or contesting the District's ability to issue the Bonds.

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OTHER INFORMATION

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Resolution are available upon request from City of Santa Rosa Elementary School District, 211 Ridgway Avenue, Santa Rosa California 95401.

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

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

CITY OF SANTA ROSA ELEMENTARY
SCHOOL DISTRICT

By: /s/ Anna Trunnell

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APPENDIX A

FORM OF BOND COUNSEL OPINION

[Closing date]

Board of Education
City of Santa Rosa Elementary School District
211 Ridgway Avenue
Santa Rosa, California 95401

Re: $32,000,000 City of Santa Rosa Elementary School District (Sonoma County, California) General Obligation Bonds, 2022 Election, 2023 Series A

To the Addressees Hereof:

We have acted as bond counsel for the City of Santa Rosa Elementary School District (Sonoma County, California) (the "District"), in connection with the issuance by the District of $32,000,000 aggregate principal amount of the District's General Obligation Bonds, 2022 Election, 2023 Series A (the "Bonds"). The Bonds are issued pursuant to the Government Code of the State of California (commencing at Section 53506), as amended and that certain resolution adopted by the Board of Education of the District on March 8, 2023 (the "Resolution"). All terms used herein and not otherwise defined shall have the meanings given to them in the Resolution.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Bonds, including the Resolution. Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection, we have also examined such certificates of public officials and officers of the District and Sonoma County (the "County") as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, defeasance of Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any effect on any Bond if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution. We call attention to the fact that the rights and obligations under the Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security for the marketability of the Bonds. Finally, we undertake no responsibility for the accuracy

completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion herein with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding general obligations of the District.

2. The Bonds are payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount, except for certain personal property that is taxable at limited rates.

3. The Resolution has been duly adopted and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

4. Interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended..

5. Interest on the Bonds is exempt from personal income taxes of the State of California.

Bondholders should note that interest on the Bonds is not a preference item for purposes of the alternative minimum tax imposed on individuals but is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. Ownership of tax-exempt obligations such as the Bonds may result in collateral tax consequences. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner of the Bonds or such owner's other items of income or deduction. We express no opinion with respect to any federal, state, or local tax consequences, under present law or any proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results.

Dannis Woliver Kelley

APPENDIX B

SANTA ROSA CITY SCHOOLS
AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

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SANTA ROSA CITY SCHOOLS
SCHOOL DISTRICT
COUNTY OF SONOMA
SANTA ROSA, CALIFORNIA

AUDIT REPORT

June 30, 2022

Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Ste. 130
Morgan Hill, CA 95037

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SANTA ROSA CITY SCHOOLS
SONOMA COUNTY

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SONOMA COUNTY

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Trustees
Santa Rosa City Schools
Santa Rosa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Rosa City Schools (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAGAS, 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.

Emphasis of a Matter

Deficit Net Position

As of June 30, 2022, the District's net position in its Government-wide financial statements was at a deficit of $55,426,978 mostly because of the long-term pension and OPEB liabilities and deferrals as reported in Note 9 and 10. Our opinion is not modified with respect to this matter.

New Accounting Standards

During the year, the District implemented GASB Statement No. 87, *Leases.* As a result, the District recorded lease obligations of $4,395,705 and net right of use assets of $3,896,121, decreasing

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beginning net position by $499,584. See note 1 for additional information. Our opinion was not modified for this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of pension plan contributions, schedule of proportionate share of net pension liability and schedule of changes in total OPEB liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 and individual nonmajor fund financial statements, as required by the Governmental Accounting Standards Board; organization schedule, schedule of average daily attendance, schedule of instructional time offered, schedule of charter schools, schedule of financial trends and analysis, and the reconciliation of the Annual Financial and Budget report to the audited financial statements, as required by the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of average daily attendance, schedule of instructional time offered, the reconciliation of the Annual Financial and Budget report to the audited financial statement, and schedule of expenditures of federal awards are the responsibility of management and were 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

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standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of average daily attendance, schedule of instructional time offered, the reconciliation of the Annual Financial and Budget report to the audited financial statement, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The organization schedule, schedule of charter schools, and schedule of financial trends and analysis included have not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022 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 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 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.

C & A LLP

December 12, 2022
Morgan Hill, California

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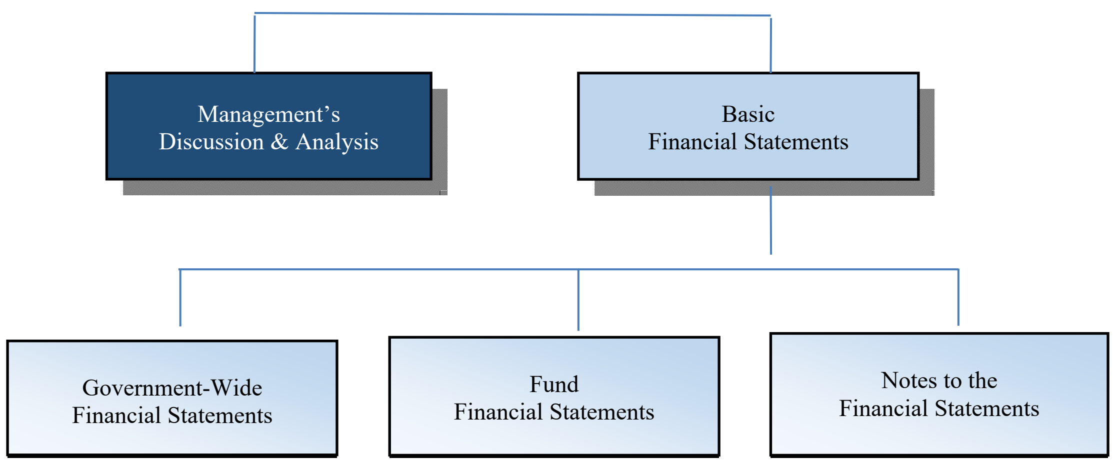
Management's Discussion and Analysis

INTRODUCTION

The Management's Discussion and Analysis (MD&A) is a required section of the District's annual financial report, as shown in the overview below. The purpose of the MD&A is to present a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. This report will (1) focus on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity.

This information, presented in conjunction with the annual Basic Financial Statements, is intended to provide a comprehensive understanding of the District's operations and financial standing.

Required Components of the Annual Financial Report



FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2022 were as follows:

- Total net position increased $8,025,555 (12.6%) while unrestricted net position decreased by $7,947,642, from June 30, 2021 to June 30, 2022. The change in unrestricted net position was mainly due to pension credits from earnings in cost sharing plans that exceeded expectations during the measurement period.

- The District recorded deferred outflows of resources of $58,482,743 and deferred inflows of resources of $90,441,482 as required by GASB 68 and GASB 75 for pension and other postemployment benefit accounting and reporting. Deferred outflows of resources are technically not assets but increase the Statement of Net Position similar to an asset and deferred inflows of resources are technically not liabilities but decrease the Statement of Net Position similar to liabilities. See Note 1 in the notes to financial statements for a definition.

- The District had $253,248,387 in government-wide expenses which was 97% of total government-wide revenues. Program specific revenues in the form of operating grants and contributions and charges for services accounted for $74,680,065, or 29%, of the total revenues of $261,087,539.

- General revenues of $186,407,474 which includes property taxes, unrestricted federal and state grants and LCFF sources, was 71% of total revenues in 2022. General revenues were 72% of total revenue in fiscal year 2021.

- The fund balances of all governmental funds decreased by $32,366,649, which is a 21.5% decrease from 2021 mostly due to capital outlay in the Building Fund.

- Total governmental fund revenues and expenditures totaled $260,844,402 and $294,657,68, respectively.

USING THE ANNUAL REPORT

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the District as an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities comprise the government-wide financial statements and provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the District, the General Fund is by far the most significant fund. The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

OVERVIEW OF THE FINANCIAL STATEMENTS

The full annual financial report is a product of three separate parts: the basic financial statements, supplementary information, and this section, the Management's Discussion and Analysis. The three sections together provide a comprehensive financial overview of the District. The basic financials are comprised of two kinds of statements that present financial information from different perspectives, government-wide and fund statements.

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

- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.

- Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information section provides further explanations and provides additional support for the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS - STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2021 - 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting practices used by most private-sector companies. This basis of accounting takes into account all of the current year revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current property tax laws in California restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The District does not have any business type activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the District's major funds begins on with the Balance Sheet. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. These fund financial statements focus on each of the District's most significant funds. The District's major governmental funds are the General Fund, Charter School Fund, County School Facilities Fund, Building Fund and the Bond Interest and Redemption Fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. 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 future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary funds

When the District charges other District funds for the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the District's internal service fund is included within the governmental activities reported in the district-wide statements but provide more detail and additional information, such as cash flows. The District uses the internal service fund to report activities that relate to the District's self-insured program for dental insurance.

THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2022 as compared to June 30, 2021:

Table 1 - Summary of Statement of Net Position

Description	2022	2021	Change	Percentage Change
Assets				
Current Assets	$ 136,918,967	$ 180,567,516	$ (43,648,549)	-24.2%
Capital Assets	257,255,793	240,097,456	17,158,337	7.1%
Total Assets	**$ 394,174,760**	**$ 420,664,972**	**$ (26,490,212)**	**-6.3%**
Total Deferred Outflows of Resources	**$ 58,482,743**	**$ 51,360,963**	**$ 7,121,780**	**12.2%**
Liabilities				
Current Liabilities	$ 21,914,279	$ 31,649,316	$ (9,735,037)	-30.8%
Long-term Liabilities	395,728,720	486,704,814	(90,976,094)	-18.7%
Total Liabilities	**$ 417,642,999**	**$ 518,354,130**	**$ (100,711,131)**	**-19.4%**
Total Deferred Inflows of Resources	**$ 90,441,482**	**$ 17,124,338**	**$ 73,317,144**	**81.1%**
Net Position				
Net Investment in Capital Assets	$ 84,600,795	$ 77,215,576	$ 7,385,219	9.6%
Restricted	31,641,084	23,053,106	8,587,978	37.3%
Unrestricted	(171,668,857)	(163,721,215)	(7,947,642)	-4.9%
Total Net Position	**$ (55,426,978)**	**$ (63,452,533)**	**$ 8,025,555**	**12.6%**

During the year, deferred outflows of resources increased by 12%, deferred inflows of resources decreased by 81%, and long-term liabilities decreased by 19% mostly because of pension adjustments related to GASB 68, debt service payments, and debt refundings. GASB 68 requires all local governments that participate in cost sharing pension plans to record its proportionate share of net pension liabilities from pension plans in the government-wide financial statements. GASB 75 requires all local governments that participate in other postemployment benefits (OPEB) to record the actuarially determined liability. There was no impact on fund balance as a result of GASB 68 or GASB 75.

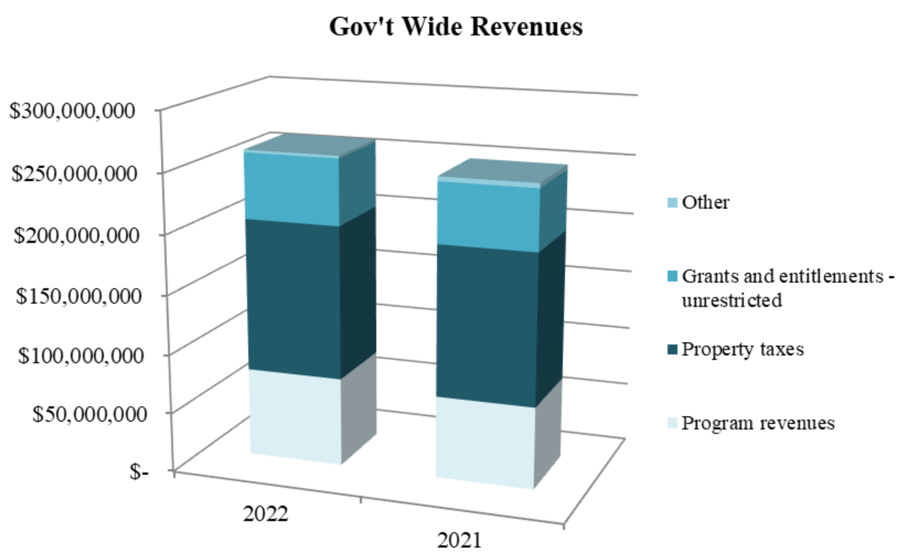
Table 2 shows the changes in net position for fiscal year 2022 as compared to 2021:

Table 2 - Summary of Changes in Statement of Activities

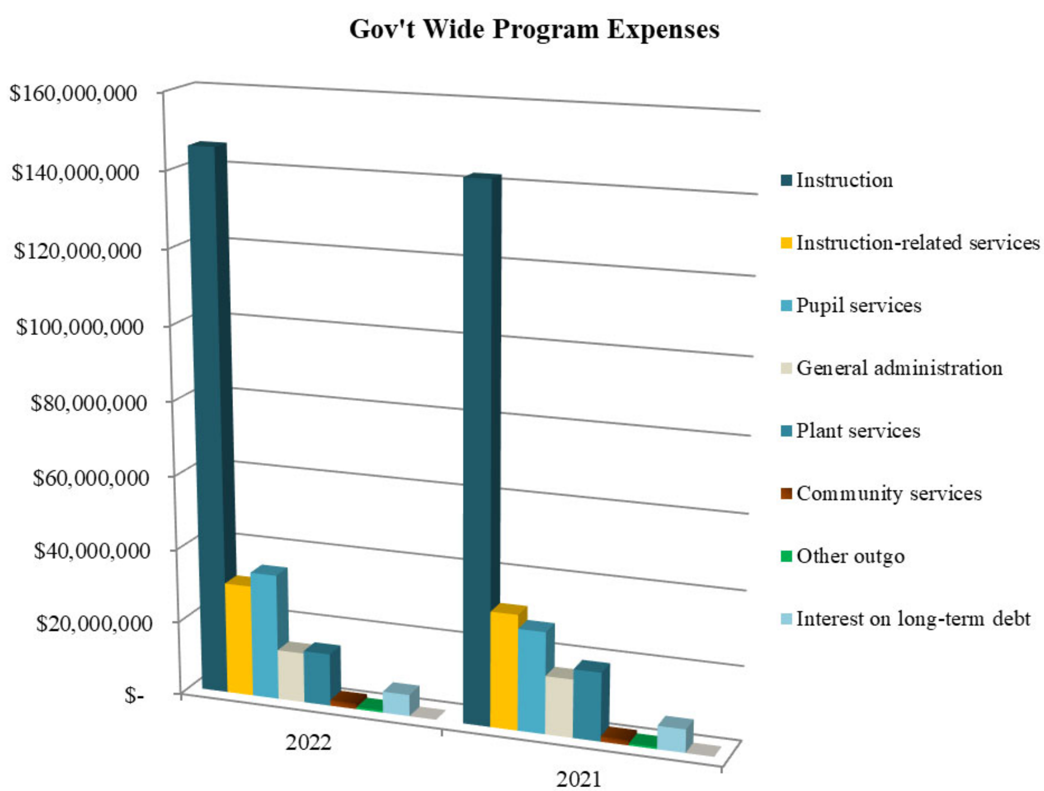
Description	2022	2021	Change	Percentage Change
Revenues				
Program revenues	$ 74,680,065	$ 69,069,781	$ 5,610,284	8.1%
General revenues:				
Property taxes	128,861,847	126,478,263	2,383,584	1.9%
Grants and entitlements - unrestricted	55,343,064	50,533,061	4,810,003	9.5%
Other	2,202,563	4,034,931	(1,832,368)	-45.4%
Total Revenues	261,087,539	250,116,036	10,971,503	4.4%
Program Expenses				
Instruction	145,853,979	142,027,105	3,826,874	2.7%
Instruction-related services	30,295,779	31,213,681	(917,902)	-2.9%
Pupil services	34,111,940	27,480,655	6,631,285	24.1%
General administration	13,552,525	15,720,526	(2,168,001)	-13.8%
Plant services	14,215,318	18,515,157	(4,299,839)	-23.2%
Ancillary services	7,316,702	4,216,480	3,100,222	73.5%
Community services	1,543,660	1,397,361	146,299	10.5%
Other outgo	539,226	523,211	16,015	3.1%
Interest on long-term debt	5,819,258	6,284,513	(465,255)	-7.4%
Total Expenses	253,248,387	247,378,689	5,869,698	2.4%
Special Item				
Loss on disposal of capital assets	-	(21,753,808)	21,753,808	#DIV/0!
Change in Net Position	7,839,152	(19,016,461)	26,855,613	141.2%
Begininng Net Position	(63,452,533)	(41,122,799)	(22,329,734)	-54.3%
Prior Period Adjustments	186,403	(3,313,273)	3,499,676	1877.5%
Ending Net Position	**$ (55,426,978)**	**$ (63,452,533)**	**$ 8,025,555**	**12.6%**

The District's expenses for instructional services was 70% of total expenses in 2021-2022 versus 70% in 2020-2021. The purely administrative activities of the District accounted for 5% of total costs in 2021-2022 versus 6% in 2020-2021. Interest on long-term debt represented 2% of total expenses in 2021-2022 and 3% in 2020-2021. Total expenses were 97% and 99% of revenue in 2021-2022 and in 2020-2021, respectively. In regard to revenue, program revenues were 29% of total revenues in 2021-2022 versus 28% in 2020-2021.

The following is a summary of government wide revenues for the fiscal year ended June 30, 2022:



The following is a summary of expenses by function for the fiscal year ended June 30, 2022:



GOVERNMENTAL ACTIVITIES

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the net cost of services as compared to the prior fiscal year. That is, it identifies the cost of these services supported by general revenues for the government-wide statements (not the General Fund).

Table 3 - Net Cost of Services

Description	2022	2021	Change	Percentage Change
Instruction	$ 99,948,774	$ 102,443,128	$ (2,494,354)	-2.4%
Instruction-related services	24,738,057	24,969,462	(231,405)	-0.9%
Pupil services	17,499,561	15,631,120	1,868,441	12.0%
General administration	12,449,053	12,500,628	(51,575)	-0.4%
Plant services	12,459,473	13,127,932	(668,459)	-5.1%
Ancillary services	4,463,567	3,415,804	1,047,763	30.7%
Community services	1,543,660	94,307	1,449,353	1536.8%
Other outgo	(353,081)	(157,986)	(195,095)	55.3%
Interest on long-term debt	5,819,258	6,284,513	(465,255)	-7.4%
Total Net Cost of Services	**$ 178,568,322**	**$ 178,308,908**	**$ 259,414**	**0.15%**

The following summarizes the District's functions:

- *Instruction* expenditures include activities directly dealing with the teaching of pupils.
- *Instruction-related Services* include the activities involved with assisting staff with the content and process of educating students.
- *Pupil Services* include guidance and counseling, psychological, health, speech and testing services, transporting students, as well as preparing, delivering, and serving meals to students.
- *General Administration* reflects expenditures associated with the administrative and financial supervision of the School District. Typical functions would include the Board of Trustees and Superintendent, Human Resources, Data Processing and Business Services.
- *Plant Services* involve keeping the school grounds and equipment in effective working condition.
- *Ancillary Services* represent the expenditures associated with co-curricular and athletic programs.
- *Community Services* are expenses related to direct support around the community.
- *Other Outgo* includes tuitions and transfers of resources between the District and other educational agencies for services provided to District students.

THE DISTRICT'S FUNDS

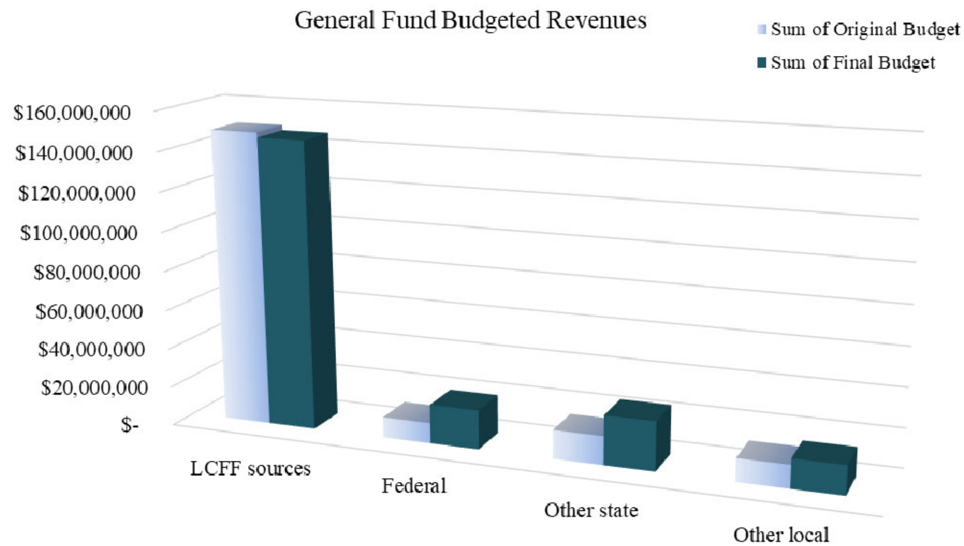
Table 4 provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

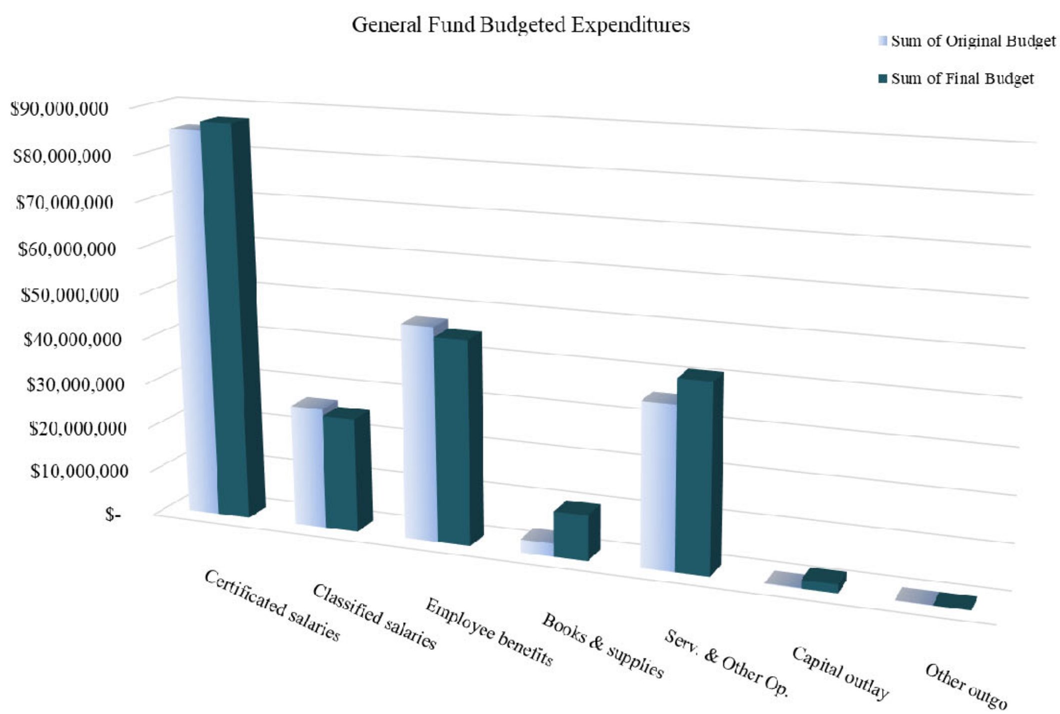
Table 4 - Summary of Fund Balances

Description	2022	2021	Change	Percentage Change
General Fund	$ 33,341,361	$ 35,438,945	$ (2,097,584)	-5.9%
Charter School Fund	1,094,500	1,050,048	44,452	4.2%
County School Facilities Fund	(74,708)	-	(74,708)	100.0%
Building Fund	51,700,271	74,571,194	(22,870,923)	-30.7%
Bond Interest and Redemption Fund	14,114,421	23,511,100	(9,396,679)	-40.0%
Nonmajor Funds	18,112,935	16,084,142	2,028,793	12.6%
Total Fund Balances	**$ 118,288,780**	**$ 150,655,429**	**$ (32,366,649)**	**-21.5%**

FINANCIAL ANALYSIS OF THE GENERAL FUND AND BUDGETING HIGHLIGHTS

The District's budget is prepared according to California law and in the modified accrual basis of accounting. During the course of the 2021-2022 fiscal year, the District revised its General Fund budget twice, at 1st Interim and 2nd interim. The following charts summarize the changes from the District's original and final budgets.





CAPITAL ASSETS

Table 5 shows June 30, 2022 balances as compared to June 30, 2021.

Table 5 - Summary of Capital Assets Net of Depreciation

Description	2022	2021	Change	Percentage Change
Land	$ 8,929,571	$ 8,929,571	$ -	0.0%
Work-in-Progress	45,736,564	48,199,899	(2,463,335)	-5.1%
Buildings and improvements	194,848,544	178,846,777	16,001,767	8.9%
Portable buildings	3,628,488	-	3,628,488	
Equipment	4,112,626	4,121,209	(8,583)	-0.2%
Total Capital Assets - Net	**$ 257,255,793**	**$ 240,097,456**	**$ 17,158,337**	**7.1%**

See Note 4 for more information related to capital assets.

LONG TERM LIABILITIES

Table 6 summarizes the percent changes in long-term liabilities over the past two years.

Table 6 - Summary of Long-term Liabilities

Description	2022	2021	Change	Percentage Change
General Obligation Bonds	$ 227,684,634	$246,922,800	$ (19,238,166)	-7.8%
Charter School Facilities Program Loan	4,504,503	4,641,279	(136,776)	-2.9%
PG&E Energy Efficient Loans	4,265,394	4,748,423	(483,029)	-10.2%
Leased Portable Buildings	4,143,373	-	4,143,373	100.0%
Certificates of Participation	8,201,045	8,260,053	(59,008)	-0.7%
Net Pension Obligations	110,194,497	195,425,275	(85,230,778)	-43.6%
Net OPEB Obligation	34,683,056	24,752,522	9,930,534	40.1%
Compensated Absences	2,052,218	1,954,462	97,756	5.0%
Total Long-term Liabilities	**$ 395,728,720**	**$486,704,814**	**$ (90,976,094)**	**-18.7%**

See Note 6 for more information related to long-term liabilities.

FACTORS BEARING ON THE DISTRICT'S FUTURE

There are a couple of factors that will affect the Santa Rosa City Schools' future.

The fiscal outlook forecasted for the economy, driven in large part by inflation, being close to or in a recession is a concern for the future fiscal health of education funding. If the State of California faces a budget deficit and lower state revenues the corresponding adjustments to Santa Rosa City School's revenues are a concern.

The District again had a decrease in ADA for 2021-22 and is concerned about more declining enrollment in future years.

The COVID-19 Pandemic continues to have a significant impact on student attendance. It is a concern that attendance rates will continue to be below historical averages and negatively affect the Districts funding. Since California is one of only six states that base funding on attendance, we must continue to incur expenses based on enrollment but only receive revenue for student attendance rates. Meaning no matter how many students we have enrolled, if their attendance rate is only 80%, we only receive 80% funding.

By far the largest unknown for California school districts is the Cost-of-Living Adjustment (COLA) to the state Local Control Funding Formula (LCFF), which determines the increase to funding schools will receive to be able to take on the rise in costs for expenses. Over the past years the state funded COLA has been somewhat volatile and arguably not as high as what school districts need to avoid dipping into reserves. When comparing the future year's projected COLA revenue increases to the projections for expense increases due to pension costs, employee step and column adjustments, and other increases in expenses, this leaves pause for concern. This increase from the COLA will also be the new revenue for future employee group negotiations as well.

Future predictions and uncertainties with the changes to the State funding formula, enrollment and aging District facilities require management to plan carefully and prudently to provide the necessary resources to meet the student's needs and continue to keep pace with inflation increases over the next several years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Fiscal Services Office at 211 Ridgway Avenue, Santa Rosa, CA 95401 or call (707) 890-3800 ext. 80210.

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Basic Financial Statements

SANTA ROSA CITY SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2022

		Governmental Activities
Assets		
Current assets:		
Cash and investments	$	114,383,662
Accounts receivable		22,095,947
Stores inventories and other assets		439,358
Total current assets		136,918,967
Noncurrent assets:		
Non-depreciable capital assets		54,666,135
Depreciable capital assets - net		202,589,658
Total noncurrent assets		257,255,793
Total Assets	$	394,174,760
Deferred Outflows of Resources		
Pension adjustments	$	48,417,919
OPEB adjustments		6,575,504
Deferred loss on early retirement of long-term debt		3,489,320
Total Deferred Outflows of Resources	$	58,482,743
Liabilities		
Current liabilities:		
Accounts payable	$	14,526,172
Unearned revenue		3,638,107
Accrued interest		3,750,000
Total current liabilities		21,914,279
Long-term liabilities:		
Due within one year		8,168,956
Due after one year		387,559,764
Total long-term liabilities		395,728,720
Total Liabilities	$	417,642,999
Deferred Inflows of Resources		
Pension adjustments	$	86,659,920
OPEB adjustments		3,781,562
Total Deferred Outflows of Resources	$	90,441,482
Net Position		
Net investment in capital assets	$	84,600,795
Restricted for:		
Capital projects		12,450,682
Cafeteria programs		2,818,593
Educational programs		16,371,809
Total restricted net position		31,641,084
Unrestricted		(171,668,857)
Total Net Position	$	(55,426,978)

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

SANTA ROSA CITY SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities:					
Instruction	$ 145,853,979	$ 1,321,572	$ 43,533,795	$ 1,049,838	$ (99,948,774)
Instruction-related services:					
Supervision of instruction	7,447,342	119,426	3,469,122	-	(3,858,794)
Instruction library, media and technology	2,094,862	474	265,558	-	(1,828,830)
School site administration	20,753,575	31,349	1,671,793	-	(19,050,433)
Pupil services:					
Home-to-school transportation	7,762,852	520	20,100	-	(7,742,232)
Food services	7,450,259	1,199,963	8,553,323	-	2,303,027
All other pupil services	18,898,829	153,852	6,684,621	-	(12,060,356)
General administration:					
Data processing	1,286,662	-	-	-	(1,286,662)
All other general administration	12,265,863	58,931	1,044,541	-	(11,162,391)
Plant services	14,215,318	312,710	1,443,135	-	(12,459,473)
Ancillary services	7,316,702	64,956	2,788,179	-	(4,463,567)
Community services	1,543,660	-	-	-	(1,543,660)
Payments to other agencies	539,226	458,966	433,341	-	353,081
Interest on long-term debt	5,819,258	-	-	-	(5,819,258)
Total governmental activities	$ 253,248,387	$ 3,722,719	$ 69,907,508	$ 1,049,838	(178,568,322)
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					112,097,688
Taxes levied for debt service					15,549,824
Taxes levied for other specific purposes					1,214,335
Federal and state aid not restricted to specific purposes					55,343,064
Interest and investment earnings					666,412
Interagency revenues					95,575
Miscellaneous					1,440,576
Total general revenues and special items					186,407,474
Change in net position					7,839,152
Net position beginning					(63,452,533)
Prior period adjustments					186,403
Net position beginning, as adjusted					(63,266,130)
Net position ending					$ (55,426,978)

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

SANTA ROSA CITY SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Charter School Fund	County School Facilities Fund	Building Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and investments	$ 25,729,218	$ 7,444,288	$ 2,117,914	$ 48,473,076	$ 14,114,421	$ 14,224,080	$ 112,102,997
Accounts receivable	15,781,949	1,212,199	1,243,957	-	-	3,857,288	22,095,393
Due from other funds	9,237,399	389,159	833,355	3,952,341	-	2,412,004	16,824,258
Stores inventories and other assets	238,825	-	-	-	-	200,533	439,358
Total Assets	$ 50,987,391	$ 9,045,646	$ 4,195,226	$ 52,425,417	$ 14,114,421	$ 20,693,905	$ 151,462,006
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	$ 12,509,312	$ 417,346	$ 466,105	$ 725,146	$ -	$ 310,125	$ 14,428,034
Due to other funds	2,983,031	7,145,171	3,803,829	-	-	1,175,054	15,107,085
Unearned revenue	2,153,687	388,629	-	-	-	1,095,791	3,638,107
Total Liabilities	17,646,030	7,951,146	4,269,934	725,146	-	2,580,970	33,173,226
Fund balances:							
Nonspendable:							
Revolving fund	36,750	1,500	-	-	-	200	38,450
Stores inventory	238,825	-	-	-	-	200,533	439,358
Restricted for:							
Cafeteria programs	-	-	-	-	-	2,818,593	2,818,593
Capital projects	-	-	-	51,700,271	-	12,450,682	64,150,953
Educational programs	15,395,020	976,789	-	-	-	-	16,371,809
Debt service	-	-	-	-	14,114,421	-	14,114,421
Assigned for:							
Educational programs	559,237	-	-	-	-	-	559,237
Capital projects	-	-	-	-	-	1,919,764	1,919,764
Charter school programs	-	116,211	-	-	-	-	116,211
Child care program	-	-	-	-	-	5,805	5,805
Deferred maintenance	-	-	-	-	-	717,358	717,358
Unassigned:							
Economic uncertainties	5,826,170	-	-	-	-	-	5,826,170
Unappropriated	11,285,359	-	(74,708)	-	-	-	11,210,651
Total Fund Balances	33,341,361	1,094,500	(74,708)	51,700,271	14,114,421	18,112,935	118,288,780
Total Liabilities and Fund Balances	$ 50,987,391	$ 9,045,646	$ 4,195,226	$ 52,425,417	$ 14,114,421	$ 20,693,905	$ 151,462,006

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

SANTA ROSA CITY SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balances - governmental funds		$ 118,288,780
Amounts reported in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Capital assets at cost	$ 508,748,825	
Accumulated depreciation	(251,493,032)	257,255,793
Deferred outflows of resources include amounts that will not be included in the calculation of the District's net pension liability of the plan year included in this report such as current fiscal year contributions as recorded in the fund statements.		48,417,919
The differences from pension plan assumptions in actuarial valuations are not included in the plans' actuarial study until the next fiscal year and are reported as deferred inflows of resources in the Statement of Net Position.		(86,659,920)
The differences between projected and actual amounts in OPEB plans are not included in the plan's actuarial study until the next fiscal year and are reported as deferred outflows or inflows of resources in the statement of net position as follows:		
Contributions subsequent to the measurement date		1,845,404
Diff. actual and expected experience		3,653,034
Change in assumptions		1,077,066
Change in assumptions		(3,781,562)
Interest payable on long-term debt does not require the use of current financial resources and, therefore, are not reported in the governmental funds.		(3,750,000)
An internal service fund is used by management to charge the costs of other postemployment benefits to individual funds. The assets and liabilities of the internal service fund are included with governmental activities.		465,908
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consists of:		
General obligation bonds	$ 227,684,634	
Certificates of participation	8,201,045	
Loss on early retirement of long-term debt	(3,489,320)	
School Facilities Loan	4,504,503	
PG&E Energy Efficient Loans	4,265,394	
Leases	4,143,373	
Net pension obligations	110,194,497	
Total OPEB obligation	34,683,056	
Compensated absences (vacation)	2,052,218	(392,239,400)
Total net position - governmental activities		$ (55,426,978)

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

SANTA ROSA CITY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Charter School Fund	County School Facilities Fund	Building Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
LCFF sources	$146,221,115	$ 17,646,025	$ -	$ -	$ -	$ -	$ 163,867,140
Federal revenue	20,033,624	181,206	-	-	-	8,228,007	28,442,837
Other state	27,103,268	2,207,765	1,052,153	-	80,834	1,334,167	31,778,187
Other local	18,024,446	(143,208)	(77,022)	(1,305,666)	15,493,821	4,763,867	36,756,238
Total revenues	211,382,453	19,891,788	975,131	(1,305,666)	15,574,655	14,326,041	260,844,402
Expenditures:							
Current							
Instruction	126,955,250	13,226,530	-	-	-	791,800	140,973,580
Instruction-related services:							
Supervision of instruction	6,910,806	765,132	-	-	-	-	7,675,938
Instruction library, media and technolog	1,423,063	129,996	-	-	-	-	1,553,059
School site administration	16,936,843	1,914,828	-	-	-	-	18,851,671
Pupil services:							
Home-to-school transportation	8,000,749	383	-	-	-	-	8,001,132
Food services	-	-	-	-	-	7,422,007	7,422,007
All other pupil services	18,787,728	691,199	-	-	-	-	19,478,927
General administration:							
Data processing	889,370	-	-	-	-	-	889,370
All other general administration	10,355,140	1,974,965	-	-	-	222,979	12,553,084
Plant services	15,774,134	1,054,952	34,425	1,191,195	-	766,254	18,820,960
Facilities acquisition and construction	1,099,120	-	1,015,414	20,147,016	-	2,326,077	24,587,627
Ancillary services	4,794,248	89,351	-	-	-	-	4,883,599
Community services	1,591,043	-	-	-	-	-	1,591,043
Payments to other agencies	114,290	-	-	-	-	441,488	555,778
Debt service:							
Principal	735,361	-	-	136,776	15,995,000	125,000	16,992,137
Interest and fees	163,528	-	-	440,880	8,976,334	246,994	9,827,736
Total expenditures	214,530,673	19,847,336	1,049,839	21,915,867	24,971,334	12,342,599	294,657,648
Excess (deficiency) of revenues over (under) expenditures	(3,148,220)	44,452	(74,708)	(23,221,533)	(9,396,679)	1,983,442	(33,813,246)
Other financing sources (uses):							
Transfers in	1,719,258	-	-	-	-	45,351	1,764,609
Transfers out	(664,609)	-	-	-	-	-	(664,609)
Debt issuance	-	-	-	46,527,000	-	-	46,527,000
Bond defeasance	-	-	-	(46,176,390)	-	-	(46,176,390)
Total other financing sources (uses)	1,054,649	-	-	350,610	-	45,351	1,450,610
Net changes in fund balances	(2,093,571)	44,452	(74,708)	(22,870,923)	(9,396,679)	2,028,793	(32,362,636)
Fund balances beginning	35,438,945	1,050,048	-	74,571,194	23,511,100	16,084,142	150,655,429
Prior period adjustments	(4,013)	-	-	-	-	-	(4,013)
Fund balances beginning - as adjusted	35,434,932	1,050,048	-	74,571,194	23,511,100	16,084,142	150,651,416
Fund balances ending	$ 33,341,361	$ 1,094,500	$ (74,708)	$ 51,700,271	$ 14,114,421	$ 18,112,935	$ 118,288,780

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

SANTA ROSA CITY SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total net change in fund balances - governmental funds			$	(32,362,636)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.				
Capital assets additions	$	28,692,639		
Depreciation expense		(15,430,423)		13,262,216
Accreted interest on capital appreciation bonds is not recorded in the governmental funds but is required to be recorded under the accrual basis of accounting in the government wide financial statements.				(65,992)
The governmental funds report long-term debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Also, governmental funds report the effect of prepaid issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:				
Repayment of debt principal				16,992,137
Amortization of bond premiums				2,903,776
Amortization of loss on early retirement of long-term debt				(330,749)
Debt issuances				(46,527,000)
Gain on early retirement of long-term debt				2,191,443
Advance refunding of bonds				46,176,390
In the statement of activities, compensated absences are measured by the amount earned during the year. In governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially the amounts paid). This year vacation earned exceeded the amounts used by:				(97,756)
In governmental funds, actual contributions to pension plans are reported as expenditures in the year incurred. However, in the government-wide Statement of Activities, only the current year pension expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.				12,631,053
In governmental funds, actual contributions to the OPEB plan is reported as expenditures in the year incurred. However, in the government-wide Statement of Activities, only the current year OPEB expense as noted in the plan's valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.				(5,386,867)
An internal service fund is used by management to charge the costs of other postemployment benefits to individual funds. The net revenue of the internal service fund is reported with governmental activities				(856,863)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.				(690,000)
Changes in net position of governmental activities			$	7,839,152

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

SANTA ROSA CITY SCHOOLS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

		Internal Service Self Insurance Fund
Assets		
Cash	$	2,280,665
Accounts receivable		554
Due from other funds		182,827
Total Assets	$	2,464,046
Liabilities		
Accounts payable	$	98,138
Due to other funds		1,900,000
Total Liabilities	$	1,998,138
Net Position		
Restricted	$	465,908
Total Net Position	$	465,908

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

SANTA ROSA CITY SCHOOLS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Internal Service Self Insurance Fund
Operating Revenues	
Charges to other funds	$ 2,294,229
Operating Expenses	
Services and other operating expenditures	1,985,937
Operating Income (Loss)	308,292
Nonoperating Revenues (Expenses):	
Interest income	(65,155)
Income Before Transfers	243,137
Transfers to Other Funds	(1,100,000)
Change in Net Position	(856,863)
Beginning Net Position	1,322,771
Ending Net Position	$ 465,908

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

SANTA ROSA CITY SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2022

	Internal Service Self Insurance Fund
Cash Flows from Operating Activities	
Cash received from assessments made to other funds	$ 2,234,000
Cash paid for insurance and operating expenses	(2,012,118)
Net cash provided by (used for) operating activities	221,882
Cash Flows from Investing Activities	
Interest income (loss)	(65,155)
Increase in Cash and Cash Equivalents	156,727
Cash and Cash Equivalents - Beginning	2,123,938
Cash and Cash Equivalents - Ending	$ 2,280,665
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	$ 308,292
(Increase) decrease in accounts receivable	(554)
(Increase) decrease in due from other funds	(59,675)
Increase (decrease) in accounts payable	(26,181)
Net cash provided by operating activities	$ 221,882

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

SANTA ROSA CITY SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Expendable Trust
	Scholarship Fund
Assets	
Cash in banks	$ 24,804
Total Assets	$ 24,804
Net Position	
Restricted	$ 24,804
Total Net Position	$ 24,804

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

SANTA ROSA CITY SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Expendable Trust Scholarship Fund
Additions	
Other local revenues	$ 23,378
Deductions	
Other services and operating expenses	13,052
Changes in net position	10,326
Net position beginning	14,478
Net position ending	$ 24,804

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

Notes to the Basic Financial Statements

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

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

B. Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees. The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements using the criteria established by GASB. The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the ability of the governmental unit's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other. Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

The District does not have any component units and is not a component unit of any reporting entity for the fiscal year ended June 30, 2022.

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Eliminations have been made to minimize the effect of interfund activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include the reconciliation with brief explanations to better identify the relationship between the government wide statements and the statements for the governmental funds.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. 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. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as 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 of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary fund operating revenues result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues result from non-exchange transactions or ancillary activities.

Fiduciary funds are reported using the economic resources measurement focus as applicable.

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. To achieve comparability of reporting among California districts, and so as not to distort normal revenue patterns with specific respect to reimbursement grants and correction to state-aid apportionments, the California Department of Education has defined available for district as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The District applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued Statement No. 62*, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* GASB 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The GAAP hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply.

The sources of authoritative GAAP are categorized in descending order of authority as follows:

a. Officially established accounting principles—Governmental Accounting Standards Board (GASB) Statements (Category A)
b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category B.

Deferred Outflows/Deferred Inflows:

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding which is reported in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shortened life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the net pension and total OPEB liabilities reported in the Statement of Net Position.

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

Unearned Revenue:

Unearned revenue arises when assets (such as cash) are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements (such as qualified expenditures) are met are recorded as liabilities from unearned revenue.

Unavailable Revenue:

In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows of resources as unavailable revenue.

Expenses/Expenditures:

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

E. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. The District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into major, non-major, proprietary and fiduciary funds as follows:

Major Governmental Funds:

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund and includes transactions accounted for in the Special Reserve Fund for Other Than Capital Outlay Projects. This fund is not substantially composed of restricted or committed revenue sources and does not meet the definition of a special revenue fund. Because this fund does not meet the definition of a special revenue fund under GASB 54, the activity in this fund is being reported within the General Fund.

The *Charter Schools Fund* is used to account for the operations of the District's Charter Schools.

The *County School Facilities Fund* is used to account for apportionments from the State Schools Facilities Fund authorized by the State Allocation Board for new school facility construction, modernization projects and facility hardship grants.

The *Building Fund* is used to account for the acquisition and construction of major governmental capital facilities and buildings from the sale of bond proceeds.

The *Bond Interest and Redemption Fund* is used to account for the interest and redemption of principal of general obligation bonds.

Non-major Governmental Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed for purposes other than debt service or capital projects. The restricted or committed resources need to comprise a substantial portion of the inflows reported in the special revenue fund.

The District maintains the following nonmajor special revenue funds:

- The *Child Development Fund* is used to account for revenues received and expenditures made to the child development program subcontracted by the District.

- The *Cafeteria Fund* is used to account for revenues received and expenditures made to operate the District's food service programs.

- The *Deferred Maintenance Fund* is used for the purpose of major repair or replacement of District property.

Capital Projects Funds are used to account for resources restricted, committed or assigned for capital outlays. The District maintains the following nonmajor capital projects funds:

- The *Capital Facilities Fund* is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act ("CEQA").

- The *Special Reserve Fund for Capital Outlay Projects* exists primarily to account for funds set aside for Board designated construction projects.

Proprietary Funds:

Proprietary Fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The District has the following proprietary fund:

- *Internal Service Fund* - The Self Insurance Fund is used to account for any activity for which goods or services are provided to other funds of the District in return for a fee to cover the cost of operations. The District operates this fund to account for dental insurance premiums.

Fiduciary Funds:

Fiduciary Fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore cannot be used to support the District's own programs. The District maintains the following fiduciary funds:

- The *Scholarship Fund* is used to account for assets held by the District as trustee.

F. Budgets and Budgetary Accounting

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

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the General Fund are presented as Required Supplementary Information. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. Encumbrances

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

H. Benefit Plans

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 District's California Public Employees' Retirement System (CalPERS) and California State Teachers' Retirement System plans (STRS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and STRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* (GASB Statement No. 68) requires that the reported results must pertain to liability and asset information within certain defined time frames. For this period, the following time frames were used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

The following summarizes the District's pension plan balances for the fiscal year:

	PERS	STRS	Total
Deferred outflows of resources	$ 15,587,091	$ 32,830,828	$ 48,417,919
Deferred inflows of resources	$ 17,388,725	$ 69,271,195	$ 86,659,920
Net pension liabilities	$ 39,844,506	$ 70,349,991	$ 110,194,497
Pension expense (credit)	$ 5,564,634	$ 13,982,696	$ 19,547,330

Other Postemployment Benefits Other Than Pensions (OPEB):

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the District's Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's total OPEB liability have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2021 to June 30, 2021

I. Assets, Liabilities, and Equity

1. Cash and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Deposit Insurance Corporation.

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the County Treasury. The county pools these funds with those of other Districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

All District-directed investments are governed by *Government Code* Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made. The county is authorized to deposit cash and invest excess funds by California Government Code Section '53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

2. Fair Value Measurements

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction.

In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.

- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.

- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

3. Inventories and Prepaid Expenditures

Inventories:

Inventories are recorded using the purchases method, in that inventory acquisitions are initially recorded as expenditures. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets. The District's central warehouse inventory is valued at a moving average cost and consists of expendable supplies held for consumption.

Prepaid Expenditures:

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

4. Capital Assets

Capital assets, which include sites, improvement of sites, buildings and improvements, equipment, and construction in progress, are reported in the government-wide financial statements. Such assets are valued at historical cost or estimated historical cost unless obtained by annexation or donation. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The District utilizes a capitalization threshold of $5,000 except for right of use leased assets which have a threshold of $25,000.

Projects under construction are recorded at cost as construction in progress and transferred to the appropriate asset account when substantially complete. Costs of major improvements and rehabilitation of buildings are capitalized. Repair and maintenance costs are charged to expense when incurred. Equipment disposed of, or no longer required for its existing use, is removed from the records at actual or estimated historical cost, net of accumulated depreciation/amortization.

The purpose of depreciation and amortization is to spread the cost of capital assets equitably among all users over the life of these assets. The useful life of right of use assets is typically determined by the associated lease term of those assets. The amount charged to depreciation and amortization expense each year represents that year's pro rata share of the cost of capital assets. The District depreciates using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated or amortized.

All capital assets, except land and construction in progress, are depreciated or amortized over the following estimated useful lives:

Assets	Years
Buildings and improvements	25-50
Furniture and fixtures	20
Vehicles	8
Computer system and equipment	5

5. Compensated Absences

All vacation pay is accrued when incurred in the government-wide financial statements. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

6. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts as well as issuance costs if related to prepaid insurance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium or discount. Issuance costs, not related to prepaid insurance costs, are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

7. Fund Balance Policy and Classifications

The District maintains a minimum unassigned fund balance of not less than 3 percent of budgeted general fund expenditures and other financing uses as a reserve for economic uncertainties. The District believes a reserve of this level is prudent to maintain a high bond rating and to protect the District from the effects of fluctuations in property tax revenues to which basic aide districts are vulnerable. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints on their use, the reserve for economic uncertainties consists of balances that are otherwise unassigned.

In accordance with Government Accounting Standards Board 54*, Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- *Nonspendable* fund balance includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

- *Restricted* fund balance includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* fund balances includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of education.

- *Assigned* fund balance includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Assignments may be identified by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

- *Unassigned* fund balance includes positive amounts within the general fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

8. Net Position

Net position represents the difference between assets, deferred outflows of resources, 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. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position. As of June 30, 2022, capital assets net of accumulated depreciation totaling $257,255,793 was increased by unspent bond proceeds of $51,700,270 and reduced by related debt of $224,355,268. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Capital projects restrictions will be used for the acquisition and construction of capital facilities.

Debt service restrictions reflect the cash balances in the debt service funds that are restricted for debt service payments by debt covenants, as applicable.

Cafeteria program restrictions reflect the amounts to be expended for federal and state funded school lunch and breakfast programs.

Educational program restrictions reflect the amounts to be expended on specific school programs that are legally restricted.

Unrestricted net position reflects amounts that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year. A deficit unrestricted net position may result when significant cash balances restricted for capital projects exist. Once the projects are completed, the restriction on these assets are released and converted to capital assets.

9. Local Control Funding Formula and Property Taxes

The Local Control Funding Formula (LCFF) creates base, supplemental, and concentration grants in place of most previously existing K–12 funding streams, including revenue limits and most state categorical programs. The revenue limit was a combination of local property taxes, state apportionments, and other local sources.

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding March 1, which is also the lien date. Property taxes on the secured roll are due on August 31 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (March 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California *Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1 of each year. The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local revenue limit sources by the District.

10. Risk management

Property and Liability:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2022, the District participated in the Northern California ReLiEF public entity risk pool for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation:

For fiscal year 2022, the District participated in the RESIG JPA for workers compensation.

11. Interfund Transactions

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

12. Eliminations and Reclassifications

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

13. Accounting Estimates

The presentation of 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 reported amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

J. Implemented Accounting Pronouncements

GASB issued Statement No. 87, *Leases*
The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As of June 30, 2022, the District recognized seven contracts as leases and implemented the applicable accounting and reporting requirements of a lessee under GASB 87.

The following schedule summarizes the lease balances and the impact on beginning net position in addition to other prior period adjustments recognized in the statement of activities:

Description	Right of Use Asset	Lease Liability	GASB 87 Prior Period Adjustment	Other Adjustments	Net PPA
Initial Net Present Value	$ 6,690,814	$ 6,690,814	$ -	$ -	$ -
Accumulated Amortization	(2,794,693)	-	(2,794,693)	-	(2,794,693)
Miscellaneous Expenses	-	-	-	(4,013)	(4,013)
Bond Refundings	-	-	-	690,000	690,000
Principal Payments	-	(2,295,109)	2,295,109	-	2,295,109
Beginning Balances 7/1/2021	3,896,121	4,395,705	$ (499,584)	$ 685,987	$ 186,403
Current Amortization	(267,633)	-			
Current Principal Payments	-	(252,332)			
Ending Balances 6/30/2022	$ 3,628,489	$ 4,143,373			

K. Upcoming Accounting and Reporting Changes

The District is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent GASB Statements:

GASB Statement No. 91, *Conduit Debt Obligations*

The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement also clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitment and voluntary commitments extended by issuers and arrangements associated with the debt obligations; and improving required note disclosures. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2020 but have been delayed to periods beginning after December 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private Partnerships and Public-Public Partnerships and Availability Payment Arrangements*

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this

Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are to be effective for financial statements for periods beginning after June 15, 2022. Earlier application is encouraged.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

GASB 96 provides guidance on accounting for Subscription-Based Information Technology Arrangements (SBITA) where the government contracts for the right to use another party's software. The standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases.* GASB 96 is effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 99, *Omnibus 2022*

Omnibus statements are issued by GASB to address practice issues identified after other standards have been approved for implementation. Omnibus statements "clear up the loose ends" for recent prior statements GASB has issued. This Omnibus addresses recent pronouncements, including GASB 87 – Leases, GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB 96 – *Subscription-Based Information Technology Arrangements*.

Effective Date: The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by topic.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

NOTE 2 – CASH AND INVESTMENTS

A summary of cash and investments as of June 30, 2022 is as follows:

Description	Carrying Amount	Fair Value
Government-Wide Statements:		
Cash in bank	$ 1,003,569	$ 1,003,569
Cash with fiscal agent	139,342	139,342
Cash in revolving fund	38,450	38,450
Cash with County	113,202,301	113,202,301
Total Cash and Investments	$ 114,383,662	$ 114,383,662

Cash on Hand, in Banks and in Revolving Fund

Cash balances in banks and revolving funds are insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC"). These accounts are held within various financial institutions. As of June 30, 2022, the bank balance of the District's bank accounts was $1,395,568, of which $903,400 was not insured by the FDIC.

Cash with Fiscal Agent:

Cash with fiscal agent represents the amount on deposit with Summit State Bank for the purpose of making dental insurance premium payments from the District's Self Insurance Fund.

Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

The District has the following recurring fair value measurements as of June 30, 2022:

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

Cash 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.

Policies and Practices

The District is authorized under California Government Code Section 53635 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.

Limitations as they relate to interest rate risk, credit risk, custodial credit risk - deposits, and concentration of credit risk are described below:

1. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains an investment with the Sonoma County Investment Pool with a fair value of approximately $3.2 billion and an amortized book value of $3.33 billion. The average weighted maturity for this pool is 651 days.

2. 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 County of Sonoma's investment pool is not rated, however, the investments within the pool are rated A by Standard & Poor's and Moody's Investor Services.

3. Custodial Credit Risk - Deposits

Custodial credit risk 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 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

4. Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2022:

Receivables	General Fund	Charter School Fund	County Schools Facilities Fund	Nonmajor Funds	Total
Federal	$ 10,728,817	$ -	$ -	$ 2,214,076	$ 12,942,893
State	3,847,947	106,959	1,243,957	1,349,076	6,547,939
Local	201,571	15,623	-	294,136	511,330
Other resources	1,003,614	1,089,617	-	-	2,093,231
Total Accounts Receivable	$ 15,781,949	$ 1,212,199	$ 1,243,957	$ 3,857,288	$ 22,095,393

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activities for the year ended June 30, 2022 were as follows:

Capital Assets	Balance July 01, 2020	GASB 87 Adjustments	Additions	Transfers & Deletions	Balance June 30, 2021
Nondepreciable capital assets					
Land	$ 8,929,571	$ -	$ -	$ -	$ 8,929,571
Work-in-progress	48,199,899	-	24,587,626	(27,050,961)	45,736,564
Total nondepreicable capital assets	57,129,470	-	24,587,626	(27,050,961)	54,666,135
Depreciable capital assets					
Buildings and improvements	408,137,190	-	30,592,000	-	438,729,190
Furniture and equipment	8,098,712	-	563,974	-	8,662,686
Total depreciable capital assets	416,235,902	-	31,155,974	-	447,391,876
Amortizable right of use assets					
Portable buildings	-	6,690,814	-	-	6,690,814
Total depreciable and amortizable assets	416,235,902	6,690,814	31,155,974	-	454,082,690
Less accumulated depreciation for:					
Buildings and improvements	229,290,413	-	14,590,233	-	243,880,646
Furniture and equipment	3,977,503	-	572,557	-	4,550,060
Total accumulated depreciation	233,267,916	-	15,162,790	-	248,430,706
Less accumulated amortization for:					
Portable buildings	-	2,794,693	267,633	-	3,062,326
Total accumulated depreciation and amortization	233,267,916	2,794,693	15,430,423	-	251,493,032
Total capital assets - net depreciation	$ 240,097,456	$ 3,896,121	$ 40,313,177	$ (27,050,961)	$ 257,255,793

Depreciation and amortization expense was charged to governmental activities as follows:

Instruction	$ 8,980,950
Instruction library, media and technology	588,054
School site administration	2,463,322
Food services	249,285
Data processing	423,778
All other general administration	86,620
Plant services	59,873
Ancillary services	2,578,541
Total depreciation and amortization expense	$ 15,430,423

NOTE 5 – INTERFUND TRANSACTIONS

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

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for fiscal year 2022 were as follows:

Fund	Transfers In	Transfers Out
General Fund	$ 1,719,258	$ 664,609
Internal Service Funds	-	1,100,000
Nonmajor Funds	45,351	-
Totals	$ 1,764,609	$ 1,764,609

Interfund Receivables/Payables (Due From/Due To)

Interfund receivables and payables consisted of the following as of June 30, 2022:

Fund	Due From	Due To
General Fund	$ 9,237,399	$ 2,983,031
Charter School Fund	389,159	7,145,171
County School Facilities Fund	833,355	3,803,829
Building Fund	3,952,341	-
Internal Service Self Insurance Fund	182,827	1,900,000
Nonmajor Funds	2,412,004	1,175,054
Totals	$ 17,007,085	$ 17,007,085

NOTE 6 – LONG-TERM LIABILITIES

Schedule of Changes in Long-term Liabilities

A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2022, is shown below:

Description	Balance July 01, 2021	GASB 87 Adjustments	Additions	Deletions	Balance June 30, 2022	Due Within One Year
General Obligation Bonds	$ 246,922,800	$ -	$ 46,527,000	$ 65,765,166	$ 227,684,634	$ 7,159,000
Direct Borrowing:						
School Facilities Program Loan	4,641,279	-	-	136,776	4,504,503	139,535
PG&E Energy Efficient Loans	4,748,423	-	-	483,029	4,265,394	483,029
Leased Portable Buildings	-	4,395,705	-	252,332	4,143,373	262,141
Certificates of Participation:						
Principal Payments	7,943,372	-	-	125,000	7,818,372	125,251
Accreted Interest	316,681	-	65,992	-	382,673	-
Total COP's	8,260,053	-	65,992	125,000	8,201,045	125,251
Net Pension Liability	195,425,275	-	83,360,251	168,591,029	110,194,497	-
Total OPEB Liability	24,752,522	-	16,404,652	6,474,118	34,683,056	-
Compensated Absences	1,954,462	-	1,135,732	1,037,976	2,052,218	-
Total Long-term Liabilities	$ 486,704,814	$ 4,395,705	$ 147,493,627	$ 242,865,426	$ 395,728,720	$ 8,168,956

Payments on the general obligation bonds are made from the Bond Interest and Redemption Fund using local revenues. Compensated absences, other postemployment benefits and pension obligations are paid by the fund for which the employee worked. Leases and the PG&E loan are paid from the General Fund.

The School Facilities loan is paid from the Building Fund. The Certificates of Participation are paid from the Special Reserve Fund for Capital Outlay.

General Obligation Bonds Payable

2015 General Obligation Refunding Bonds

On February 25, 2015, the District issued $27,370,000 (High School District) and $5,415,000 (Elementary School District) of General Obligation Refunding Bonds. The bonds bear fixed interest rates ranging between 2.0% and 5.0% with annual maturities from May 1, 2015 through May 1, 2022. The net proceeds of $36,623,038 (after premiums of $3,936,393 and issuance costs and underwriter's discount of $399,572) were used to prepay a portion of the District's outstanding Election of 2006, Series 2006 Bonds. These bonds were fully redeemed during the year.

2016 General Obligation Bonds

In 2016, the District issued $9,500,000 in 2014 General Obligation Bonds, Series 2016A and 2016B, (Elementary School District), with an interest rate of 2-5%, for capital projects throughout the District. The District also issued $12,165,000 in 2014 General Obligation Bonds, Series 2016A, (High School District), with an interest rate of 2-4%, for capital projects throughout the District. The net proceeds of $22,098,070 (after payment of $450,220 in underwriting fees, insurance, and other issuance costs and premiums of $883,290).

In 2017, the District issued $15,000,000 in 2014 General Obligation Bonds, Series 2016C, (Elementary School District), with an interest rate of 2-5% for capital projects throughout the District. The District also issued $50,000,000 in 2014 General Obligation Bonds, Series 2016B, (High School District), with an interest rate of 2-5% for capital projects throughout the District. The net proceeds of $71,420,188 (after payment of $540,000 in issuance costs and premiums of $6,960,188).

2017 General Obligation Refunding Bonds

In September 2017, the District issued $21,090,000 (High School District) of 2017 General Obligation Refunding Bonds. The net proceeds of $25,154,768 (after a premium of $4,348,710 and issuance cost of $283,942) were used to defease and redeem $8,775,000 and $13,385,000 of the District's outstanding 2011 and 2013 GO Refunding Bonds, respectively. The amounts defeased have been removed from the government-wide financial Statement of Net Position. The District completed the refunding to obtain an economic gain (difference between the present value of the old and new debt service payments) of $2,188,806, The bonds bear interest from 2.0% to 5.0%. Interest is due semi-annually on February 1 and August 1, commencing February 1, 2018. Principal payments begin August 1, 2018 and are due annually thereafter until August 1, 2028.

2018 General Obligation Bonds

In May 2018, the District issued $10,000,000 and $3,000,000 in 2014 General Obligation Bonds, Series 2018D and 2018E, (Elementary School District), with an interest rates of 3-5%, for capital projects throughout the District. The net proceeds of $14,276,898 (after payment of $280,955 in issuance costs and premiums of $1,557,853). Interest is due semi-annually on February 1 and August 1, commencing August 1, 2018. For Series 2018D principal payments begin August 1, 2026 and are due annual thereafter until August 1, 2043. For Series 2018E principal payments begin August 1, 2019 and are due annually thereafter until August 1, 2021.

In May 2018, the District issued $65,000,000 and 5,000,000 in 2014 General Obligation Bonds, Series 2018C and Series 2018D, (High School District), with an interest rates of 3-5%, for capital projects throughout the District. The net proceeds of $78,734,290 (after payment of $647,802 in issuance costs and premiums of $9,382,092 Interest is due semi-annually on February 1 and August 1, commencing August 1, 2018. For Series 2018C principal payments begin August 1, 2020 and are due annual thereafter until August 1, 2043. For Series 2018D only one principal payment is due on August 1, 2019.

2021 General Obligation Bonds, Series E

In May 2021, the District issued $42,835,000 in 2021 General Obligation Bonds, Series E for capital projects throughout the District. The net proceeds were $49,090,118 after premiums of $6,643,264 and the payment of $388,146 in issuance costs. Interest is due semi-annually on February 1 and August 1, commencing August 1, 2021. Principal payments begin August 1, 2021 and are due annually thereafter until August 1, 2043.

2021 General Obligation Refunding Bonds

In May 2021, the District issued $5,080,000 of 2021 General Obligation Refunding Bonds. The net proceeds of $4,969,662 (after issuance costs of $110,338) were used to defease and redeem a portion of the District's outstanding 2013 General Obligation Refunding Bonds. The amounts defeased have been removed from the government-wide Statement of Net Position. The District completed the refunding to obtain an economic gain of $286,451. Interest is due semi-annually on February 1 and August 1, commencing August 1, 2021. Principal payments begin August 1, 2021 and are due annually thereafter until August 1, 2030.

2021 General Obligation Bonds, Series F

In May 2021, the District issued $16,500,000 in 2021 General Obligation Bonds, Series F for capital projects throughout the District. The net proceeds were $18,749,628 after premiums of $2,521,510 and the payment of $271,882 in issuance costs. Interest is due semi-annually on February 1 and August 1, commencing August 1, 2021. Principal payments begin August 1, 2021 and are due annually thereafter until August 1, 2043.

2021 General Obligation Refunding Bonds, Series A

In May 2021, the District issued $1,830,000 of 2021 General Obligation Refunding Bonds. The net proceeds of $1,956,338 (after issuance costs of $82,578 and premiums of $208,916) were used to defease and redeem a portion of the District's outstanding 2011 General Obligation Refunding Bonds. The amounts defeased have been removed from the government-wide Statement of Net Position. The District completed the refunding to obtain an economic gain of $46,308. Interest is due semi-annually on February 1 and August 1, commencing February 1, 2022. Principal payments begin August 1, 2022 and are due annually thereafter until August 1, 2026.

2021 General Obligation Refunding Bonds, Series B

In May 2021, the District issued $5,325,000 of 2021 General Obligation Refunding Bonds. The net proceeds of $5,258,724 (after issuance costs of $66,276) were used to defease and redeem a portion of the District's outstanding 2013 General Obligation Refunding Bonds. The amounts defeased have been removed from the government-wide Statement of Net Position. The District completed the refunding to obtain an economic gain of $343,737. Interest is due semi-annually on February 1 and August 1, commencing August 1, 2021. Principal payments begin August 1, 2021 and are due annually thereafter until August 1, 2030.

2022 General Obligation Refunding Bonds, Elementary (2014C&D)

In June 2022, the District issued $22,849,000 of 2022 General Obligation Refunding Bonds. The net proceeds of $22,673,526 (after issuance costs of $175,474) were used to defease and redeem a portion of the District's outstanding 2016 General Obligation Refunding Bonds, Series A. The amounts defeased have been removed from the government-wide Statement of Net Position. The District completed the refunding to obtain an economic gain of $499,724. Interest is due semi-annually on February 1 and August 1. Principal payments begin August 1, 2022 and are due annually thereafter until August 1, 2043.

2022 General Obligation Refunding Bonds, High School

In June 2022, the District issued $23,678,000 of 2022 General Obligation Refunding Bonds. The net proceeds of $23,502,864 (after issuance costs of $175,135) were used to defease and redeem a portion of the District's outstanding 2016 General Obligation Refunding Bonds, Series C, and 2018 General Obligation Refunding Bonds, Series D. The amounts defeased have been removed from the government-wide Statement of Net Position. The District completed the refunding to obtain an economic gain of $413,402. Interest is due semi-annually on February 1 and August 1. Principal payments begin August 1, 2022 and are due annually thereafter until August 1, 2041.

A summary of the District's general obligation bonded debt as of June 30, 2022 is as follows:

Bond	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2021	Adjustments	Issued	Redeemed	Defeased	Bonds Outstanding June 30, 2022
2011 GORB	2026	2-4.125	$ 4,950,000	$ 415,000	$ (75,000)	$ -	$ 340,000	$ -	$ -
2013 GORB	2030	2-4	9,815,000	6,230,000	(5,005,000)	-	600,000	-	625,000
2013 GORB	2030	2-5	51,510,000	-	4,390,000	-	2,145,000	-	2,245,000
2015 GORB	2022	2-5	5,415,000	655,000	-	-	655,000	-	-
2016 GOB, Series A	2035	2-5	5,700,000	3,490,000	-	-	180,000	-	3,310,000
2016 GOB, Series B	2041	2-5	50,000,000	34,605,000	-	-	385,000	21,495,000	12,725,000
2016 GOB, Series C	2041	2-5	15,000,000	11,900,000	-	-	100,000	10,860,000	940,000
2017 GORB	2028	2-5	21,090,000	20,540,000	-	-	1,330,000	-	19,210,000
2018 GOB, Series D	2043	5	10,000,000	10,000,000	-	-	-	9,840,000	160,000
2018 GOB, Series E	2021	3-4	3,000,000	765,000	-	-	765,000	-	-
2018 GOB, Series C	2043	4-5	65,000,000	59,950,000	-	-	850,000	-	59,100,000
2021 GOB, Series E	2044	.22-4	42,835,000	42,835,000	-	-	6,175,000	-	36,660,000
2021 GORB	2044	.247-2.102	5,080,000	5,080,000	-	-	95,000	-	4,985,000
2021 GOB, Series F	2044	.25-4	16,500,000	16,500,000	-	-	2,305,000	-	14,195,000
2021 GORB Series A	2027	4	1,830,000	1,830,000	-	-	-	-	1,830,000
2021 GORB Series B	2031	.297-2.182	5,325,000	5,325,000	-	-	70,000	-	5,255,000
2022 GORB Elementary	2043	3.82	22,849,000	-	-	22,849,000	-	-	22,849,000
2022 GORB High School	2042	3.88	23,678,000	-	-	23,678,000	-	-	23,678,000
Subtotal General Obligation Bonds			359,577,000	220,120,000	(690,000)	46,527,000	15,995,000	42,195,000	207,767,000
Bond Premiums				26,802,800	-	-	1,990,650	4,894,516	19,917,634
Total General Obligation Bonds			$359,577,000	$ 246,922,800	$ (690,000)	$ 46,527,000	$ 17,985,650	$ 47,089,516	$ 227,684,634

The annual debt service requirements of the bonds as of June 30, 2022 are as follows:

For the Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 7,159,000	$ 10,448,129	$ 17,607,129
2024	7,003,000	10,483,121	17,486,121
2025	7,515,000	10,240,106	17,755,106
2026	8,082,000	9,951,225	18,033,225
2027	8,704,000	9,376,709	18,080,709
2028-2032	34,298,000	36,013,900	70,311,900
2033-2037	41,759,000	25,515,198	67,274,198
2038-2042	62,133,000	13,339,887	75,472,887
2043-2047	31,114,000	1,396,343	32,510,343
Total Debt Service GOB's	$ 207,767,000	$ 126,764,618	$ 334,531,618

Certificates of Participation (COP's)

On November 19, 2015, the Public Property Financing Corporation of California issued certificates of participation in the aggregate amount of $8,195,444. The certificates were issued as $6,865,000 of current interest certificates and $1,330,444 of capital appreciation certificates. The proceeds from the sale of the certificates were used to refund the June 12, 2008 certificates of participation which was issued to finance the 2008 Capital Project, that consisted of the acquisition, construction, installation, and equipping of improvements to various facilities within the Santa Rosa City High School District. As a result of the refunding, the District recognized a deferred loss on early retirement of long-term debt of $552,542 which will be amortized over the life of the debt in the government-wide financial statements.

The annual debt service requirements of the COP's as of June 30, 2022 are as follows:

For the Fiscal Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2023	$ 125,250	$ 241,344	$ 34,749	$ 401,343
2024	145,404	241,344	49,596	436,344
2025	225,000	238,531	-	463,531
2026	181,200	235,719	88,800	505,719
2027	192,650	235,719	112,350	540,719
2028-2032	1,673,868	1,145,264	516,133	3,335,265
2033-2037	4,145,000	666,188	-	4,811,188
2038-2042	1,130,000	22,600	-	1,152,600
Total Debt Service COP's	$ 7,818,372	$ 3,026,709	$ 801,628	$ 11,646,709

School Facilities Loans

In 2016, the Charter School Facilities Program (CSFP), which is jointly administered by the California School Finance Authority (CSFA) and the Office of Public School Construction (OPSC), issued the District two loans totaling $5,035,367 for facilities construction projects at the Santa Rosa Charter for the Arts campus. CSFP provides low-cost financing for charter school facilities through 50% grant and 50% loan agreements. The first loan of $2,954,076 was for new construction and the second loan of $2,081,291 was for rehabilitation of existing District facilities. Both loans have payments from September 1, 2018 through August 1, 2047 and carry a 2.000% annual interest rate.

The annual debt service requirements of the CSFP loans as of June 30, 2022 are as follows:

For the Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 139,535	$ 89,084	$ 228,619
2024	142,350	86,269	228,619
2025	145,221	83,397	228,618
2026	148,151	80,468	228,619
2027	151,139	77,479	228,618
2028-2032	802,680	340,412	1,143,092
2033-2037	886,976	256,116	1,143,092
2038-2042	980,124	162,968	1,143,092
2043-2047	1,083,054	60,038	1,143,092
2048-2052	25,273	123	25,396
Total Debt Service CSFP Loans	$ 4,504,503	$ 1,236,354	$ 5,740,857

Pacific Gas and Electric Company (PG&E) Loan

The District received zero interest loans from PG&E totaling $4,830,293 that mature in December 2031y. Principal payments of $40,252 are due monthly. The District decreased beginning net position by $4,181,782 to reclassify deferrals from prior years as long-term debt. The remaining $648,511 was reported as other financing sources in the funds which was converted to long-term debt in the government wide financial statements. The loans were made through PG&E's On-Bill Financing Program (the "Program") which is funded by California Utility customers and administered by PG&E under the auspices of the California Public Utilities Commission (CPUC). The Program provides qualified PG&E customers with a means to finance energy-efficient (EE) retrofit projects implemented under select PG&E EE Programs (the "Qualified Program"). The loans issued under the Program are interest-free, unsecured loans to reimburse the District for the costs it incurred in connection with qualified energy efficient retrofit projects. The annual debt service requirements of the PG&E loans as of June 30, 2022 are as follows:

For the Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 483,029	$ -	$ 483,029
2024	483,029	-	483,029
2025	483,029	-	483,029
2026	483,029	-	483,029
2027	483,029	-	483,029
2028-2031	1,850,249	-	1,850,249
Total Debt Service	$ 4,265,394	$ -	$ 4,265,394

Portable Leases

As a normal course of business, the District leases various portable buildings under one-year terms, but with extension options that do not expire and are reasonably likely to be exercised. Under GASB 87, the District records these leases as long-term liabilities and right of use assets in its Statement of Net Position at the net present value of the future lease payments, using the District's incremental borrowing rate of 3.82%. The average annual lease payment over the next 22 years is approximately $275,181.

The following summarizes the future minimum lease obligations as of June 30, 2022:

Year Ending June 30	Principal	Interest	Total
2023	$ 262,141	$ 153,719	$ 415,860
2024	228,111	144,297	372,408
2025	236,979	135,429	372,408
2026	246,192	126,216	372,408
2027	255,763	116,645	372,408
2028-2032	1,007,949	458,559	1,466,508
2033-2037	1,025,194	270,926	1,296,120
2038-2042	762,021	86,475	848,496
2043-2047	119,023	2,477	121,500
Total	$ 4,143,374	$ 1,494,742	$ 5,638,116

NOTE 7 – JOINT POWERS AGREEMENTS

The Santa Rosa City Schools participates in joint ventures under joint powers agreements with the Redwood Empire Schools' Insurance Group (RESIG), a Joint Powers Authority (JPA), for benefits. The relationships between the District and the JPAs are such that the JPAs are not a component unit of the District for financial reporting purposes. The JPAs provide property and liability insurance coverage as well as health and welfare benefits coverage. The JPAs are governed by a board consisting of a representative from each member district. The governing board controls the operations of its JPAs independent of any influence by the member districts beyond their representation on the governing board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to its participation in the JPAs. Condensed audited financial information is available by contacting the JPA directly.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Federal and State Allowances, Award, and Grants

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

Litigation

The District may be exposed to certain legal matters that arise from the normal course of business. The District has not accrued a liability for any potential litigation as of June 30, 2022.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS

California Public Employees Retirement System (CalPERS/PERS) Pension Plan

General Information about the PERS Pension Plan

Plan Description - All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (the Plan), a cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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 credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	CalPERS	
	Classic	PEPRA
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age: minimum	50	52
Monthly benefits as a % of eligible compensation	(1)	(1)
Required employee contribution rates	7%	7%
Required employer contribution rates	22.91%	22.91%

(1) Monthly benefit is a product of benefit factor, years of service, and final compensation

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. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

For the year ended June 30, 2022, the District's contributions were as follows:

	CalPERS
Contributions - employer	$ 6,547,949

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to PERS

As of June 30, 2022, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability/(Asset)
CalPERS	$ 39,844,506

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

	CalPERS
Proportion - June 30, 2021	0.16632%
Proportion - June 30, 2022	0.19595%
Change - Increase/(Decrease)	0.02963%

For the year ended June 30, 2022, the District recognized pension expense of $5,564,634 for the Plan.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ -	$ -
Differences between Expected and Actual Experience	1,189,461	93,930
Differences between Projected and Actual Investment Earnings	-	15,291,135
Differences between Employer's Contributions and Proportionate Share of Contributions	-	1,504,125
Change in Employer's Proportion	7,849,681	499,534
Pension Contributions Made Subsequent to Measurement Date	6,547,949	-
Total	$ 15,587,091	$ 17,388,724

The District reported $6,547,949 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:		Deferred Outflows/ (Inflows) of Resources
2023	$	(1,222,237)
2024		(1,096,635)
2025		(1,777,949)
2026		(4,252,762)
2027		-
Thereafter		-
Total	$	(8,349,583)

Actuarial Assumptions - The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	(1)
Investment Rate of Return	7.15% (2)
Mortality	(3)

(1) Varies by entry age and service
(2) Net of pension plan investment expenses, including inflation
(3) Derived using CalPERS' membership data for all funds

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2019 based on June 30, 2018 Valuations, that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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

In determining the long-term expected rate of return, CalPERS took into account both short- term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
(b) An expected inflation of 2.0% used for this period.
(c) An expected inflation of 2.92% used for this period.
(d) Figures are based on the previous ALM of 2017.

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

	CalPERS
1% Decrease	6.15%
Net Pension Liability	$ 67,183,432
Current	7.15%
Net Pension Liability	$ 39,844,506
1% Increase	8.15%
Net Pension Liability	$ 17,147,331

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

California State Teachers' Retirement System (STRS) Pension Plan

General Information about the STRS Pension Plan

Plan Description - The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information.

Benefits Provided - STRS 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 credited service, equal to one year of full-time employment. The cost of living adjustments for the Plan are applied as specified by the retirement Law.

The Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	CalSTRS	
	Tier 1	Tier 2
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age:	60	62
Monthly benefits as a % of eligible compensation	2%	2%
Required employee contribution rates	10.250%	10.205%
Required employer contribution rates	16.920%	16.920%
Required State contribution rates	10.828%	10.828%

Contributions - As part of the annual valuation process, the Normal Cost rate is determined as the basis for setting the base member contribution rate for the following fiscal year. Generally, the base member contribution rate is one-half of the Normal Cost rate within certain parameters. Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

For the year ended June 30, 2022 the District's contributions were as follows:

	CalSTRS
Employer Contributions	$ 15,975,434
State Contributions	9,941,950
Total	$ 25,917,384

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to STRS

As of June 30, 2022, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability/(Asset)
District	$ 70,349,991
State	35,397,302
Total	$ 105,747,293

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The state contributed 11.97 percent of the members' creditable earnings from the fiscal year ending in the prior calendar year. Also, as a result of AB 1469, the additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specific in subdivision (b) of Education Code Section 22955.1. The increased contributions end as of fiscal year 2045-2046.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

	CalSTRS
Proportion - June 30, 2021	0.14900%
Proportion - June 30, 2022	0.15459%
Change - Increase/(Decrease)	0.00559%

For the year ended June 30, 2022, the District recognized pension expense of $13,982,696 which included a state on-behalf contribution of $9,941,950.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalSTRS	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Changes of Assumptions	$ 9,967,846	$ -
Differences between Expected and Actual Experience	176,231	7,486,706
Differences between Projected and Actual Investment Earnings	-	55,648,655
Differences between Employer's Contributions and Proportionate Share of Contributions	90,003	3,567,846
Change in Employer's Proportion	6,621,314	2,567,989
Pension Contributions Made Subsequent to Measurement Date	15,975,434	-
Total	$ 32,830,828	$ 69,271,196

The District reported $15,975,434 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	**Deferred Outflows/ (Inflows) of Resources**
2023	$ (11,615,800)
2024	(10,139,483)
2025	(14,542,056)
2026	(16,072,050)
2027	113,807
Thereafter	(160,220)
Total	$ (52,415,802)

Actuarial Assumptions - The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.10%
Inflation	2.75%
Payroll Growth	3.50%
Projected Salary Increase	(1)
Investment Rate of Return	7.10% (2)
Mortality	(3)

(1) 2% simple for DB (annually), maintain 85% purchasing power level for DB. Not applicable for DBS/CBB
(2) Net of investment expense but gross of administrative expenses.
(3) Based on 110% of the MP-2019 Ultimate Projection

Discount Rate - The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return (a) (b)
Global Equity	42.00%	4.75%
Private Equity	13.00%	6.25%
Real Estate	15.00%	3.55%
Inflation Sensitive	6.00%	3.25%
Fixed Income	12.00%	1.25%
Risk Mitigation Strategies	10.00%	1.75%
Liquidity	2.00%	-0.35%
Total	100.00%	

(a) Real return is net of assumed 2.75% inflation.
(b) 20-year geometric average.

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

	CalSTRS
1% Decrease	6.10%
Net Pension Liability	$ 143,208,948
Current	7.10%
Net Pension Liability	$ 70,349,991
1% Increase	8.10%
Net Pension Liability	$ 9,881,277

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued STRS financial reports.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The District's administers a single-employer defined benefit postemployment healthcare plan (the OPEB plan). Dependents are eligible to enroll, and benefits continue to surviving spouses.

Benefits Provided - The following is a summary of the plan benefits provided:

Benefits Provided:	Medical, dental and vision
Required Services:	
CalPERS	Hired <1/1/2013: Age 50 & 5 years of service
	Hired >1/1/2013: Age 52 & 5 years of service
CalSTRS	Hired <1/1/2013:
	Normal - Age 60 & 5 years of service
	Early - Age 55 & 5 years of service or age 50 & 30 years of serivce
	Hired >1/1/2013:
	Normal - Age 62 & 5 years of service
	Early - Age 55 & 5 years of service
Dependent Coverage:	Yes
Contribution Percentage:	Varies
Cap:	$ 1,265 per month

The District has not included shared benefit costs in its projections of benefit payments and has not shared benefit costs with inactive employees historically.

Employees Covered by Benefit Terms - At June 30, 2021 (the valuation date), the benefit terms covered the following employees:

Active employees	849
Inactive employees	92
Total employees	941

Contributions - The District makes contributions based on an actuarially determined rate and are approved by the authority of the District's Board. Total contributions during the year were $1,845,404. Total contributions included in the measurement period were $1,475,330. The District's contributions were 1.25% of covered employee payroll during the measurement period June 30, 2021 (reporting period June 30, 2022). Employees are not required to contribute to the plan. There have been no assets accumulated in a trust to provide for the benefits of this plan.

Actuarial Assumptions - The following summarized the actuarial assumptions for the OPEB plan included in the fiscal year:

Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2021
Actuarial Cost Method:	Entry-Age Normal Cost Method
Amortization Period:	8.53 years
Actuarial Assumptions:	
Discount Rate	1.92%
Inflation	2.25%
Salary Increases	3.50%
Healthcare Trend Rate	6.70%
Mortality	Teachers: January 2020 CalSTRS experience study. Nonteachers: CalPERS Experience Study for Miscallaneous December 2017
Retirement	Teachers: 2.0% @ 60 Teachers: 2.0% @ 62 Nonteachers: Misc 2.5% @ 55 Nonteachers: Misc 2% @ 62

Note:
The discount rate was decreased from 2.45% to 1.92% during the year.

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

Changes in the Total OPEB Liability - The following summarizes the changes in the total OPEB liability during the year ended June 30, 2022:

Fiscal Year Ended June 30, 2022	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30,2021	$ 24,752,522	$ -	$ 24,752,522
Service cost	2,282,016	-	2,282,016
Interest in Total OPEB Liability	644,273	-	644,273
Balance of diff between actual and exp experience	3,913,389	-	3,913,389
Changes in benefit terms	4,193,464	-	4,193,464
Balance of changes in assumptions	372,722	-	372,722
Benefit payments	(1,475,330)	-	(1,475,330)
Net changes	9,930,534	-	9,930,534
Balance at June 30, 2022	$ 34,683,056	$ -	$ 34,683,056

Covered Employee Payroll	$ 118,092,669
Total OPEB Liability as a % of Covered Employee Payroll	29.37%
Service Cost as a % of Covered Employee Payroll	1.93%
Net OPEB Liability as a % of Covered Employee Payroll	29.37%

The District's plan is nonfunded, meaning there have not been assets placed into an irrevocable trust, therefore the plan fiduciary net position is zero.

Deferred Inflows and Outflows of Resources - At June 30, 2022, 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
Difference between actual and expected experience	$ 3,653,034	$ -
Change in assumptions	1,077,066	3,781,562
OPEB contribution subsequent to measurement date	1,845,404	-
Totals	$ 6,575,504	$ 3,781,562

Of the total amount reported as deferred outflows of resources related to OPEB, $1,845,404 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended June 30, 2023.

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

Year Ended June 30,	
2023	$ (104,314)
2024	(104,314)
2025	(104,314)
2026	24,454
2027	155,599
Thereafter	1,081,427
Total	$ 948,538

OPEB Expense - The following summarizes the OPEB expense by source during the year ended June 30, 2022:

Service cost	$ 2,282,016
Interest in TOL	644,273
Adjustments	216,832
Current benefit terms changes	4,193,464
Difference between actual and expected experience	492,411
Change in assumptions	(596,724)
OPEB Expense	**$ 7,232,272**

The following summarizes changes in the total OPEB liability as reconciled to OPEB expense during the year ended June 30, 2022, for the measurement date of June 30, 2019:

Total OPEB liability ending	$ 34,683,056
Total OPEB liability begining	(24,752,522)
Change in total OPEB liability	9,930,534
Changes in deferred outflows	(4,651,286)
Changes in deferred inflows	107,620
Employer contributions and implict subsidy	1,845,404
OPEB Expense	**$ 7,232,272**

Sensitivity to Changes in the Municipal Bond Rate - The total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a municipal bond rate (used to determine the discount rate) that is one percentage point lower or one percentage point higher, is as follows:

	Municipal Bond Rate		
	(1% Decrease)	**1.92%**	**(1% Increase)**
Total OPEB Liability	$ 37,337,987	$ 34,683,056	$ 32,268,341

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

	Trend Rate		
	(1% Decrease)	**6.70%**	**(1% Increase)**
Total OPEB Liability	$ 31,197,989	$ 34,683,056	$ 38,804,514

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REQUIRED SUPPLEMENTARY INFORMATION

SANTA ROSA CITY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual (GAAP Basis)	Positive - (Negative)
Revenues:				
LCFF sources	$ 149,220,648	$ 146,627,596	$ 146,221,115	$ (406,481)
Federal revenues	10,496,015	19,934,290	20,033,624	99,334
Other state	14,558,197	25,028,046	27,103,268	2,075,222
Other local	11,695,517	14,827,697	18,024,446	3,196,749
Total revenues	185,970,377	206,417,629	211,382,453	4,964,824
Expenditures:				
Certificated salaries	85,199,934	87,099,040	87,904,683	(805,643)
Classified salaries	26,678,005	25,230,820	25,788,437	(557,617)
Employee benefits	47,106,839	45,006,132	47,175,251	(2,169,119)
Books and supplies	2,912,783	10,008,212	9,958,852	49,360
Services and other operating expenditures	35,673,779	41,172,839	41,676,627	(503,788)
Capital outlay	146,435	1,844,169	1,421,317	422,852
Other outgo	77,921	77,921	605,506	(527,585)
Total expenditures	197,795,696	210,439,133	214,530,673	(4,091,540)
Excess (deficiency) of revenues over (under) expenditures	(11,825,319)	(4,021,504)	(3,148,220)	873,284
Other financing sources (uses):				
Transfers in	1,779,415	1,374,569	1,719,258	344,689
Transfers out	-	-	(664,609)	(664,609)
Total other financing sources (uses)	1,779,415	1,374,569	1,054,649	(319,920)
Change in fund balance	$ (10,045,904)	$ (2,646,935)	(2,093,571)	$ 553,364
Prior period adjustment			(4,013)	
Fund balances beginning			35,438,945	
Fund balances ending			$ 33,341,361	

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP. Expenditures exceded budget due to changes in OPEB plan benefit terms and ASB account activity that was not included in the final budge, which were offset by revenues that were also not included in the budget.

SANTA ROSA CITY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)
CHARTER SCHOOL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with
			Actual	Final Budget Positive -
	Original	Final	(GAAP Basis)	(Negative)
Revenues:				
LCFF sources	$ 17,503,942	$ 16,381,999	$ 17,646,025	$ 1,264,026
Federal revenues	142,130	637,065	181,206	(455,859)
Other state	489,667	1,428,936	2,207,765	778,829
Other local	431,500	217,567	(143,208)	(360,775)
Total revenues	18,567,239	18,665,567	19,891,788	1,226,221
Expenditures:				
Certificated salaries	8,950,528	9,877,248	9,904,171	(26,923)
Classified salaries	1,751,901	2,101,205	2,025,929	75,276
Employee benefits	3,850,619	3,962,942	4,674,850	(711,908)
Books and supplies	405,962	1,112,705	541,726	570,979
Services and other operating expenditures	2,324,138	1,892,779	2,700,660	(807,881)
Total expenditures	17,283,148	18,946,879	19,847,336	(900,457)
Excess (deficiency) of revenues over (under) expenditures	1,284,091	(281,312)	44,452	325,764
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(979,414)	(274,569)	-	274,569
Total other financing sources (uses)	(979,414)	(274,569)	-	274,569
Change in fund balance	$ 304,677	$ (555,881)	44,452	$ 600,333
Fund balances beginning			1,050,048	
Fund balances ending			$ 1,094,500	

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the Charter School Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP. Employee benefits exceeded budget as noted above because of changes in benefit terms within the OPEB plans. Revenues were sufficient to cover the amounts over budget.

SANTA ROSA CITY SCHOOLS
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Fiscal Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
CalPERS								
Contractually Required Contributions	$ 1,957,100	$ 2,193,239	$ 2,926,108	$ 3,344,202	$ 3,865,049	$ 4,711,818	$ 4,899,392	$ 6,547,949
Contributions in Relation to Contractually Required Contributions	1,957,100	2,193,239	2,926,108	3,344,202	3,865,049	4,711,818	4,899,392	6,547,949
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	**$ 16,626,455**	**$ 18,513,033**	**$ 21,069,326**	**$ 21,532,432**	**$ 21,398,788**	**$ 23,892,389**	**$ 23,666,629**	**$ 28,581,183**
Contrib. as a % of Covered Payroll	**11.77%**	**11.85%**	**13.89%**	**15.53%**	**18.06%**	**19.72%**	**20.70%**	**22.91%**

Notes to Schedule:

Valuation Date: June 30, 2020

Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll and Direct Rate Smoothing
3.8 Years Remaining Amortization Period
Inflation Assumed at 2.50%
Investment Rate of Returns set at 7.00%
CalPERS mortality table based on CalPERS' experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Fiscal Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
STRS								
Contractually Required Contributions	$ 6,233,054	$ 8,502,761	$ 10,046,129	$ 11,276,388	$ 12,897,120	$ 14,064,362	$ 13,872,063	$ 15,975,434
Contributions in Relation to Contractually Required Contributions	6,233,054	8,502,761	10,046,129	11,276,388	12,897,120	14,064,362	13,872,063	15,975,434
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	**$ 70,192,050**	**$ 79,242,880**	**$ 79,857,941**	**$ 78,145,447**	**$ 79,220,639**	**$ 77,575,080**	**$ 86,233,295**	**$ 94,417,459**
Contrib. as a % of Covered Payroll	**8.88%**	**10.73%**	**12.58%**	**14.43%**	**16.28%**	**18.13%**	**16.09%**	**16.92%**

Notes to Schedule:

Valuation Date: June 30, 2020

Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll Basis
7 Years Remaining Amortization Period
Inflation Assumed at 2.75%
Investment Rate of Returns set at 7.10%
Mortality tables are based on 110% of the MP-2019 Ultimate Projection Scale table issued by the Society of Actuaries.

The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016 and then decreased from 7.65% to 7.15% in fiscal year 2018.
The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019.
The CalPERS amortization period for actuarial gains and losses was shortened from 30 years to 20 years in 2019.
The CalPERS mortality assumptions was adjusted in fiscal year 2019.
The CalSTRS discount rate was decreased from 7.6% to 7.1% in the District's fiscal year 2017.
The CalSTRS investment rate of return was decreased from 7.6% to 7.1% during the District's fiscal year 2017.
The CalSTRS inflation rate was decreased from 3% to 2.75% during the District's fiscal year 2017.
The CalSTRS wage growth was decreased from 3.75% to 3.5% during the District's fiscal year 2017.
Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.
This schedule provides information about the District’s required and actual contributions to CalPERS / CalSTRS during the year.

SANTA ROSA CITY SCHOOLS
SCHEDULE OF PROPORTION SHARE OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Measurement Date	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Fiscal Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
CalPERS								
District's Proportion of Net Pension Liability	0.16320%	0.16437%	0.16557%	0.16521%	0.16319%	0.15474%	0.16632%	0.19595%
District's Proportionate Share of Net Pension Liability	$ 18,527,174	$ 24,228,612	$ 32,700,460	$ 39,439,987	$ 43,511,592	$ 45,097,814	$ 51,030,865	$ 39,844,506
District's Covered Payroll	$ 17,134,653	$ 16,626,455	$ 18,513,033	$ 21,069,326	$ 21,532,432	$ 21,398,788	$ 23,892,389	$ 23,668,560
District's Proportionate Share of NPL % of Covered Employee Payroll	**108.13%**	**145.72%**	**176.63%**	**187.19%**	**202.07%**	**210.75%**	**213.59%**	**168.34%**
Plan's Fiduciary Net Position as a % of the TPL	**83.38%**	**79.43%**	**73.90%**	**71.87%**	**70.85%**	**70.05%**	**70.00%**	**80.97%**

The CalPERS discount rate was increased from 7.5% to 7.65% in the District's fiscal year 2016 and then decreased from 7.65% to 7.15% in the District's fiscal year 2018.
The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019.
The CalPERS mortality assumptions was adjusted in the District's fiscal year 2019.

Measurement Date	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Fiscal Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
STRS								
District's Proportion of Net Pension Liability	0.16100%	0.15876%	0.15796%	0.15000%	0.14500%	0.14500%	0.14900%	0.15459%
District's Proportionate Share of Net Pension Liability	$ 94,083,570	$ 106,880,850	$ 127,758,630	$ 138,718,500	$ 133,265,150	$ 130,958,200	$ 144,394,410	$ 70,349,991
State's Proportionate Share of Net Pension Liability Associated with the District	56,811,423	56,528,213	72,730,433	82,064,477	76,300,962	71,446,865	74,435,318	35,397,302
Total	$ 150,894,993	$ 163,409,063	$ 200,489,063	$ 220,782,977	$ 209,566,112	$ 202,405,065	$ 218,829,728	$ 105,747,293
District's Covered Payroll	$ 71,527,539	$ 70,192,050	$ 79,242,880	$ 79,857,941	$ 78,145,447	$ 79,220,639	$ 82,247,731	$ 85,895,127
District's Proportionate Share of NPL as a % of Covered Payroll	**131.53%**	**152.27%**	**161.22%**	**173.71%**	**170.53%**	**165.31%**	**175.56%**	**81.90%**
Plan's Fiduciary Net Position as a % of the TPL	**76.52%**	**74.02%**	**70.04%**	**69.46%**	**70.99%**	**72.56%**	**71.82%**	**87.21%**

The CalSTRS discount rate was decreased from 7.6% to 7.1% in the District's fiscal year 2017.
The CalSTRS investment rate of return was decreased from 7.6% to 7.1% during the District's fiscal year 2017.
The CalSTRS inflation rate was decreased from 3% to 2.75% during the District's fiscal year 2017.
The CalSTRS wage growth was decreased from 3.75% to 3.5% during the District's fiscal year 2017.

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.
This schedule presents information on the District’s portion of the net pension liability of PERS and STRS in compliance with GASB 68.

SANTA ROSA CITY SCHOOLS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Fiscal Year Ended	**2019**	**2019**	**2020**	**2021**	**2022**
Total OPEB liability					
Service cost	$ 1,909,893	$ 1,760,939	$ 1,787,851	$ 1,947,218	$ 2,282,016
Interest	770,739	934,573	955,030	745,287	644,273
Changes of benefit terms	-	-	-	-	4,193,464
Diff. between expected and actual exp	-	-	299,318	-	3,913,389
Changes of assumptions	(1,188,185)	(1,048,073)	(4,213,526)	964,861	372,722
Benefit payments	(1,465,101)	(1,508,107)	(1,580,608)	(1,537,406)	(1,475,330)
Net change in Total OPEB Liability	27,346	139,332	(2,751,935)	2,119,960	9,930,534
Total OPEB Liability - beginning	25,217,819	25,245,165	25,384,497	22,632,562	24,752,522
Total OPEB Liability - ending	$ 25,245,165	$ 25,384,497	$ 22,632,562	$ 24,752,522	$ 34,683,056
Plan fiduciary net position					
Net change in plan fiduciary net position	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending	$ -	$ -	$ -	$ -	$ -
Net OPEB liability (asset)	25,245,165	25,384,497	22,632,562	24,752,522	34,683,056
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	$ 99,129,925	$ 100,182,511	$ 102,937,530	$ 107,070,763	$ 115,494,053
Total OPEB liability as a % of cov. Emp. payroll	25.47%	25.34%	21.99%	23.12%	30.03%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

Discount rate decreased from 3.62% to 3.13%, salary increases increased from 2.75% to 3.50%, and healthcare trend rate decreased from 6.80% to 6.40% from June 30, 2019 to June 30, 2020.

Discount rate decreased from 3.13% to 2.45% from June 30, 2020 to June 30 2021 and decreased to 1.92% in June 30, 2022.

SUPPLEMENTARY INFORMATION

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Nonmajor Governmental Funds
Combining Schedules

SANTA ROSA CITY SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			Capital Projects Funds		
	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Governmental Funds
Assets						
Cash and investments	$ 46,069	$ 868,565	$ 717,358	$ 6,277,081	$ 6,315,007	$ 14,224,080
Accounts receivable	323,202	2,214,076	-	102,705	1,217,305	3,857,288
Due from other funds	45,351	41,845	-	-	2,324,808	2,412,004
Stores inventories and other	-	200,533	-	-	-	200,533
Total Assets	$ 414,622	$ 3,325,019	$ 717,358	$ 6,379,786	$ 9,857,120	$ 20,693,905
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ 76,537	$ 113,686	$ -	$ 972	$ 118,930	$ 310,125
Due to other funds	149,692	192,007	-	-	833,355	1,175,054
Unearned revenue	182,588	-	-	-	913,203	1,095,791
Total Liabilities	408,817	305,693	-	972	1,865,488	2,580,970
Fund balances:						
Nonspendable:						
Revolving fund	-	200	-	-	-	200
Inventory	-	200,533	-	-	-	200,533
Restricted for:						
Cafeteria programs	-	2,818,593	-	-	-	2,818,593
Capital projects	-	-	-	6,378,814	6,071,868	12,450,682
Assigned for:						
Capital projects	-	-	-	-	1,919,764	1,919,764
Child care program	5,805	-	-	-	-	5,805
Deferred maintenance	-	-	717,358	-	-	717,358
Total Fund Balances	5,805	3,019,326	717,358	6,378,814	7,991,632	18,112,935
Total Liabilities and Fund Balances	$ 414,622	$ 3,325,019	$ 717,358	$ 6,379,786	$ 9,857,120	$ 20,693,905

SANTA ROSA CITY SCHOOLS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			Capital Projects Funds		
	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Governmental Funds
Revenues:						
Federal revenue	$ 25,200	$ 8,202,807	$ -	$ -	$ -	$ 8,228,007
Other state	721,249	612,413	-	-	505	1,334,167
Other local	(1,605)	1,214,834	(21,271)	2,286,519	1,285,390	4,763,867
Total revenues	744,844	10,030,054	(21,271)	2,286,519	1,285,895	14,326,041
Expenditures:						
Current						
Instruction	791,800	-	-	-	-	791,800
Pupil services:						
Food services	-	7,422,007	-	-	-	7,422,007
General administration:						
All other general administration	-	192,007	-	30,972	-	222,979
Plant services	-	99,609	-	579,867	86,778	766,254
Facilities acquisition and construction	-	-	-	-	2,326,077	2,326,077
Payments to other agencies	-	-	-	441,488	-	441,488
Debt service:						
Principal	-	-	-	-	125,000	125,000
Interest and Fees	-	-	-	-	246,994	246,994
Total expenditures	791,800	7,713,623	-	1,052,327	2,784,849	12,342,599
Excess (deficiency) of revenues over (under) expenditures	(46,956)	2,316,431	(21,271)	1,234,192	(1,498,954)	1,983,442
Other financing sources (uses):						
Transfers in	45,351	-	-	-	-	45,351
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	45,351	-	-	-	-	45,351
Change in fund balances	(1,605)	2,316,431	(21,271)	1,234,192	(1,498,954)	2,028,793
Fund balances beginning	7,410	702,895	738,629	5,144,622	9,490,586	16,084,142
Fund balances ending	$ 5,805	$ 3,019,326	$ 717,358	$ 6,378,814	$ 7,991,632	$ 18,112,935

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STATE AND FEDERAL AWARD COMPLIANCE SECTION

Santa Rosa City Elementary School District and Santa Rosa City High School District were established in 1878. They are now comprised of two districts, elementary and high school, governed by a common seven-member Board of Education. Santa Rosa City Schools currently operates nine elementary schools, one satellite elementary, five middle schools, five comprehensive high schools, one opportunity schools, one continuation school, four necessary small continuation schools, and five charter schools. Santa Rosa City Schools covers an area of approximately 280 square miles. There were no changes in the District's boundaries in the current year.

The Board of Education and District Administrators for the fiscal year ended June 30, 2022, included the following members:

Governing Board

Member	Office	Term Expires
Ed Sheffield	President	2024
Jill McCormick	Vice-President	2022
Stephanie Manieri	Clerk	2022
Alegria De La Cruz	Trustee	2024
Ever Flores	Trustee	2024
Laurie Fong	Trustee	2024
Omar Medina	Trustee	2022

District Administrators

Name	Position
Anna Trunnell	Superintendent
Rick Edson	Deputy Superintendent, Chief Business Official
Michael Shepherd	Assistant Superintendent, Human Resources
Dr. Kimberlee Armstrong	Assistant Superintendent, Educational Services
Joel Dontos	Executive Director, Fiscal Services

SANTA ROSA CITY SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Total ADA		Classroom Based	
Santa Rosa Elementary	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA:				
Grades TK/K through three	1,562.99	1,581.88	1,562.99	1,581.88
Grades four through six	1,193.01	1,198.33	1,193.01	1,198.33
Regular ADA Totals	2,756.00	2,780.21	2,756.00	2,780.21
Extended year special education:				
Grades TK/K through three	5.37	5.37	5.37	5.37
Grades four through six	3.12	3.12	3.12	3.12
Special education - nonpublic, nonsect schools:				
Grades TK/K through three	4.02	4.52	4.02	4.52
Grades four through six	7.55	7.49	7.55	7.49
Extended year special education - nonpublic, nonsect schools:				
Grades TK/K through three	0.35	0.35	0.35	0.35
Grades four through six	0.70	0.70	0.70	0.70
ADA Totals	2,777.11	2,801.76	2,777.11	2,801.76

	Total ADA		Classroom Based	
Santa Rosa High	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA:				
Grades seven and eight	2,181.98	2,179.22	2,181.98	2,179.22
Grades nine through twelve	6,786.13	6,736.09	6,786.13	6,736.09
Regular ADA Totals	8,968.11	8,915.31	8,968.11	8,915.31
Extended year Special education				
Grades seven and eight	3.17	3.17	3.17	3.17
Grades nine through twelve	4.69	4.69	4.69	4.69
Special education - nonpublic, nonsect schools:				
Grades seven and eight	21.16	21.47	21.16	21.47
Grades nine through twelve	71.82	71.63	71.82	71.63
Extended year special education - nonpublic, nonsect schools:				
Grades seven and eight	1.31	1.31	1.31	1.31
Grades nine through twelve	6.96	6.96	6.96	6.96
ADA Totals	9,077.22	9,024.54	9,077.22	9,024.54

Continued

Santa Rosa Charter School for the Arts	Total ADA Second Period Report	Total ADA Annual Report	Classroom Based Second Period Report	Classroom Based Annual Report
Regular ADA:				
Grades TK/K through three	156.71	156.41	155.63	155.32
Grades four through six	123.53	122.89	123.33	122.38
Grades seven and eight	80.24	79.87	80.14	79.41
ADA Totals	360.48	359.17	359.10	357.11

Santa Rosa French American Charter	Total ADA Second Period Report	Total ADA Annual Report	Classroom Based Second Period Report	Classroom Based Annual Report
Regular ADA:				
Grades TK/K through three	246.20	245.68	246.20	245.68
Grades four through six	124.73	125.04	122.92	123.38
ADA Totals	370.93	370.72	369.12	369.06

Cesar Chavez Language Academy	Total ADA Second Period Report	Total ADA Annual Report	Classroom Based Second Period Report	Classroom Based Annual Report
Regular ADA:				
Grades TK/K through three	270.02	270.12	270.02	269.87
Grades four through six	164.72	165.35	164.72	165.35
Grades seven and eight	406.28	405.69	403.63	402.74
ADA Totals	841.02	841.16	838.37	837.96

Santa Rosa Accelerated Charter	Total ADA Second Period Report	Total ADA Annual Report	Classroom Based Second Period Report	Classroom Based Annual Report
Regular ADA:				
Grades four through six	121.17	120.54	121.04	120.21
ADA Totals	121.17	120.54	121.04	120.21

Concluded

SANTA ROSA CITY SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Grade Level	Minutes Requirements	2022 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Santa Rosa Elementary					
Kindergarten	36,000	44,400	180	0	In compliance
Grade 1	50,400	54,054	180	0	In compliance
Grade 2	50,400	54,054	180	0	In compliance
Grade 3	50,400	54,054	180	0	In compliance
Grade 4	54,000	54,054	180	0	In compliance
Grade 5	54,000	54,054	180	0	In compliance
Grade 6	54,000	54,054	180	0	In compliance
Santa Rosa High					
Grade 7	54,000	54,240	180	0	In compliance
Grade 8	54,000	54,240	180	0	In compliance
Grade 9	64,800	64,857	180	0	In compliance
Grade 10	64,800	64,857	180	0	In compliance
Grade 11	64,800	64,857	180	0	In compliance
Grade 12	64,800	64,857	180	0	In compliance
Santa Rosa Charter for the Arts					
Kindergarten	36,000	44,210	180	0	In compliance
Grade 1	50,400	52,990	180	0	In compliance
Grade 2	50,400	52,990	180	0	In compliance
Grade 3	50,400	52,990	180	0	In compliance
Grade 4	54,000	54,340	180	0	In compliance
Grade 5	54,000	54,340	180	0	In compliance
Grade 6	54,000	58,550	180	0	In compliance
Grade 7	54,000	58,550	180	0	In compliance
Grade 8	54,000	58,550	180	0	In compliance
Santa Rosa Accelerated Charter					
Grade 5	54,000	54,200	180	0	In compliance
Grade 6	54,000	54,200	180	0	In compliance
Cesar Chavez Language Academy					
Kindergarten	36,000	45,860	180	0	In compliance
Grade 1	50,400	56,768	180	0	In compliance
Grade 2	50,400	56,768	180	0	In compliance
Grade 3	50,400	56,768	180	0	In compliance
Grade 4	54,000	56,768	180	0	In compliance
Grade 5	54,000	56,768	180	0	In compliance
Grade 6	54,000	56,768	180	0	In compliance
Santa Rosa French-American Charter School					
Kindergarten	36,000	51,424	180	0	In compliance
Grade 1	50,400	54,364	180	0	In compliance
Grade 2	50,400	54,364	180	0	In compliance
Grade 3	50,400	54,364	180	0	In compliance
Grade 4	54,000	54,364	180	0	In compliance
Grade 5	54,000	54,364	180	0	In compliance
Grade 6	54,000	54,364	180	0	In compliance

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts and charter schools, including basic aid districts.

SANTA ROSA CITY SCHOOLS
SCHEDULE OF CHARTER SCHOOLS (UNAUDITED)
JUNE 30, 2022

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school whether or not the charter school is included in the District audit.

Charter School	Charter School Number	Included in Financial Statements
Cesar Chavez Language Academy	1523	Included
Santa Rosa French American Charter	1397	Included
Santa Rosa Charter School for the Arts	845	Included
Santa Rosa Accelerated Charter	522	Included
Kid Street Learning Center Charter	215	Not Included

SANTA ROSA CITY SCHOOLS
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	(Budget [1]) 2023	2022	2021	2020
General Fund				
Revenues and other financial sources	$ 223,015,754	$ 213,101,711	$ 210,109,391	$ 183,228,496
Expenditures	215,444,784	214,530,673	199,685,530	190,409,701
Other uses and transfers (out)	-	664,609	42,694	-
Total outgo	215,444,784	215,195,282	199,728,224	190,409,701
Change in fund balance	7,570,970	(2,093,571)	10,381,167	(7,181,205)
Beginning fund balance restatement: GASB 84 Adjustments	-	(4,013)	868,509	-
Ending fund balance	$ 40,912,331	$ 33,341,361	$ 35,438,945	$ 24,189,269
Available reserves [(2)]	$ 20,973,830	$ 17,111,529	$ 25,340,516	$ 19,172,132
Reserve for economic uncertainties	$ 5,903,032	$ 5,826,170	$ 5,415,279	$ 5,731,754
Unassigned fund balance	$ 15,070,798	$ 11,285,359	$ 19,925,237	$ 13,440,378
Available reserves as a percentage of total outgo	9.7%	8.0%	10.1%	10.1%
Total long-term liabilities	$ 387,559,764	$ 395,728,720	$ 486,704,814	$ 410,352,901
Average daily attendance at P-2	14,346	13,548	13,554	13,554

Average daily attendance has decreased by 6 over the last three years. The district anticipates an increase of 798 in ADA in 2022.

The general fund balance has increased by $9,152,092 in the last three years. For a District this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, other uses (total outgo).

The district has operated at a deficit in two of the past three years. Total long-term liabilities has decreased by $14,624,181 over the past three years, due to payments made on the bonds.

[1] Budget numbers are based on the first adopted budget of the fiscal year 2022/23.

[2] Available reserves consist of all unassigned fund balances in the general fund, which includes the reserve for economic uncertainties.

SANTA ROSA CITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Program Name	Federal Catalog Number	Pass Through Number	Major Program	Non-cash Expenditures	Program Expenditures
U. S. DEPARTMENT OF EDUCATION:					
Indian Education (from Federal Government)	84.060	10011		$ -	$ 35,552
Passed through California Department of Education:					
Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Voc. Ed.)	84.048	14894		-	166,600
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	Yes	-	3,003,288
ESEA (ESSA) School Improvement (CSI) Funding for LEAs	84.010	15438	Yes	-	1,584,071
Subottal CFDA 84.010				-	4,587,359
ESEA (ESSA): Title II, Part A, Improving Teacher Quality Local Grants	84.367	14341	Yes	-	210,022
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346		-	364,302
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		-	44,002
Education Stabilization Fund (ESF)					
Governor's Emergency Education Relief (GEER) Fund: Learning LossMitigation	84.424C	15517	Yes	-	764
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	Yes	-	35,188
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425D	15559	Yes	-	6,144,604
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	Yes	-	998,846
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425D	15618	Yes	-	410
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	Yes	-	3,740,437
Total Education Stabilization Fund (ESF) Subprograms				-	10,920,249
Passed through Sonoma County SELPA:					
Special Education Cluster					
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379		-	3,526,559
Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430		-	96,871
Special Ed: IDEA Mental Health Average Daily Attendance (ADA) Allocation	84.027A	15197		-	28,694
Special Education: IDEA Preschool Capacity Building, Part B, Sec 619	84.173	13839		-	23,429
Total Special Education Cluster				-	3,675,553
TOTAL U. S. DEPARTMENT OF EDUCATION:				**-**	**20,003,639**
U. S. DEPARTMENT OF AGRICULTURE:					
Passed through California Department of Education:					
Child Nutrition Cluster					
Child Nutrition: School Programs (NSL Sec 11)	10.555	13396		-	7,713,622
Total Child Nutrition Cluster				-	7,713,622
TOTAL U.S. DEPARTMENT OF AGRICULTURE				**-**	**7,713,622**
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed Through California Department of Education					
Child Development: ARP California State Preschool Program One-time Stipend	93.575	15640		-	25,200
TOTAL U. S. DEPARTMENT OF TREASURY				**-**	**25,200**
TOTAL EXPENDITURES				**$ -**	**$ 27,742,461**

SANTA ROSA CITY SCHOOLS
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Charter School Fund	County School Facilities Fund	Building Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds
June 30, 2022 Annual Financial and Budget Report Fund Balances.	$ 32,662,920	$ 1,357,042	$ -	$ 53,410,131	$ 14,612,299	$ 20,151,676
Adjustments to reconcile audited financials:						
Fair value adjustments	(885,081)	(262,542)	(74,708)	(1,709,860)	(497,878)	(500,490)
Special Res Fund for Other Than Capital Outlay:						
Cash and investments	540,182	-	-	-	-	(540,182)
Student Activity Special Revenue Fund:						
Expense adjustments	25,271	-	-	-	-	-
Cash and investments	998,069	-	-	-	-	(998,069)
June 30, 2022 Audited Financial Statements Fund Balances	$ 33,341,361	$ 1,094,500	$ (74,708)	$ 51,700,271	$ 14,114,421	$ 18,112,935

1. PURPOSE OF SCHEDULES

A. Schedule of Average Daily Attendance

Average daily attendance is a measurement of the number of pupils attending classes in the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments in state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

B. Schedule of Instructional Time

This schedule presents information on the amount of instructional time/days offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

B. Schedule of Charter Schools

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

C. 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.

D. Schedule of Expenditures of Federal Awards

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with Uniform Guidance requirements.

E. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds reported on the SACS report to the audited financial statements.

2. RESULTS OF RECONCILIATIONS OF EXPENDITURES PER SCHEDULE OF GRANT ACTIVITY WITH THE DISTRICT'S ACCOUNTING SYSTEM

There were no unreconciled differences between the District's records and the Schedule of Federal Grant Activity as shown on the Schedule of Expenditures of Federal Awards.

3. BASIS OF PRESENTATION - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

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OTHER INDEPENDENT AUDITOR'S REPORTS

Chavan and Associates, llp
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Santa Rosa City Schools
Santa Rosa, California

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Rosa City Schools (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated December 12, 2022.

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) to determine the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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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 determination of financial statement amounts. 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.

C & A LLP

December 12, 2022
Morgan Hill, California

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Education
Santa Rosa City Schools
Santa Rosa, California

Report on Compliance for Each Major Federal Program

We have audited Santa Rosa City Schools' (the District) compliance with the types of compliance requirements described in *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, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major federal programs

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Santa Rosa City Schools 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 programs. Our audit does not provide a legal determination of Santa Rosa City Schools' 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.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Santa Rosa City Schools' 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 Santa Rosa City Schools' compliance with the requirements of each major federal programs.

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 Santa Rosa City Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Santa Rosa City Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Santa Rosa City Schools' 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

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

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

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

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

C & A LLP

December 12, 2022
Morgan Hill, California

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Chavan and Associates, llp
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE DIRECT AND MATERIAL EFFECT ON STATE PROGRAMS

Board of Education
Santa Rosa City Schools
Santa Rosa, California

Report of State Compliance

We have audited the Santa Rosa City Schools' (the District) compliance with the types of compliance requirements described in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of the District's state programs identified below for the year ended June 30, 2022.

In our opinion the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on State Programs for the fiscal year ended June 30, 2022.

Basis for Opinion on State Compliance Requirements

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting (Audit Guide)*, published by the Education Audit Appeals Panel. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Santa Rosa City Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the state programs identified in the *Audit Guide*. Our audit does not provide a legal determination of Santa Rosa City Schools' 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.

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Auditor's Responsibilities for the Audit of State 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 Santa Rosa City Schools' 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 *Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Santa Rosa City Schools' compliance with the requirements of applicable state compliance requirements listed in the *Audit Guide*.

In connection with the compliance audit referred to above, we selected and tested transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

Description	Procedures Performed
Local Education Agencies Other than Districts:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	N/A
Continuation Education	N/A
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	Yes
District of Choice	N/A

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Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Job Acts	Yes
After School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	N/A
Immunization	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities	Yes
Career Technical Education Incentive Grant	Yes
In Person Instructional Grant	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study for Districts	No
Determination of Funding for Nonclassroom - Based Instruction	No
Annual Instructional Minutes - Classroom Based	Yes
District Facility Grant Program	Yes

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Santa Rosa City Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Santa Rosa City Schools' 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 *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of Santa Rosa City Schools' internal control over compliance. Accordingly, no such opinion is expressed.

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Chavan and Associates, llp
Certified Public Accountants

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.

C & A LLP

December 12, 2022
Morgan Hill, California

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FINDINGS AND RECOMMENDATIONS

Section 1 – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued — **Unmodified**

Internal control over financial reporting:
- Material weaknesses? ____ Yes __x__ No
- Significant deficiencies identified not considered to be material weaknesses? ____ Yes __x__ None Reported

Non-compliance material to financial statements noted? ____ Yes __x__ No

Federal Awards

Internal control over major programs:
- Material weaknesses? ____ Yes __x__ No
- Significant deficiencies identified not considered to be material weaknesses? ____ Yes __x__ None Reported

Type of auditor's report issued on compliance over major programs — **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) ____ Yes __x__ No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program
84.424S/D/U	Education Stabilization Fund Subprograms
84.010	ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected
84.010	ESEA (ESSA) School Improvement (CSI) Funding for LEAs

Dollar threshold used to distinguish between type A and type B programs: $ 832,274

Auditee qualified as low risk auditee? ____ Yes __x__ No

State Awards

Internal control over state programs:
- Material weaknesses? ____ Yes __x__ No
- Significant deficiencies identified not considered to be material weaknesses? ____ Yes __x__ None Reported

Type of auditor's report issued on compliance over state programs: **Unmodified**

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - State Award Findings and Questioned Costs

None

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - State Award Findings and Questioned Costs

None

APPENDIX C

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF SANTA ROSA AND SONOMA COUNTY

The following information concerning the City of Santa Rosa (the "City") and Sonoma County, California (the "County") 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 or the Underwriter. The District comprises only a portion of the County, and the Bonds are only payable from ad valorem property taxes levied on property in the District. The following information concerning the City and the County is included only for the purpose of supplying general information regarding the area served by the District. The Bonds are not a debt of the County.

The historical data and results presented in the tables that follow may differ materially from future results as a result of economic or other factors influencing such data, including as a result of the impact of COVID-19. For more information on the impact of the COVID-19 pandemic, see "DISTRICT FINANCIAL INFORMATION – COVID-19 Outbreak and its Economic Impact" and "Impact of COVID-19 on California School Districts" herein.

General

The County. The County was incorporated in 1850 as one of the original 27 counties of the State of California (the "State"), with the City as the County Seat. It is the largest of the nine counties in the San Francisco-Oakland Bay Area. Bordered on the north and east by Mendocino, Lake, and Napa counties and to the west and south by the Pacific Ocean, Marin County, and San Pablo Bay, its area encompasses 1,598 square miles.

The City. The City is located in central Sonoma County and covers an area of approximately 35 square miles. Incorporated in 1868, the City is the county seat and operates under a council-manager form of government. The City Council is comprised of five elected members that appoint a City Manager and act as the city's legislative and policy-making body.

Population

The population of the City, the County and the State for calendar years 2018 through 2022 are presented in the following table.

POPULATION ESTIMATES
City of Santa Rosa, Sonoma County, and State of California

Year[1]	Santa Rosa	Sonoma County	State of California
2018	177,012	500,485	39,519,535
2019	175,885	495,919	39,605,361
2020	173,153	491,354	39,648,938
2021	177,396	484,674	39,303,157
2022[2]	175,775	482,404	39,185,605

(1) As of January 1.
(2) Provisional population estimates.
Source*:* State of California, Department of Finance.

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Industry and Employment

The civilian labor force in the County consists of an average 242,800 as of 2021. The total employment component of the labor force is 229,400. County residents seeking employment averaged 13,300 during 2021. The following table shows labor force statistics within the County as well as employment by industry group for 2017 through 2021.

CIVILIAN LABOR FORCE AND INDUSTRY EMPLOYMENT BY ANNUAL AVERAGE
Sonoma County

	2017	2018	2019	2020	2021
Civilian Labor Force [(1)]	259,800	260,600	257,500	245,300	242,800
Employment	250,900	253,300	250,500	225,400	229,400
Unemployment	8,800	7,300	7,100	19,900	13,300
Unemployment Rate	3.4%	2.8%	2.7%	8.1%	5.5%
Wage and Salary Employment: [(2)]					
Agriculture	6,100	6,700	6,600	6,200	5,900
Mining, Logging and Construction	13,300	15,400	16,700	16,200	16,200
Manufacturing	23,000	23,400	23,400	22,300	22,700
Wholesale Trade	7,400	7,500	7,600	7,400	7,500
Retail Trade	25,100	24,900	24,200	22,600	23,200
Transportation, Warehousing, Utilities	4,000	4,100	4,200	4,100	4,400
Information	2,700	2,700	2,600	2,300	2,400
Finance Activities	8,800	8,900	8,700	7,600	7,600
Professional and Business Services	22,100	23,200	23,400	22,700	23,500
Educational and Health Services	34,100	34,800	35,800	34,300	33,900
Leisure and Hospitality	25,700	25,700	25,800	18,700	21,000
Other Services	7,200	7,100	7,100	6,000	6,400
Federal Government	1,400	1,300	1,300	1,500	1,300
State Government	4,800	4,400	3,800	3,300	2,800
Local Government	26,100	25,400	24,400	21,400	21,000
Total, All Industries [(3)]	211,700	215,400	215,600	196,200	199,800

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding. "Total, All Industries" data shown under "Employment by Industry" are not directly comparable to the "Employment" data found in the "Labor Force" data.
Source*:* State of California Employment Development Department.

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Major Employers

The County is host to a diverse mix of major employers representing industries ranging from government and health services to leisure and hospitality. The following tables list the County's major employers and the City's major employers, respectively.

MAJOR EMPLOYERS
Sonoma County
(As of 2022)

Employer Name	Location	Industry
Aabalat Fine & Rare Wines	Petaluma	Wineries (mfrs)
Amy's Kitchen Inc	Santa Rosa	Frozen Food Processors (mfrs)
Army National Guard Recruiter	Santa Rosa	Government Offices-State
Clover Sonoma	Petaluma	Dry Condensed/Evprtd Dairy Prod (mfrs)
County-Sonoma Trnsprtn-Pubc	Santa Rosa	Fire Departments
Fairmont Sonoma Msn Inn & Spa	Sonoma	Hotels & Motels
First Security Svc	Rohnert Park	Security Guard & Patrol Service
Freeman Toyota	Santa Rosa	Automobile Dealers-New Cars
Ghilotti Construction Co	Santa Rosa	Excavating Contractors
Kaiser Permanente Santa Rosa	Santa Rosa	Hospitals
Keysight Technologies Inc	Santa Rosa	Instruments-Measuring (mfrs)
Macy's	Santa Rosa	Department Stores
Medtronic	Santa Rosa	Surgical Instruments-Manufacturers
Mendocino Forest Products Co	Santa Rosa	Lumber-Wholesale
Petaluma Valley Hospital	Petaluma	Hospitals
Protransport-1	Cotati	Transportation Services
Santa Rosa Memorial Hospital	Santa Rosa	Hospitals
Santa Rosa Police Dept	Santa Rosa	Police Departments
Sonoma County Office of Edu	Santa Rosa	County Government-Education Programs
Sonoma County Sheriff	Santa Rosa	Government Offices-County
Sonoma Developmental Ctr	Eldridge	Hospitals
Sutter Santa Rosa Regl Hosp	Santa Rosa	Hospitals
US Coast Guard	Petaluma	Federal Government-National Security
Walmart	Windsor	Department Stores
Walmart	Rohnert Park	Department Stores

Source: State of California Employment Development Department, extracted from *America's Labor Market Information System (ALMIS) Employer Database, 2022 1st Edition.*

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MAJOR EMPLOYERS
City of Santa Rosa
(As of 2021)

Employer Name	Number of Employees	Percentage of Total City Employment
County of Sonoma	3,876	4.49%
Kaiser Permanente	3,109	3.60
Santa Rosa Junior College	2,729	3.16
St. Joseph Health System	2,115	2.45
Santa Rosa School District	1,607	1.86
Keysight/Agilent Technologies	1,300	1.51
City of Santa Rosa	1,247	1.44
Medtronic/Arterial Vascular Eng	1,100	1.27
Sutter Medical Center of Santa Rosa	1,100	1.27
Amy's Kitchen	760	0.88

Source: City of Santa Rosa, *Annual Comprehensive Financial Report Fiscal Year Ended June 2021*.

Commercial Activity

A summary of historic annual taxable sales in the County from 2017 through 2021 are shown in the following tables.

TAXABLE RETAIL SALES
Number of Permits and Valuation of Taxable Transactions
Sonoma County

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2017	11,366	$ 6,778,629,471	20,533	$ 9,492,810,839
2018	11,380	7,116,967,548	21,096	9,985,462,903
2019	11,392	7,126,519,226	21,498	10,104,317,635
2020	11,772	6,933,189,987	22,668	9,851,111,723
2021	10,288	8,032,231,966	20,305	11,395,414,459

Source: California Department of Tax and Fee Administration.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the City of Santa Rosa Elementary School District (the "District") in connection with the execution and delivery of $32,000,000 aggregate principal amount of the District's General Obligation Bonds, 2022 Election, 2023 Series A (the "Bonds"). The Bonds are being issued pursuant to resolution adopted by the Board of Education of the District on March 8, 2023 (the "Resolution"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolution.

In consideration of the execution and delivery of the Bonds by the District and the purchase of such Bonds by the Underwriter described below, the District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District for the benefit of the Bondholders and in order to assist Raymond James & Associates, Inc. (the "Underwriter") in complying with Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the Resolution, 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 4 and 5 of this Disclosure Agreement.

"Bondholder" or "Holder" means any holder of the Bonds or any beneficial owner of the Bonds so long as they are immobilized with DTC.

"Dissemination Agent" shall mean any Dissemination Agent, or any alternate or successor Dissemination Agent, designated in writing by the Superintendent (or otherwise by the District), which Agent has evidenced its acceptance in writing. The Dissemination Agent shall be Isom Advisors, a Division of Urban Futures, Inc.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Event" means any of the events listed in Section 6 of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board, through its electronic municipal market access system, which can be found at http://emma.msrb.org/, or any repository of disclosure information that may be designated by the Securities and Exchange Commission for purposes of the Rule.

SECTION 3. CUSIP Numbers and Final Official Statement. The CUSIP Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated March 29, 2023 ("Final Official Statement").

SECTION 4. Provision of Annual Reports.

(a) The District shall cause the Dissemination Agent, not later than 9 months after the end of the District's fiscal year (currently ending June 30), which date would be April 1, commencing with the report for the fiscal year ending June 30, 2023, which would be due on April 1, 2024, to provide to the MSRB an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Agreement. 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 5 of this Disclosure Agreement; provided that the audited financial statements of the District may be submitted, when and if available, separately from the balance of the relevant Annual Report.

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in paragraph (a) above, the District, in a timely manner, shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine the name and address of the MSRB each year prior to the date established hereunder for providing the Annual Report; and

(ii) if the Dissemination Agent is other than the District or an official of the District, the Dissemination Agent shall file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 5. Content of Annual Report. The District's Annual Report shall contain or incorporate by reference the following:

(a) Financial information including the general purpose financial statements of the District for the preceding fiscal year, prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. If audited financial information is not available by the time the Annual Report is required to be filed pursuant to Section 4(a) hereof, the financial information included in the Annual Report may be unaudited, and the District will provide audited financial information to the MSRB as soon as practical after it has been made available to the District.

(b) Operating data, including the following information with respect to the District's preceding fiscal year (to the extent not included in the audited financial statements described in paragraph (a) above):

(i) General fund budget for current fiscal year;

(ii) Assessed valuations within the District for the current fiscal year; and

(iii) Property tax levy, collections and delinquencies, only if the County terminates or discontinues the Teeter Plan within the District.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each other document so incorporated by reference.

SECTION 6. Reporting of Significant Events.

(a) The District agrees to provide or cause to be provided to the MSRB, in readable PDF or other electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) business days after the occurrence of the event:

(i) Principal and interest payment delinquencies.

(ii) Unscheduled draws on any debt service reserves reflecting financial difficulties.

(iii) Unscheduled draws on any credit enhancements reflecting financial difficulties.

(iv) Substitution of or failure to perform by any credit provider.

(v) Adverse tax opinions with respect to the tax status of the Bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Bonds;

(vi) Tender Offers;

(vii) Defeasances;

(viii) Rating changes;

(ix) Bankruptcy, insolvency, receivership or similar event of the obligated person; or

(x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person which reflect financial difficulties.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the securities, if material, not later than ten (10) business days after the occurrence of the event:

(i) Unless described in paragraph 6(a)(v) hereof, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the securities or other material events affecting the tax status of the securities;

(ii) Modifications of rights to security holders;

(iii) Optional, unscheduled or contingent Bond calls;

(iv) Release, substitution or sale of property securing repayment of the securities;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) Appointment of a successor or additional Paying Agent or Trustee or the change of name of a Paying Agent or Trustee; and

(viii) Incurrence of a Financial Obligation of the obligated person or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders;

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 6(a) hereof, or determines that knowledge of a Listed Event described in Section 6(b) hereof would be material under applicable federal securities laws, the District shall within ten (10) business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement shall terminate when the District is no longer an obligated person with respect to the Bonds, as provided in the Rule, upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Dissemination Agent. The Superintendent may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist in carrying out the District's obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

The Dissemination Agent shall be entitled to the protections, limitations from liability, immunities and indemnities provided to the Paying Agent as set forth in the Resolution which are incorporated by reference herein. The Dissemination Agent agrees to perform only those duties of the Dissemination Agent specifically set forth in the Disclosure Agreement, and no implied duties, covenants or obligations shall be read into this Disclosure Agreement against the Dissemination Agent.

The Dissemination Agent shall have no duty or obligation to review the Annual Report nor shall the Dissemination Agent be responsible for filing any Annual Report not provided to it by the District in a timely manner in a form suitable for filing. In accepting the appointment under this Disclosure Agreement, the Dissemination Agent is not acting in a fiduciary capacity to the registered holders or beneficial owners of the Bonds, the District, or any other party or person.

The Dissemination Agent may consult with counsel of its choice and shall be protected in any action taken or not taken by it in accordance with the advice or opinion of such counsel. No provision of this Disclosure Agreement shall require the Dissemination Agent to risk or advance or expend its own funds or incur any financial liability. The Dissemination Agent shall have the right to resign from its duties as Dissemination Agent under this Disclosure Agreement upon thirty days' written notice to the District. The Dissemination Agent shall be entitled to compensation for its services as Dissemination Agent and reimbursement for its out-of-pocket expenses, attorney's fees, costs and advances made or incurred in the performance of its duties under this Disclosure Agreement in accordance with its written fee schedule provided to the District, as such fee schedule may be amended from time to time in writing. The District agrees to indemnify and hold the Dissemination Agent harmless from and against any cost, claim, expense, cost or liability related to or arising from the acceptance of and performance of the duties of the Dissemination Agent hereunder, provided the Dissemination Agent shall not be indemnified to the extent of its willful misconduct or negligence. The obligations of the District under this Section shall survive the termination or discharge of this Disclosure Agreement and the Bonds.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement under the following conditions, provided no amendment to this Disclosure Agreement shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person, or type of business conducted;

(b) This Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Holders, as determined either by parties unaffiliated with the District or another obligated person (such as the Bond Counsel) or by the written approval of the Bondholders; provided, that the Annual Report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 10. Additional Information. If the District chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or to include it in any future disclosure or notice of occurrence of a Listed Event.

Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement 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 Agreement.

SECTION 11. Default. The District shall give notice to the MSRB of any failure to provide the Annual Report when the same is due hereunder, which notice shall be given prior to July 1 of that year. In the event of a failure of the District to comply with any provision of this Disclosure Agreement, any Bondholder 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 Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the District to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Disclosure Agreement shall be governed by the laws of the State, applicable to contracts made and performed in such State.

Dated: ___________, 2023

CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT

By:_______________________________________
Superintendent

Acceptance of duties as Dissemination Agent:

By:____________________________________
Isom Advisors, a Division of Urban Futures, Inc.

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Santa Rosa Elementary School District

Name of Issue: $32,000,000 General Obligation Bonds, 2022 Election, 2023 Series A

Date of Issuance: April 18, 2023

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Continuing Disclosure Agreement dated April 18, 2023. The Issuer anticipates that the Annual Report will be filed by ___________________.

Dated: __________________________

[ISSUER/DISSEMINATION AGENT]

By:____

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APPENDIX E

SONOMA COUNTY QUARTERLY INVESTMENT REPORT AND INVESTMENT POLICY STATEMENT

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COUNTY OF SONOMA

STATEMENT OF INVESTMENT POLICY

Effective 12-06-2022

TABLE OF CONTENTS

COUNTY OF SONOMA

STATEMENT OF INVESTMENT POLICY

Under the authority delegated to the County Treasurer by the Board of Supervisors to invest and reinvest all of the funds in the County Treasury and, in accordance with the California Government Code, the following sets forth the investment policy of the County of Sonoma:

1. POLICY STATEMENT

The purpose of this Investment Policy (Policy) is to establish cash management and investment guidelines for the County Treasurer, who is responsible for the stewardship of the Sonoma County Pooled Investment Fund (Pooled Investment Fund). Each transaction and the entire portfolio must comply with California Government Code Section 53601, et. seq., Section 53635, et. seq., and this policy. All portfolio activities will be judged by the standards of the Policy and ranking of investment objectives.

2. STANDARDS OF CARE

The County Treasurer is the Trustee of the Pooled Investment Fund and, therefore, a fiduciary subject to the prudent investor standard. The County Treasurer, employees involved in the investment process and the members of the Treasury Oversight Committee (Oversight Committee) shall refrain from all personal business activity that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with California State law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the County Treasurer shall act with the care, skill, prudence and diligence to meet the aims of the investment objectives listed in the Policy.

3. INVESTMENT OBJECTIVES

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance:

[a] **SAFETY OF CAPITAL** - The preservation of capital is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

[b] **LIQUIDITY** - As a second objective, the Pooled Investment Fund should remain sufficiently flexible to ensure the County Treasurer meets all operating requirements, which may be reasonably anticipated in any depositor's fund.

[c] **MAXIMUM RATE OF RETURN** - As the third objective, the Pooled Investment Fund should be designed to attain a rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified herein.

Social and Environmental Consideration: Whenever possible and consistent with the above statutory objectives, investment opportunities will be evaluated for social and environmental impacts. The intent of this Policy is to create positive impacts by investing in socially and environmentally responsible agencies and corporations as defined by priorities set by the Board of Supervisors.

4. IMPLEMENTATION

In order to provide direction to those responsible for management of the Pooled Investment Fund, the County Treasurer has established this Policy and presented it to the Treasury Oversight Committee and the Board of Supervisors, and has provided the report to the legislative body of local agencies that participate in the Pooled Investment Fund.

The Policy defines investible funds; authorized instruments; credit quality required; maximum maturities and concentrations; collateral requirements; qualifications of broker-dealers and financial institutions doing business with, or on behalf of, the County; limits on gifts and honoraria; the reporting requirements; the Treasury Oversight Committee; the manner of appropriating costs; and the criteria to request withdrawal of funds.

5. PARTICIPANTS

[a] **STATUTORY PARTICIPANTS -** General Participants are those government agencies within the County of Sonoma for which the Sonoma County Treasurer is statutorily designated as the Custodian of Funds.

[b] **VOLUNTARY PARTICIPANTS** - Other local agencies, such as Special Districts and Cities for which the Treasurer is not the statutory designated Custodian of Funds, may participate in the Pooled Investment Fund. Such participation is subject to the consent of the County Treasurer and must be in accordance with the California Code Section 53684, et seq. The agency must approve in writing the Pooled Investment Fund as an authorized investment and accept the County of Sonoma Investment Policy.

6. AUTHORIZED PERSONS

The Sonoma County Board of Supervisors, by resolution, has delegated investment responsibility for the Sonoma County Investment Program to the Auditor-Controller-Treasurer-Tax Collector. Daily management responsibility of the investment program has been assigned to the Assistant Auditor-Controller-Treasurer-Tax Collector. The Treasury Manager or the Investment and Debt Officer are also authorized to initiate investment transactions.

All investment decisions shall be made with care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting as a trustee in a like capacity and familiarity would use in the conduct of funds of a like character, and with like aims, to safeguard the principal and maintain the liquidity needs of depositors.

7. AUTHORIZED INVESTMENTS

Authorized investments shall match the general categories established by the California Government Code Section 53635, et. seq., and further defined by California Government Code Section 53601, et. seq.. Authorized investments shall also include, in accordance with California Government Code Section 16429.1, investments into the State Local Agency Investment Fund (LAIF). No investment shall be made in any security with a maturity greater than five years, unless the Board of Supervisors has granted express authority to make that investment. As the California Government Code is amended, this Policy shall likewise become amended.

8. PROHIBITED INVESTMENTS

(1) No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (l) of Section 53601 of Government Code.

(2) Notwithstanding the prohibition in paragraph (1), investments in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, shall be permitted in the event of, and for the duration of, a period of negative market interest rates. These instruments may be held until their maturity dates. This section shall remain in effect only until January 1, 2026, and as of that date is repealed; unless Section 53601.6(b)(2) is repealed or changed prior to that date, in which case this section will be repealed as of the date in Section 53601.6(b)(2).

9. *INVESTMENT CRITERIA*

Investment Type	Maximum Maturity	Maximum % of Pool	Rating
U.S Treasury and Agency Securities (§53601 (b & f))	5 years	100	N/A
Obligations Issued or Unconditionally Guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank (§53601 (q))	5 years	30	AA
Bonds and Notes issued by local agencies (§53601 (a & e))	5 years	100	N/A
Registered State Warrants and Municipal Notes and Bonds (§53601 (c & d))	5 years	100	N/A
Bankers' Acceptances (See Section 10) (§53601 (g))	180 days	40	N/A
Commercial Paper (See Section 11) (§53601 (h) and (§53635 (a))	270 days	40	A-1/F-1/P-1
Negotiable Certificates of Deposit (§53601 (i))	5 years	30	N/A
Repurchase Agreements (See Section 12) (§53601 (j))	1 year	100	N/A
Reverse Repurchase Agreements and Securities Lending Agreements (See Section 12) (§53601 (j))	92 days	20	N/A
Medium Term Corporate Notes (§53601 (k))	5 years	30	A
Mutual Funds & Money Market Mutual Funds (See Section 13) (§53601 (l))	N/A	20	Aaa & AAAm
Collateralized Mortgage Obligations (§53601 (o))	5 years	20	AA
Joint Powers Agreement (See Section 14) (§53601 (p))	N/A	20	N/A
Local Agency Investment Fund (LAIF) (§16429.1)	N/A	As limited by LAIF	N/A
Investment Trust of California (CalTRUST) (§6509.7)	N/A	As limited by CalTRUST	N/A
Collateralized Time Deposits (§53649et seq.)	5 years	N/A	N/A

10. BANKERS' ACCEPTANCE

No more than 30 percent of the agency's surplus funds may be invested in the Bankers' Acceptances of any one commercial bank pursuant to this section.

11. COMMERCIAL PAPER

All commercial paper issuers must maintain an "A-1" rating by Standard & Poor's Corporation, a "P-1" rating by Moody's Investor Service, or a "F-1" rating by Fitch Financial Services, issued by corporations operating within the United States, and having total assets in excess of five hundred million dollars (500,000,000.00). As used in this policy, "corporation" includes a limited liability company.

No more than 10% of the total assets of the investments held by a local agency may be invested in any one issuer's Commercial Paper.

12. REPURCHASE AND REVERSE REPURCHASE AGREEMENTS / SECURITIES LENDING AGREEMENTS

Under California Government Code Section 53601, Paragraph (j) and Section 53635, the County Treasurer may enter into repurchase agreements and reverse repurchase agreements / securities lending agreements. The maximum maturity of repurchase agreements shall be one year. The maximum maturity of a reverse repurchase agreement shall be 92 days, and the proceeds of reverse repurchase agreements / securities lending agreements may not be invested beyond the expiration of the agreement. The reverse repurchase agreements / securities lending agreements must be "matched to maturity."

13. MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS

A Mutual Fund managed by an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by Government Code Section 53601, subdivisions (a) to (k), inclusive, or subdivisions (m) to (o) and with assets under management in excess of five hundred million dollars ($500,000,000.00).

No more than 10% of the agency's funds may be invested in any one Mutual Fund.

14. JOINT POWERS AGREEMENT

With approval of the Board of Supervisors, the Treasurer is allowed to enter into a Joint Powers

Agreement with governments whose policies are consistent with or more restrictive than Sonoma County's Statement of Investment Policy.

15. COLLATERAL

Repurchase agreements executed with approved broker-dealers must be collateralized with either: (1) U.S. Treasuries or Agencies with a market value of 102% for collateral marked to market daily; or (2) money market instruments which are on the approved list of the County and which meet the qualifications of the Policy, with a market value of 102%. Use of mortgage-backed securities for collateral is not permitted. For purposes of investing the daily excess bank balance, the collateral provided by the County's depository bank can include mortgage-backed securities valued at 100%.

16. CRITERIA FOR THE SELECTION OF BROKER/DEALERS AND FINANCIAL INSTITUTIONS

All transactions initiated on behalf of the Pooled Investment Fund and Sonoma County shall be executed through either government security dealers reporting as primary dealers to the Market Reports Division of the Federal Reserve Bank of New York, financial institutions that directly issue their own securities which have been placed on the Approved List of Broker/Dealers and Financial Institutions or broker/dealers in the State of California approved by the County Treasurer based on the reputation and expertise of the company and individuals employed . All brokers/dealers and financial institutions must have a strong industry reputation and open lines of credit with other dealers. Further, these firms must have an investment grade rating from at least one national rating service, if applicable.

Broker/dealers and financial institutions which have exceeded the political contribution limits within a four year period to the County Treasurer or any member of the governing board of a local agency or any candidate for those offices, are prohibited from the Approved List of Broker/Dealers and Financial Institutions.

Each broker/dealer or financial institution will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions. Each firm must acknowledge receipt of such materials to qualify for the Approved List of Broker/Dealers and Financial Institutions.

Each broker/dealer and financial institution authorized to do business with Sonoma County shall, at least annually, supply the County Treasurer with financial statements.

17. WITHDRAWAL REQUESTS

[a] **STATUTORY PARTICIPANTS -** The County Treasurer will honor all requests to withdraw funds for normal cash flow purposes that are approved by the Sonoma County Auditor-Controller at a one dollar net asset value. Any requests to withdraw funds for purposes other than cash flow, such as for external investing, shall be subject to the consent of the County Treasurer. In accordance with California Government

Code Section 27136, et seq., such requests for withdrawals must first be made in writing to the County Treasurer. These requests are subject to the County Treasurer's consideration of the stability and predictability of the Pooled Investment Fund, or the adverse effect on the interests of the other depositors in the Pooled Investment Fund. Any withdrawal for such purposes shall be at the market value of the Pooled Investment Fund as of the date of the withdrawal.

[b] **VOLUNTARY PARTICIPANTS -** For outside participants who utilize Government Code Section 53684, where the County Treasurer does not serve as the agency's treasurer, any withdrawal request, with the exception of normal cash flow withdrawals, shall submit the request for withdrawal to the County Treasurer to determine the timing of the payout, in order that the withdrawal will not adversely affect the interests of the other depositors in the County Treasury Investment Fund. Withdrawals will be paid based upon the market value of the Pooled Investment Fund. If the Treasurer deems appropriate, the deposits may be returned at any time.

18. DELIVERY & SAFEKEEPING

Delivery of all securities shall be either to the County Treasurer or to a third party custodian. No securities shall be held in the safekeeping of a broker / dealer unless it is collateral for a reverse repurchase agreement.

19. APPORTIONMENT OF INTEREST & COSTS

Interest shall be apportioned to all Pooled Investment Fund participants quarterly, based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the Pooled Investment Fund. The amount of interest apportioned shall be determined using the accrual method of accounting, whereby interest will be apportioned for the quarter in which it was actually earned. The Treasurer shall deduct from the gross interest earnings those budgeted administrative costs relating to the management of the Treasury, including salaries and other compensation, banking costs, equipment costs, supplies, the cost of information services, audit and any other costs as provided by Section 27013 of the Government Code. The deduction shall be adjusted to actual cost in the fourth quarter of the fiscal year and/or the first quarter of the following fiscal year.

20. REVIEW, MONITORING AND REPORTING OF THE PORTFOLIO

Quarterly, the County Treasurer will provide to the Treasury Oversight Committee, the Board of Supervisors, and to any local agency participant a report on the Pooled Investment Fund. The report will list the type of investments, name of issuer, maturity date, par amount and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value and the pricing source. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Investment Policy and a statement of the Pooled

Investment Fund's ability to meet the expected expenditure requirements for the next six months.

Annually, the County Treasurer shall provide to the Treasury Oversight Committee a Statement of Investment Policy. Additionally, the County Treasurer will render a copy of the Statement of Investment Policy to the Board of Supervisors and to the legislative body of the local agencies that participate in the Pooled Investment Fund.

21. LIMITS ON HONORARIA, GIFTS AND GRATUITIES

In accordance with California Government Code Section 27133 (d), et seq., this Policy hereby establishes limits for the County Treasurer, individuals responsible for management of the portfolios, and members of the Oversight Committee. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of $50 in a calendar 12 month time period from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the County Treasurer and complete the appropriate state forms.

No individual may receive aggregate gifts, honoraria and gratuities in a calendar twelve (12) month time period in excess of the limits established by the Fair Political Practices Commission (FPPC). Any violation must be reported to the FPPC on an annual basis.

22. AUDITS

The Treasury Oversight Committee shall initiate an annual audit to ensure the County's Investment Portfolio is in compliance with its policy and state law.

23. EXCEPTION TO POLICY

The County Treasurer, except as prohibited by state law, can make exceptions to the investment purchasing limits when he deems it in the best interest of all of the Pooled Investment Fund participants. All exceptions will be reported in the quarterly report. Any State of California legislative action that further restricts allowable maturities, investment type, or percentage allocations will become effective immediately.

24. INVESTMENT OF BOND PROCEEDS

The County Treasurer shall invest bond proceeds using the standards of the County of Sonoma's Investment Policy. The bond proceeds will be invested in securities permitted by the bond documents. If the bond documents are silent, the bond proceeds will be invested in securities permitted by the County of Sonoma's Investment Policy.

25. DISASTER RECOVERY PLAN

The County Treasurer's Disaster Recovery Plan includes contact information for the Treasury staff and key county personnel, as well as contact information for authorized banks and brokers. Copies of the plan have been distributed to the investment staff: Assistant Treasurer-Tax Collector, Treasury Manager, and Investment and Debt Officer.

In the event we are unable to conduct normal business operations, the investment staff shall interact with one another by home phone, cell phone, or e-mail to decide on an alternate location from which to conduct daily operations. If unable to contact one another, the investment staff shall establish contact with one another through the County Office of Emergency Services.

GLOSSARY OF TERMS

ACCRUED INTEREST
Interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

BANKERS' ACCEPTANCES
A time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank "accepts" such a bill, the time draft becomes, in effect, a predated, certified check payable to the bearer at some future specified date. Little risk is involved for the investor because the commercial bank assumes primary liability once the draft is accepted.

BASIS POINT
One basis point is equal to 1/100 of one percent. For example, if interest rates increase from 4.25% to 4.50%, the difference is referred to as a 25-basis-point increase.

BOOK VALUE
The value of a held security as carried in the records of an investor. May differ from current market value of the security.

BROKER/DEALER
Any person engaged in the business of effecting transactions in securities in this state for the account of others or for her/his own account. Broker/dealer also includes a person engaged in the regular business of issuing or guaranteeing options with regard to securities not of her/his own issue.

COMMERCIAL PAPER
Short-term, unsecured promissory notes issued in either registered or bearer form and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30-45 days.

COUPON RATE
The annual rate of interest payable on a security expressed as a percentage of the principal amount.

CREDIT RISK
The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CURRENT YIELD
The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSIP NUMBERS
CUSIP is an acronym for Committee on Uniform Security Identification Procedures. CUSIP numbers are identification numbers assigned each maturity of a security issue and usually printed on the face of each individual security in the issue. The CUSIP numbers are intended to facilitate identification and clearance of securities.

DISCOUNT
The amount by which the par value of a security exceeds the price paid for the security.

EARNINGS APPORTIONMENT
The quarterly interest distribution to the Pooled Investment Fund Participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pooled Investment Fund.

FAIR VALUE
The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FEDERAL FUNDS
Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend Fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

FEDERAL FUNDS RATE
Interest rate at which banks lend federal funds to each other.

FEDERAL OPEN MARKET COMMITTEE (FOMC)
This committee sets Federal Reserve guidelines regarding purchases and sales of government securities in the open market as a means of influencing the volume of bank credit and money.

FLOATING RATE NOTE
A debt security whose interest rate is reset periodically (monthly, quarterly, annually) and is based on a market index (e.g. Treasury bills, LIBOR, etc.).

INTEREST
The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

LOCAL AGENCY INVESTMENT FUND (LAIF)
The State of California investment pool in which money of local agencies is pooled as a method for managing and investing local funds.

MARKET VALUE
The price at which a security is trading and could presumably be purchased or sold.

MATURITY
The date upon which the principal of a security becomes due and payable to the holder.

MONEY MARKET MUTUAL FUND
A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

PAR
The stated maturity value, or face value, of a security.

PAR VALUE
The stated or face value of a security expressed as a specific dollar amount marked on the face of the security; the amount of money due at maturity. Par value should not be confused with market value.

PREMIUM
The amount by which the price paid for a security exceeds the security's par value.

PRIME RATE
A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

REPURCHASE AGREEMENT OR RP OR REPO
An agreement consisting of two simultaneous transactions whereby the investor purchases securities from a bank or dealer and the bank or dealer agrees to repurchase the securities at the same price on a certain future date. The interest rate on a RP is that which the dealer pays the investor for the use of his funds. Reverse repurchase agreements are the mirror image of the RPs when the bank or dealer purchases securities from the investor under an agreement to sell them back to the investor.

SECURITIES LENDING
A transaction wherein the Treasurer's Pooled Investment Fund transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

SETTLEMENT DATE
The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

TRADE DATE
The date and time corresponding to an investor's commitment to buy or sell a security.

WEIGHTED AVERAGE MATURITY
The remaining average maturity of all securities held in a portfolio.

QUARTERLY REPORT AND CERTIFICATION
OF THE COUNTY TREASURER
For Quarter Ending December 31, 2022

The Government Code requires the County Treasurer to render a Quarterly Report to the County Administrator, the Board of Supervisors, the County Auditor, the Treasury Oversight Committee, and the participants of the Treasury Pool.

The Quarterly Report shall state compliance of the portfolio to the County Investment Policy and denote the ability of the pool to meet its pool's expenditures for the next six months, or provide an explanation as to why sufficient money shall or may not be available.

COMPLIANCE CERTIFICATION

I certify that the investments of the Sonoma County Investment Pool are in compliance with the County Investment Policy.

I further certify that the pool has sufficient cash flow available to meet all budgeted expenditure requirements for the next six months.

____

Erick Roeser
Treasurer
County of Sonoma

SONOMA COUNTY POOLED INVESTMENT PROGRAM
For Quarter Ending December 31, 2022

BEGINNING FUND BALANCE (09/30/2022)	$3,045,902,089
ENDING FUND BALANCE	$3,574,438,069
AVERAGE DAILY FUND BALANCE	$3,231,396,014
TOTAL INTEREST EARNED (after fees)	$11,679,349
INTEREST RATE (after fees)	1.446%
INTEREST RATE (before fees)	1.507%

TOTAL FUNDS MANAGED BY TREASURY

Sonoma County Pooled Investments	$3,574,438,069
Tobacco Endowment	$11,799,567
Sonoma County Water Agency Designated Investments	$31,911,673
TOTAL TREASURY BALANCE	$3,618,149,309

SONOMA COUNTY QUARTERLY INVESTMENT REPORT
For Quarter Ending December 31, 2022

INVESTMENT POOL YIELD:

The yield during this quarter is 1.507% before fees and 1.446% after fees.

MARKET VALUE:

The market value of the portfolio as of December 31, 2022, is at 95.88% of cost. The market values are down from the last Quarterly Report. Market values were obtained from US Bank custodial services.

REVERSE REPURCHASE AGREEMENTS:

The pool has no reverse repurchase agreements.

WEIGHTED AVERAGE MATURITY:

The weighted average days to maturity is 528 days.

Excluding SCEIP investments, the weighted average days to maturity is 525 days.

CHARTS:

Chart 1: Interest earnings of the Sonoma County Investment Pool compared to FED FUNDS and Local Agency Investment Fund.
Chart 2: The composition of the Investment Pool by the type of investment.
Chart 3: The composition of the Investment Pool by credit rating.

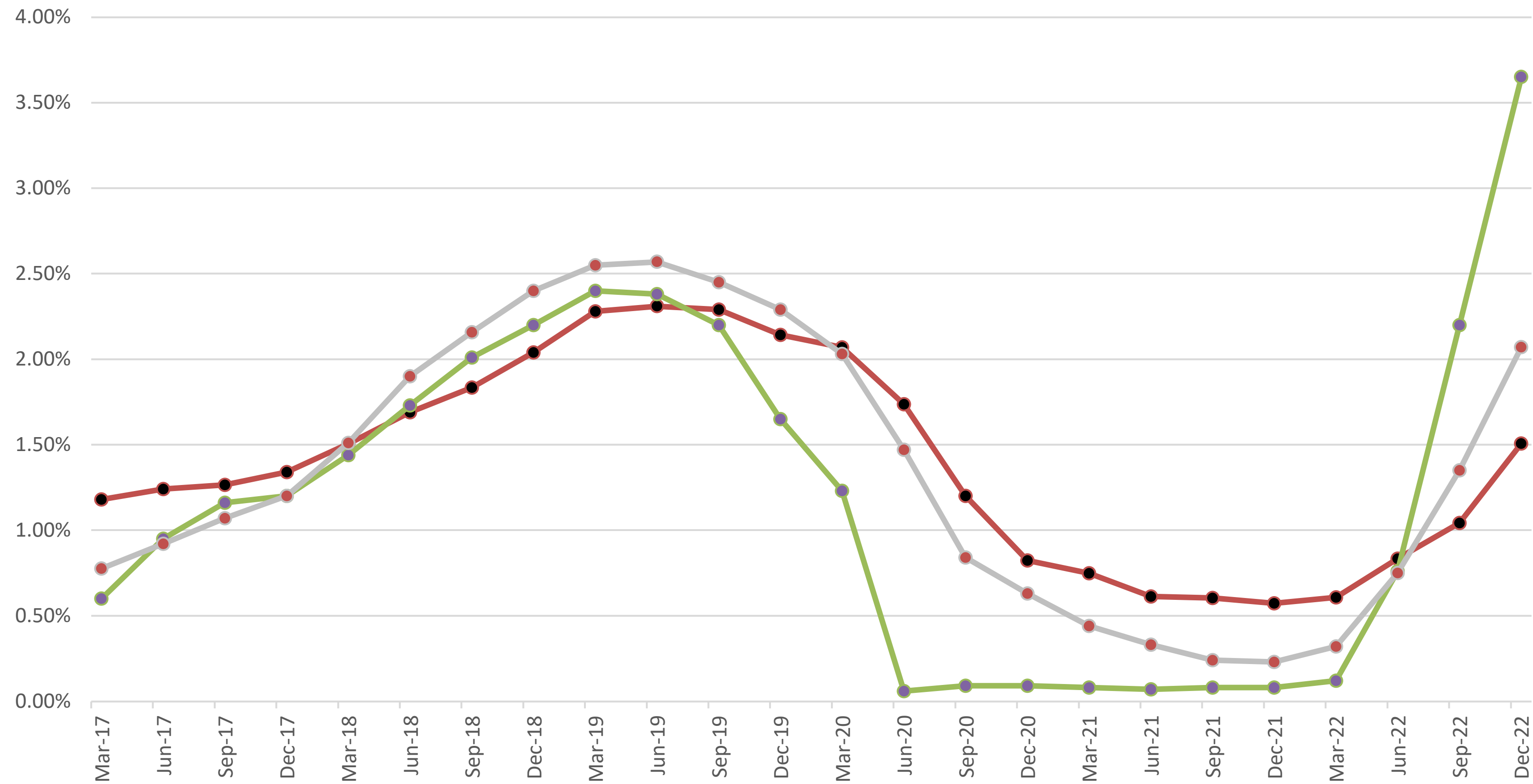
DETAILED LISTING OF INVESTMENTS:

A detailed listing of all investments for the Pooled Investment Fund is located at the end of this report.

SONOMA COUNTY POOLED INVESTMENTS
For Quarter Ending December 31, 2022

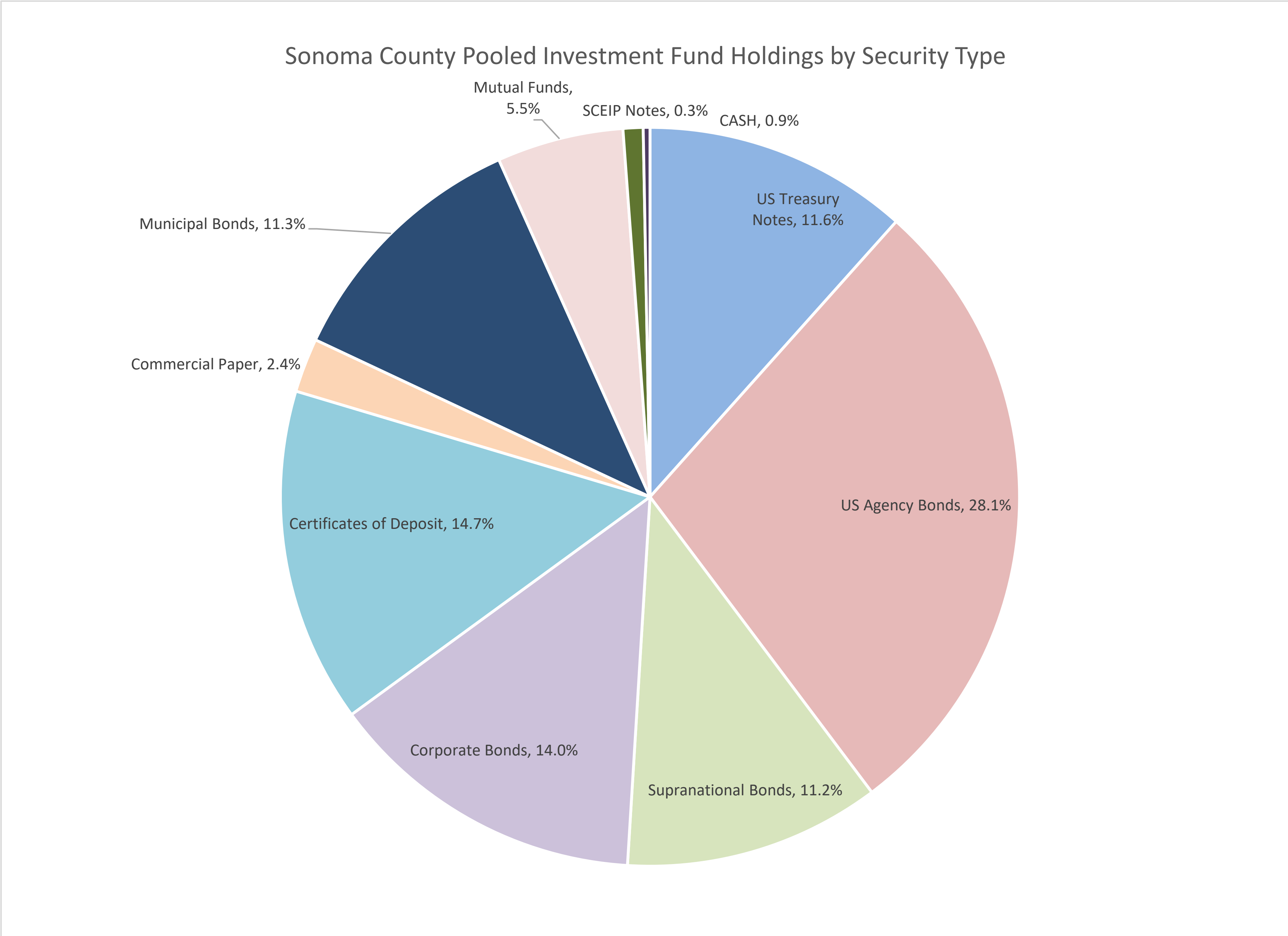
	BOOK VALUE
CASH IN VAULT	$72,627
CASH IN BANK	$32,647,816
BANK ITEMS IN TRANSIT	-$1,349,965
US TREASURY SECURITIES	$415,004,257
US AGENCY BONDS	$1,006,057,459
SUPRANATIONAL BONDS	$401,065,607
CORPORATE BONDS	$499,941,074
CERTIFICATES OF DEPOSIT	$524,000,000
COMMERCIAL PAPER	$84,320,673
MUNICIPAL BONDS	$404,112,438
SCEIP NOTES	$10,421,484
OTHER GOVERNMENT POOLS AND JPA'S	$0
BANKERS ACCEPTANCES	$0
MONEY MARKET MUTUAL FUNDS	$198,144,597
TOTAL	$3,574,438,069

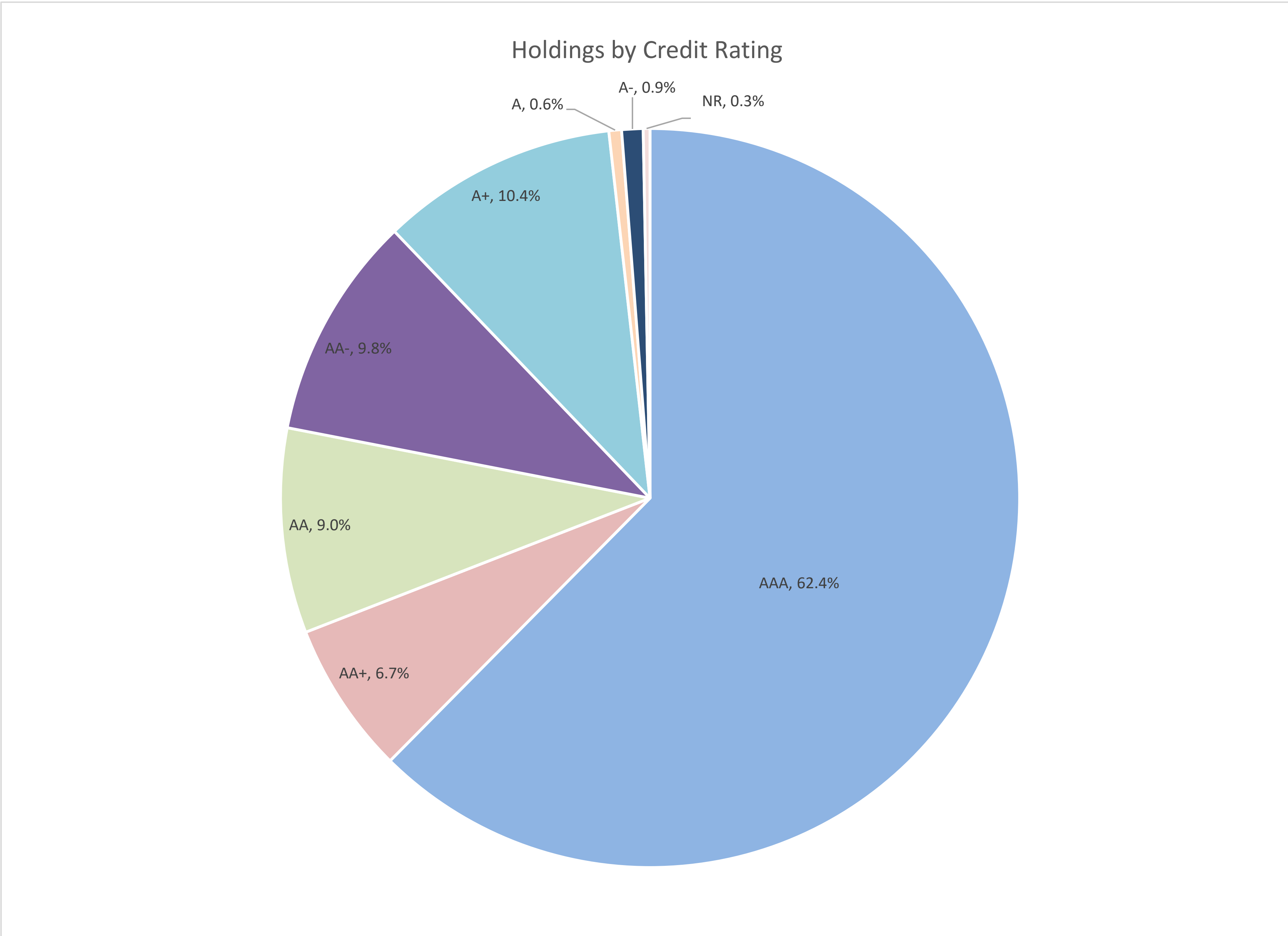
Quarterly Yield Comparison



	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Pool	1.18%	1.24%	1.26%	1.34%	1.51%	1.69%	1.83%	2.04%	2.28%	2.31%	2.29%	2.14%	2.07%	1.74%	1.20%	0.82%	0.75%	0.61%	0.60%	0.57%	0.61%	0.83%	1.04%	1.51%
Fed Funds	0.60%	0.95%	1.16%	1.20%	1.44%	1.73%	2.01%	2.20%	2.40%	2.38%	2.20%	1.65%	1.23%	0.06%	0.09%	0.09%	0.08%	0.07%	0.08%	0.08%	0.12%	0.76%	2.20%	3.65%
LAIF	0.78%	0.92%	1.07%	1.20%	1.51%	1.90%	2.16%	2.40%	2.55%	2.57%	2.45%	2.29%	2.03%	1.47%	0.84%	0.63%	0.44%	0.33%	0.24%	0.23%	0.32%	0.75%	1.35%	2.07%

Pool Fed Funds LAIF


Sonoma County Pooled Investment Fund Holdings by Security Type
Mutual Funds, 5.5%
SCEIP Notes, 0.3%
CASH, 0.9%
US Treasury Notes, 11.6%
Municipal Bonds, 11.3%
Commercial Paper, 2.4%
US Agency Bonds, 28.1%
Certificates of Deposit, 14.7%
Corporate Bonds, 14.0%
Supranational Bonds, 11.2%


Holdings by Credit Rating
A, 0.6%
A-, 0.9%
NR, 0.3%
A+, 10.4%
AA-, 9.8%
AA, 9.0%
AAA, 62.4%
AA+, 6.7%

Sonoma County Treasury Pooled Investment Inventory — Dec 31, 2022

Description	Coupon Rate	Maturity Date	Purchase Date	Book Yield	Current Par / Shares	Current Book / Shares	Market Value	S&P Rating	Moody's Rating
TOTAL		(WAM)	(% Pool)	1.89%	3,575,125,324	$ 3,574,438,069	$ 3,427,258,132		
CASH IN BANK					32,647,816	$ 32,647,816	$ 32,647,816	AAA	Aaa
BANK ITEMS IN TRANSIT					(1,349,965)	$ (1,349,965)	$ (1,349,965)	AAA	Aaa
CASH IN VAULT					72,627	$ 72,627	$ 72,627	AAA	Aaa
Sub Total Cash Items		1	0.88%	0.00%	31,370,479	$ 31,370,479	$ 31,370,479		
Local Agency Investment Fund					-	$ -	$ -	AAA	Aaa
Sub Total LAIF		1	0.00%	0.00%	-	$ -	$ -		
CAMP				4.500	147,682,273	$ 147,682,273	$ 147,682,273	AAA	Aaa
Cal Trust MMG				4.036	15,084,493	$ 15,084,493	$ 15,084,493	AAA	Aaa
Cal Trust MMG				4.240	15,089,899	$ 15,089,899	$ 15,089,899	AAA	Aaa
California CLASS				4.209	20,060,750	$ 20,060,750	$ 20,060,750	AAA	NR
Dreyfus Treasury Securities				3.900	227,182	$ 227,182	$ 227,182	NR	Aaa
Sub Total Mutual Funds		1	5.54%	4.41%	198,144,597	$ 198,144,597	$ 198,144,597		
AUST & NZ BANK NY	0.750%	7/3/2023	1/6/2022	0.750	25,000,000	$ 25,000,000	$ 24,517,500	AA-	Aa3
BANK OF MONTREAL	3.680%	6/26/2023	6/16/2022	3.680	18,000,000	$ 18,000,000	$ 17,879,040	A+	Aa2
CREDIT AGRICOLE NY	5.120%	7/12/2023	12/12/2022	5.120	25,000,000	$ 25,000,000	$ 25,014,000	A+	Aa3
CREDIT AGRICOLE NY	5.060%	6/12/2023	12/12/2022	5.060	25,000,000	$ 25,000,000	$ 25,017,750	A+	Aa3
NATIXIS BANK NY	4.030%	5/11/2023	9/8/2022	4.030	20,000,000	$ 20,000,000	$ 19,930,600	A	A1
NATIXIS BANK NY	5.480%	9/1/2023	11/29/2022	5.479	25,000,000	$ 25,000,000	$ 25,014,250	A	A1
NATIXIS BANK NY	5.520%	10/2/2023	11/29/2022	5.519	20,000,000	$ 20,000,000	$ 20,007,200	A	A1
NATIXIS BANK NY	5.450%	9/5/2023	12/9/2022	5.448	25,000,000	$ 25,000,000	$ 25,009,000	A	A1
NATIXIS BANK NY	5.470%	10/10/2023	12/8/2022	5.470	25,000,000	$ 25,000,000	$ 25,000,000	A	A1
NORDEA BANK NY	0.300%	5/17/2023	5/17/2021	0.296	10,000,000	$ 10,000,000	$ 9,847,400	AA-	Aa3
NORDEA BANK NY	0.750%	7/5/2023	1/14/2022	0.750	20,000,000	$ 20,000,000	$ 19,616,000	AA-	Aa3
NORINCHUKIN BANK NY	4.500%	2/16/2023	10/31/2022	4.500	10,000,000	$ 10,000,000	$ 10,000,800	A	A1
RABOBANK NY	0.250%	3/14/2023	9/15/2021	0.250	20,000,000	$ 20,000,000	$ 19,843,600	A+	Aa2
RABOBANK NY	2.510%	7/28/2023	4/12/2022	2.026	15,000,000	$ 15,000,000	$ 14,841,600	A+	Aa2
SOCIETE GENERALE	0.260%	2/1/2023	8/18/2021	0.260	25,000,000	$ 25,000,000	$ 24,914,000	A	A1
SWEDBANK NY	4.670%	3/2/2023	11/1/2022	4.670	10,000,000	$ 10,000,000	$ 10,005,900	A+	Aa3
SWEDBANK NY	5.020%	6/16/2023	12/16/2022	5.020	25,000,000	$ 25,000,000	$ 25,008,000	A+	Aa3
TORONTO DOMINION	1.720%	1/27/2023	3/18/2022	1.720	15,000,000	$ 15,000,000	$ 14,968,950	AA-	Aa1
TORONTO DOMINION	2.780%	6/2/2023	5/2/2022	2.780	12,000,000	$ 12,000,000	$ 11,885,760	AA-	Aa1
TORONTO DOMINION	2.920%	7/3/2023	6/2/2022	2.920	10,000,000	$ 10,000,000	$ 9,886,900	AA-	Aa1
TORONTO DOMINION	3.830%	7/6/2023	8/3/2022	3.830	10,000,000	$ 10,000,000	$ 9,931,300	AA-	Aa1
TORONTO DOMINION	3.700%	3/6/2023	8/30/2022	3.700	7,000,000	$ 7,000,000	$ 6,989,920	AA-	Aa1
TORONTO DOMINION	4.050%	7/7/2023	9/1/2022	4.050	8,000,000	$ 8,000,000	$ 7,954,160	AA-	Aa1
TORONTO DOMINION	5.200%	5/15/2023	11/8/2022	5.200	10,000,000	$ 10,000,000	$ 10,012,300	AA-	Aa1
TORONTO DOMINION	5.320%	7/18/2023	11/15/2022	5.320	25,000,000	$ 25,000,000	$ 25,021,250	AA-	Aa1
TORONTO DOMINION	5.500%	9/15/2023	11/30/2022	5.499	25,000,000	$ 25,000,000	$ 25,035,250	AA-	Aa1
TORONTO DOMINION	5.540%	1/2/2024	12/8/2022	5.540	25,000,000	$ 25,000,000	$ 25,026,250	AA-	Aa1
UBS AG STAMFORD	5.300%	6/5/2023	11/7/2022	5.300	25,000,000	$ 25,000,000	$ 25,030,500	A+	Aa2
MUFG UNION BANK	3.200%	1/31/2023	8/30/2022	3.200	9,000,000	$ 9,000,000	$ 8,991,090	AA-	Aa2
Sub Total Certificates of Deposit		179	14.66%	3.86%	524,000,000	$ 524,000,000	$ 522,200,270		
MUFG BANK NY	4.329%	1/25/2023	10/25/2022	4.317	11,000,000	$ 10,968,687	$ 10,970,410	A	A1
MUFG BANK NY	5.080%	6/14/2023	12/13/2022	5.198	25,000,000	$ 24,429,417	$ 24,441,000	A	A1
MUFG BANK NY	4.900%	5/16/2023	12/13/2022	5.005	25,000,000	$ 24,540,625	$ 24,551,250	A	A1
MUFG BANK NY	5.000%	6/28/2023	12/14/2022	5.194	25,000,000	$ 24,381,944	$ 24,392,500	A	A1
Sub Total Commercial Paper		142	2.36%	5.03%	86,000,000	$ 84,320,673	$ 84,355,160		
FEDERAL FARM CREDIT BANK	0.690%	7/22/2025	7/27/2020	0.690	20,000,000	$ 19,994,356	$ 18,073,400	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.260%	2/24/2023	9/3/2020	0.282	18,000,000	$ 17,999,304	$ 17,881,020	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.520%	10/21/2025	11/5/2020	0.554	15,000,000	$ 14,980,914	$ 13,432,200	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.470%	1/27/2025	11/18/2020	0.487	4,000,000	$ 3,997,528	$ 3,669,160	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.530%	10/22/2025	11/19/2020	0.570	16,640,000	$ 16,614,381	$ 14,903,949	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.600%	11/24/2025	12/1/2020	0.616	9,745,000	$ 9,737,631	$ 8,713,297	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.490%	3/10/2025	12/10/2020	0.501	10,000,000	$ 9,996,132	$ 9,134,400	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.440%	12/9/2024	12/11/2020	0.446	10,000,000	$ 9,997,573	$ 9,206,700	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.710%	4/1/2025	4/1/2021	0.700	10,000,000	$ 10,000,000	$ 9,125,200	AA+	Aaa
FEDERAL FARM CREDIT BANK	1.050%	3/25/2026	4/8/2021	1.036	10,000,000	$ 10,000,000	$ 8,984,400	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.200%	7/19/2023	4/19/2021	0.198	11,750,000	$ 11,749,943	$ 11,462,478	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.160%	8/10/2023	8/16/2021	0.230	15,000,000	$ 14,993,320	$ 14,598,000	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.125%	7/14/2023	8/25/2021	0.200	15,000,000	$ 14,993,732	$ 14,654,250	AA+	Aaa
FEDERAL FARM CREDIT BANK	3.630%	9/12/2023	8/27/2021	0.265	950,000	$ 972,190	$ 942,752	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.450%	7/23/2024	8/27/2021	0.434	10,515,000	$ 10,516,582	$ 9,830,894	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.450%	7/24/2023	11/24/2021	0.643	20,000,000	$ 19,999,384	$ 19,509,200	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.400%	11/9/2023	12/14/2021	0.696	675,000	$ 673,252	$ 649,978	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.290%	10/12/2023	12/14/2021	0.644	5,000,000	$ 4,985,950	$ 4,828,900	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.125%	7/14/2023	12/29/2021	0.585	6,641,000	$ 6,624,419	$ 6,487,925	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.290%	10/12/2023	1/19/2022	0.829	5,000,000	$ 4,978,702	$ 4,828,900	AA+	Aaa
FEDERAL FARM CREDIT BANK	1.800%	6/17/2024	3/17/2022	2.028	10,000,000	$ 9,996,818	$ 9,615,700	AA+	Aaa
FEDERAL FARM CREDIT BANK	0.450%	7/24/2023	4/11/2022	2.135	2,000,000	$ 1,981,033	$ 1,950,920	AA+	Aaa
FEDERAL FARM CREDIT BANK	2.970%	6/17/2024	4/20/2022	2.579	2,000,000	$ 2,009,995	$ 1,951,260	AA+	Aaa

Sonoma County Treasury Pooled Investment Inventory

Dec 31, 2022

Description	Coupon Rate	Maturity Date	Purchase Date	Book Yield	Current Par / Shares	Current Book / Shares	Market Value	S&P Rating	Moody's Rating
TOTAL		(WAM)	(% Pool)	1.89%	3,575,125,324	$ 3,574,438,069	$ 3,427,258,132		
FEDERAL FARM CREDIT BANK	2.625%	6/10/2024	6/10/2022	2.649	10,000,000	$ 9,991,494	$ 9,718,700	AA+	Aaa
FEDERAL FARM CREDIT BANK	3.250%	6/17/2024	6/17/2022	3.181	10,000,000	$ 10,003,434	$ 9,796,500	AA+	Aaa
FEDERAL FARM CREDIT BANK	3.150%	7/15/2024	7/15/2022	3.155	10,000,000	$ 9,992,775	$ 9,776,900	AA+	Aaa
FEDERAL FARM CREDIT BANK	3.300%	8/15/2024	8/23/2022	3.259	10,000,000	$ 10,006,595	$ 9,792,500	AA+	Aaa
FEDERAL FARM CREDIT BANK	4.500%	11/18/2024	11/18/2022	4.494	10,000,000	$ 9,990,033	$ 9,987,600	AA+	Aaa
FEDERAL FARM CREDIT BANK	4.750%	11/21/2023	11/21/2022	4.734	9,000,000	$ 8,996,136	$ 8,982,630	AA+	Aaa
FEDERAL HOME LOAN BANK	0.330%	8/24/2023	8/26/2020	0.338	11,370,000	$ 11,369,017	$ 11,047,774	AA+	Aaa
FEDERAL HOME LOAN BANK	0.320%	8/25/2023	8/28/2020	0.340	8,888,889	$ 8,887,440	$ 8,635,644	AA+	Aaa
FEDERAL HOME LOAN BANK	0.540%	10/29/2025	11/9/2020	0.572	11,725,000	$ 11,710,997	$ 10,484,026	AA+	Aaa
FEDERAL HOME LOAN BANK	0.600%	12/15/2025	12/15/2020	0.592	15,000,000	$ 15,000,000	$ 13,382,400	AA+	Aaa
FEDERAL HOME LOAN BANK	0.570%	12/16/2025	12/16/2020	0.570	4,840,000	$ 4,838,855	$ 4,313,505	AA+	Aaa
FEDERAL HOME LOAN BANK	0.625%	12/18/2025	12/18/2020	0.639	18,900,000	$ 18,887,676	$ 16,869,384	AA+	Aaa
FEDERAL HOME LOAN BANK	0.440%	12/23/2024	12/23/2020	0.434	10,000,000	$ 10,000,000	$ 9,185,200	AA+	Aaa
FEDERAL HOME LOAN BANK	0.400%	7/15/2025	1/15/2021	0.395	10,000,000	$ 10,000,000	$ 8,993,300	AA+	Aaa
FEDERAL HOME LOAN BANK	0.625%	1/22/2026	1/22/2021	0.616	10,000,000	$ 10,000,000	$ 8,897,100	AA+	Aaa
FEDERAL HOME LOAN BANK	1.000%	3/23/2026	3/23/2021	0.986	8,116,875	$ 8,116,875	$ 7,267,931	AA+	Aaa
FEDERAL HOME LOAN BANK	0.500%	9/10/2025	4/8/2021	0.784	3,180,000	$ 3,155,225	$ 2,852,524	AA+	Aaa
FEDERAL HOME LOAN BANK	0.750%	2/24/2026	4/8/2021	0.933	2,500,000	$ 2,484,983	$ 2,226,100	AA+	Aaa
FEDERAL HOME LOAN BANK	0.860%	10/14/2025	4/13/2021	0.848	15,000,000	$ 15,000,000	$ 13,552,200	AA+	Aaa
FEDERAL HOME LOAN BANK	0.800%	4/13/2026	4/13/2021	1.149	10,000,000	$ 10,000,000	$ 9,058,100	AA+	Aaa
FEDERAL HOME LOAN BANK	0.710%	4/15/2025	4/15/2021	0.718	3,315,000	$ 3,313,672	$ 3,029,744	AA+	Aaa
FEDERAL HOME LOAN BANK	1.150%	4/29/2026	4/29/2021	1.134	20,000,000	$ 20,000,000	$ 17,948,600	AA+	Aaa
FEDERAL HOME LOAN BANK	1.125%	5/20/2026	5/21/2021	1.013	4,950,000	$ 4,949,329	$ 4,475,246	AA+	Aaa
FEDERAL HOME LOAN BANK	2.875%	9/13/2024	5/24/2021	0.409	11,225,000	$ 11,690,880	$ 10,896,893	AA+	Aaa
FEDERAL HOME LOAN BANK	1.030%	5/26/2026	5/26/2021	1.016	10,000,000	$ 10,000,000	$ 8,930,200	AA+	Aaa
FEDERAL HOME LOAN BANK	0.700%	5/27/2026	5/27/2021	1.098	10,000,000	$ 10,000,000	$ 9,000,500	AA+	Aaa
FEDERAL HOME LOAN BANK	2.083%	8/15/2023	6/24/2021	0.322	5,915,000	$ 5,979,377	$ 5,821,129	AA+	Aaa
FEDERAL HOME LOAN BANK	0.125%	3/17/2023	7/6/2021	0.217	1,000,000	$ 999,801	$ 991,250	AA+	Aaa
FEDERAL HOME LOAN BANK	2.125%	6/9/2023	8/25/2021	0.205	10,000,000	$ 10,083,926	$ 9,888,700	AA+	Aaa
FEDERAL HOME LOAN BANK	1.750%	9/12/2025	12/14/2021	1.174	8,845,000	$ 8,975,280	$ 8,277,063	AA+	Aaa
FEDERAL HOME LOAN BANK	2.125%	3/10/2027	3/10/2022	2.959	5,265,000	$ 5,265,000	$ 4,937,148	AA+	Aaa
FEDERAL HOME LOAN BANK	2.160%	5/30/2023	3/29/2022	1.904	8,000,000	$ 8,007,446	$ 7,920,880	AA+	Aaa
FEDERAL HOME LOAN BANK	2.875%	6/14/2024	5/11/2022	2.650	10,000,000	$ 10,026,358	$ 9,769,000	AA+	Aaa
FEDERAL HOME LOAN BANK	2.875%	6/14/2024	6/2/2022	2.525	8,470,000	$ 8,507,460	$ 8,274,343	AA+	Aaa
FEDERAL HOME LOAN BANK	3.000%	7/8/2024	7/8/2022	3.058	7,000,000	$ 6,989,683	$ 6,821,290	AA+	Aaa
FEDERAL HOME LOAN BANK	3.375%	3/8/2024	8/29/2022	3.416	9,000,000	$ 8,994,979	$ 8,848,170	AA+	Aaa
FEDERAL HOME LOAN BANK	4.500%	6/14/2024	11/8/2022	4.687	14,750,000	$ 14,731,862	$ 14,704,865	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.250%	9/8/2023	9/4/2020	0.257	13,000,000	$ 12,999,022	$ 12,608,830	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.125%	10/16/2023	10/16/2020	0.246	17,000,000	$ 16,983,267	$ 16,396,330	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.600%	10/27/2025	10/27/2020	0.592	10,000,000	$ 10,000,000	$ 8,977,100	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.610%	10/29/2025	10/29/2020	0.602	13,800,000	$ 13,800,000	$ 12,391,986	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.570%	9/24/2025	11/10/2020	0.551	3,000,000	$ 2,999,664	$ 2,687,100	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.600%	11/12/2025	11/12/2020	0.592	10,000,000	$ 10,000,000	$ 8,958,400	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.600%	11/12/2025	11/24/2020	0.606	10,000,000	$ 9,994,810	$ 8,923,800	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.250%	6/26/2023	12/7/2020	0.235	1,257,000	$ 1,257,072	$ 1,231,056	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.250%	8/24/2023	12/9/2020	0.244	21,555,000	$ 21,555,325	$ 20,927,318	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.360%	5/15/2024	12/14/2020	0.354	12,000,000	$ 11,998,555	$ 11,286,480	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.350%	6/14/2024	12/14/2020	0.349	11,750,000	$ 11,749,268	$ 11,003,640	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.375%	9/16/2024	12/16/2020	0.380	3,100,000	$ 3,099,435	$ 2,874,909	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.360%	5/15/2024	12/18/2020	0.345	10,000,000	$ 10,000,000	$ 9,405,400	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	2.750%	6/19/2023	12/21/2020	0.199	13,288,000	$ 13,445,522	$ 13,175,849	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.700%	12/23/2025	12/23/2020	0.690	10,000,000	$ 10,000,000	$ 8,955,500	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.360%	9/30/2024	12/30/2020	0.355	4,900,000	$ 4,900,000	$ 4,536,763	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.550%	1/5/2026	1/5/2021	0.542	1,845,000	$ 1,845,000	$ 1,642,806	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.375%	4/15/2025	1/15/2021	0.370	10,000,000	$ 10,000,000	$ 9,049,800	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.550%	1/22/2026	1/22/2021	0.546	8,225,000	$ 8,223,994	$ 7,311,696	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.250%	9/8/2023	5/24/2021	0.208	12,000,000	$ 12,003,187	$ 11,638,920	AA+	Aaa
FEDERAL HOME LOAN MTG CORP	0.375%	5/5/2023	3/29/2022	1.873	2,875,000	$ 2,860,131	$ 2,835,239	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.300%	8/10/2023	8/13/2020	0.359	20,000,000	$ 19,992,151	$ 19,483,800	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.550%	8/19/2025	8/19/2020	0.542	25,000,000	$ 25,000,000	$ 22,529,500	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.600%	8/28/2025	8/28/2020	0.592	20,000,000	$ 20,000,000	$ 18,033,400	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.600%	10/29/2025	11/3/2020	0.590	20,000,000	$ 20,000,000	$ 17,939,600	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.580%	10/20/2025	11/4/2020	0.585	13,000,000	$ 12,993,757	$ 11,607,180	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.650%	11/18/2025	11/18/2020	0.641	10,000,000	$ 10,000,000	$ 8,967,600	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.540%	10/27/2025	11/20/2020	0.561	6,000,000	$ 5,993,997	$ 5,373,420	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.560%	11/17/2025	11/24/2020	0.600	10,000,000	$ 9,985,555	$ 8,944,400	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.625%	11/25/2025	11/25/2020	0.616	2,000,000	$ 2,000,000	$ 1,791,100	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.250%	11/27/2023	11/25/2020	0.284	10,000,000	$ 9,996,565	$ 9,605,900	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.250%	7/10/2023	12/7/2020	0.245	20,000,000	$ 20,000,194	$ 19,531,000	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.650%	12/10/2025	12/10/2020	0.643	10,000,000	$ 9,999,412	$ 8,963,800	AA+	Aaa

Sonoma County Treasury Pooled Investment Inventory   Dec 31, 2022

Description	Coupon Rate	Maturity Date	Purchase Date	Book Yield	Current Par / Shares		Current Book / Shares		Market Value	S&P Rating	Moody's Rating
TOTAL		(WAM)	(% Pool)	1.89%	3,575,125,324	$	3,574,438,069	$	3,427,258,132		
FEDERAL NATIONAL MTG ASSN	0.500%	12/16/2024	12/16/2020	0.493	10,000,000	$	10,000,000	$	9,203,200	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.625%	12/30/2025	12/30/2020	0.616	10,000,000	$	10,000,000	$	8,907,300	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.550%	1/28/2026	1/28/2021	0.542	15,000,000	$	15,000,000	$	13,326,450	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	1.625%	10/15/2024	5/24/2021	0.433	14,000,000	$	14,294,434	$	13,299,860	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.500%	11/7/2025	12/14/2021	1.201	1,500,000	$	1,470,136	$	1,348,875	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	1.625%	1/7/2025	12/16/2021	0.994	10,835,000	$	10,967,368	$	10,235,174	AA+	Aaa
FEDERAL NATIONAL MTG ASSN	0.250%	7/10/2023	4/1/2022	2.044	3,947,000	$	3,909,912	$	3,854,443	AA+	Aaa
Sub Total Federal Agency Securities		704	28.15%	0.91%	1,005,048,764	$	1,006,057,459	$	939,554,845		
U.S. Treasury	0.125%	7/15/2023	10/20/2021	0.328	10,000,000	$	9,988,929	$	9,757,000	AA+	Aaa
U.S. Treasury	0.125%	7/15/2023	10/25/2021	0.355	15,000,000	$	14,981,260	$	14,635,500	AA+	Aaa
U.S. Treasury	0.125%	7/31/2023	10/27/2021	0.416	25,000,000	$	24,957,313	$	24,341,750	AA+	Aaa
U.S. Treasury	0.125%	1/15/2024	11/3/2021	0.547	15,000,000	$	14,933,628	$	14,302,350	AA+	Aaa
U.S. Treasury	2.500%	1/31/2024	11/3/2021	0.537	15,000,000	$	15,314,811	$	14,645,550	AA+	Aaa
U.S. Treasury	0.125%	2/15/2024	11/9/2021	0.562	15,000,000	$	14,925,725	$	14,251,800	AA+	Aaa
U.S. Treasury	0.250%	3/15/2024	11/12/2021	0.552	15,000,000	$	14,944,579	$	14,220,150	AA+	Aaa
U.S. Treasury	2.000%	5/31/2024	12/16/2021	0.823	10,000,000	$	10,162,688	$	9,634,800	AA+	Aaa
U.S. Treasury	0.375%	7/15/2024	12/16/2021	0.900	25,000,000	$	24,796,446	$	23,419,000	AA+	Aaa
U.S. Treasury	0.250%	5/15/2024	12/17/2021	0.806	25,000,000	$	24,808,017	$	23,530,250	AA+	Aaa
U.S. Treasury	0.250%	6/15/2024	12/17/2021	0.847	25,000,000	$	24,781,422	$	23,463,000	AA+	Aaa
U.S. Treasury	2.125%	7/31/2024	12/30/2021	0.867	25,000,000	$	25,485,879	$	24,045,900	AA+	Aaa
U.S. Treasury	0.125%	7/31/2023	4/12/2022	2.179	15,000,000	$	14,822,489	$	14,605,050	AA+	Aaa
U.S. Treasury	0.875%	1/31/2024	4/13/2022	2.404	10,000,000	$	9,835,620	$	9,594,900	AA+	Aaa
U.S. Treasury	0.375%	7/15/2024	4/14/2022	2.571	25,000,000	$	24,172,564	$	23,419,000	AA+	Aaa
U.S. Treasury	2.375%	8/15/2024	4/18/2022	2.554	25,000,000	$	24,915,662	$	24,121,000	AA+	Aaa
U.S. Treasury	0.375%	9/15/2024	4/19/2022	2.584	20,000,000	$	19,263,838	$	18,639,800	AA+	Aaa
U.S. Treasury	0.625%	10/15/2024	4/20/2022	2.668	20,000,000	$	19,286,118	$	18,677,400	AA+	Aaa
U.S. Treasury	0.750%	11/15/2024	4/21/2022	2.699	20,000,000	$	19,287,500	$	18,667,200	AA+	Aaa
U.S. Treasury	1.750%	7/31/2024	4/22/2022	2.674	25,000,000	$	24,633,842	$	23,913,000	AA+	Aaa
U.S. Treasury	1.125%	1/15/2025	4/25/2022	2.865	20,000,000	$	19,307,523	$	18,716,400	AA+	Aaa
U.S. Treasury	1.375%	1/31/2025	4/27/2022	2.849	20,000,000	$	19,398,405	$	18,796,800	AA+	Aaa
Sub Total US Treasury		508	11.61%	1.58%	420,000,000	$	415,004,257	$	399,397,600		
INTER AMERICAN DEV BANK	2.375%	4/9/2024	6/4/2020	0.348	1,500,000	$	1,536,493	$	1,455,105	AAA	Aaa
INTER AMERICAN DEV BANK	0.250%	11/15/2023	9/2/2020	0.296	20,000,000	$	19,991,340	$	19,213,000	AAA	Aaa
INTER AMERICAN DEV BANK	0.340%	10/15/2024	11/12/2020	0.344	10,000,000	$	9,998,400	$	9,239,000	AAA	Aaa
INTER AMERICAN DEV BANK	2.500%	1/18/2023	12/3/2020	0.226	9,544,000	$	9,554,204	$	9,536,937	AAA	Aaa
INTER AMERICAN DEV BANK	0.500%	5/24/2023	5/17/2021	0.209	6,570,000	$	6,577,511	$	6,463,303	AAA	Aaa
INTER AMERICAN DEV BANK	3.000%	10/4/2023	5/21/2021	0.253	13,000,000	$	13,269,474	$	12,810,070	AAA	Aaa
INTER AMERICAN DEV BANK	3.000%	2/21/2024	11/1/2021	0.615	1,822,000	$	1,870,871	$	1,784,631	AAA	Aaa
INTER AMERICAN DEV BANK	0.500%	9/23/2024	2/10/2022	1.500	10,000,000	$	9,827,647	$	9,315,700	AAA	Aaa
INTER AMERICAN DEV BANK	1.400%	2/10/2025	2/10/2022	1.400	10,000,000	$	9,996,057	$	9,505,400	AAA	Aaa
INTER AMERICAN DEV BANK	1.750%	3/14/2025	4/8/2022	2.724	4,300,000	$	4,208,517	$	4,054,126	AAA	Aaa
INTER AMERICAN DEV BANK	0.625%	7/15/2025	4/11/2022	2.751	18,337,000	$	17,379,980	$	16,692,721	AAA	Aaa
INTER AMERICAN DEV BANK	0.625%	7/15/2025	4/19/2022	2.722	1,000,000	$	948,495	$	910,330	AAA	Aaa
INTER AMERICAN DEV BANK	3.250%	7/1/2024	7/1/2022	3.211	25,000,000	$	24,998,125	$	24,452,250	AAA	Aaa
INTER AMERICAN DEV BANK	3.250%	7/1/2024	8/29/2022	3.395	11,412,000	$	11,439,927	$	11,161,963	AAA	Aaa
INTL BANK RECON & DEV	7.625%	1/19/2023	10/16/2020	0.298	800,000	$	802,917	$	801,000	AAA	Aaa
INTL BANK RECON & DEV	1.876%	6/19/2023	4/9/2021	0.232	23,000,000	$	23,175,558	$	22,700,540	AAA	Aaa
INTL BANK RECON & DEV	1.500%	8/28/2024	6/17/2021	0.373	20,000,000	$	20,369,611	$	18,994,600	AAA	Aaa
INTL BANK RECON & DEV	0.650%	2/24/2026	6/23/2021	0.890	10,000,000	$	9,922,490	$	8,892,300	AAA	Aaa
INTL BANK RECON & DEV	7.625%	1/19/2023	7/6/2021	0.231	2,250,000	$	2,258,294	$	2,252,813	AAA	Aaa
INTL BANK RECON & DEV	1.230%	11/17/2026	11/17/2021	1.260	10,000,000	$	9,982,162	$	8,880,700	AAA	Aaa
INTL BANK RECON & DEV	0.700%	11/6/2026	12/10/2021	1.632	15,000,000	$	14,988,236	$	13,660,050	AAA	Aaa
INTL BANK RECON & DEV	2.500%	3/19/2024	6/22/2022	3.125	10,000,000	$	9,921,342	$	9,720,600	AAA	Aaa
INTL FINANCE CORP	0.376%	7/15/2025	7/17/2020	0.638	20,000,000	$	20,000,000	$	18,210,600	AAA	Aaa
INTL FINANCE CORP	2.876%	7/31/2023	10/7/2020	0.251	1,000,000	$	1,015,152	$	988,810	AAA	Aaa
INTL FINANCE CORP	0.250%	10/15/2025	10/19/2020	0.266	20,000,000	$	19,988,820	$	17,979,200	AAA	Aaa
INTL FINANCE CORP	0.314%	10/27/2023	10/27/2020	0.310	10,950,000	$	10,950,000	$	10,535,871	AAA	Aaa
INTL FINANCE CORP	0.350%	10/15/2025	10/30/2020	0.262	12,000,000	$	11,994,938	$	10,773,960	AAA	Aaa
INTL FINANCE CORP	0.250%	11/15/2025	11/30/2020	0.247	10,000,000	$	10,000,000	$	9,041,900	AAA	Aaa
INTL FINANCE CORP	0.250%	11/15/2025	12/11/2020	0.265	1,250,000	$	1,249,271	$	1,130,238	AAA	Aaa
INTL FINANCE CORP	0.500%	3/15/2026	4/1/2021	0.544	1,990,000	$	1,986,782	$	1,789,408	AAA	Aaa
INTL FINANCE CORP	0.500%	5/15/2026	5/28/2021	0.498	10,000,000	$	9,998,302	$	9,002,400	AAA	Aaa
INTL FINANCE CORP	2.876%	7/31/2023	6/18/2021	0.214	1,280,000	$	1,299,703	$	1,265,677	AAA	Aaa
INTL FINANCE CORP	0.260%	9/25/2023	8/25/2021	0.256	20,000,000	$	20,000,000	$	19,348,400	AAA	Aaa
INTL FINANCE CORP	0.470%	9/3/2024	9/3/2021	0.475	20,000,000	$	19,996,054	$	18,614,200	AAA	Aaa
INTL FINANCE CORP	0.230%	9/27/2023	9/28/2021	0.247	10,000,000	$	9,998,520	$	9,666,700	AAA	Aaa
INTL FINANCE CORP	0.676%	3/6/2024	12/6/2021	0.672	15,000,000	$	14,999,134	$	14,298,300	AAA	Aaa
INTL FINANCE CORP	0.376%	7/16/2025	5/13/2022	2.852	7,000,000	$	6,575,129	$	6,329,680	AAA	Aaa
INTL FINANCE CORP	2.650%	6/24/2024	6/24/2022	2.647	8,000,000	$	7,996,151	$	7,742,800	AAA	Aaa
Sub Total Supranational Securities		647	11.22%	1.05%	402,005,000	$	401,065,607	$	379,215,283		

Sonoma County Treasury Pooled Investment Inventory **Dec 31, 2022**

Description	Coupon Rate	Maturity Date	Purchase Date	Book Yield	Current Par / Shares	Current Book / Shares	Market Value	S&P Rating	Moody's Rating
TOTAL		(WAM)	(% Pool)	**1.89%**	**3,575,125,324**	**$ 3,574,438,069**	**$ 3,427,258,132**		
APPLE	2.400%	5/3/2023	4/12/2019	2.611	7,435,000	$ 7,429,133	$ 7,375,520	AA+	Aaa
APPLE	3.000%	2/9/2024	3/16/2020	1.489	10,000,000	$ 10,159,427	$ 9,800,000	AA+	Aaa
APPLE	2.400%	5/3/2023	3/23/2020	2.160	20,000,000	$ 20,013,660	$ 19,840,000	AA+	Aaa
APPLE	2.850%	5/11/2024	4/3/2020	1.317	4,682,000	$ 4,775,630	$ 4,558,302	AA+	Aaa
APPLE	1.800%	9/11/2024	4/8/2020	1.258	3,286,000	$ 3,314,286	$ 3,128,009	AA+	Aaa
APPLE	2.850%	2/23/2023	11/5/2020	0.485	7,521,000	$ 7,546,445	$ 7,500,317	AA+	Aaa
APPLE	2.850%	2/23/2023	3/1/2021	0.429	5,641,000	$ 5,660,573	$ 5,625,487	AA+	Aaa
APPLE	2.850%	2/23/2023	5/19/2021	0.473	6,886,000	$ 6,909,444	$ 6,867,064	AA+	Aaa
APPLE	3.450%	5/6/2024	5/19/2021	0.416	9,918,000	$ 10,319,729	$ 9,737,294	AA+	Aaa
AMAZON.COM	0.250%	5/12/2023	5/12/2021	0.254	1,000,000	$ 999,975	$ 984,250	AA	A1
AMAZON.COM	0.450%	5/12/2024	5/12/2021	0.492	2,000,000	$ 1,998,672	$ 1,883,800	AA	A1
BANK OF NEW YORK	3.450%	8/11/2023	10/1/2020	0.349	2,935,000	$ 2,990,210	$ 2,908,879	A	A1
BANK OF NEW YORK	2.200%	8/16/2023	11/23/2020	0.484	6,952,000	$ 7,025,659	$ 6,844,522	A	A1
BANK OF NEW YORK	3.450%	8/11/2023	7/6/2021	0.309	13,050,000	$ 13,299,150	$ 12,933,855	A	A1
BANK OF NEW YORK	2.100%	10/24/2024	4/19/2022	2.673	5,000,000	$ 4,946,858	$ 4,766,750	A	A1
BERKSHIRE HATHAWAY	2.750%	3/15/2023	1/11/2019	2.967	12,315,000	$ 12,303,518	$ 12,262,292	AA	Aa2
BERKSHIRE HATHAWAY	7.350%	7/15/2023	9/10/2021	0.312	1,761,000	$ 1,827,498	$ 1,785,425	AA	Aa3
CATERPILLAR FINANCIAL	0.950%	1/10/2024	4/13/2022	2.460	4,500,000	$ 4,430,720	$ 4,341,015	A	A2
CISCO SYSTEMS	3.500%	6/15/2025	12/15/2021	1.244	9,000,000	$ 9,482,538	$ 8,746,020	AA-	A1
CISCO SYSTEMS	3.500%	6/15/2025	5/2/2022	2.984	1,000,000	$ 1,011,013	$ 971,780	AA-	A1
COLGATE-PALMOLIVE	2.100%	5/1/2023	4/3/2020	0.893	5,000,000	$ 5,014,783	$ 4,959,350	AA-	Aa3
COLGATE-PALMOLIVE	7.600%	5/19/2025	12/12/2022	4.506	1,500,000	$ 1,604,946	$ 1,591,455	AA-	Aa3
ALPHABET INC	3.375%	2/25/2024	1/31/2022	1.262	4,361,000	$ 4,464,353	$ 4,365,274	AA+	Aa2
ALPHABET INC	0.450%	8/15/2025	1/31/2022	1.569	5,000,000	$ 4,855,177	$ 4,513,650	AA+	Aa2
GUARDIAN LIFE	5.550%	10/28/2027	12/6/2022	5.474	12,070,000	$ 12,537,057	$ 12,312,486	AA+	Aa1
GUARDIAN LIFE	1.250%	5/13/2026	12/6/2022	4.671	6,442,000	$ 5,756,822	$ 5,671,859	AA+	Aa1
IBM INC	3.000%	5/15/2024	4/13/2021	0.608	7,893,000	$ 8,148,268	$ 7,676,179	A-	A3
IBM INC	3.625%	2/12/2024	5/19/2021	0.470	24,458,000	$ 25,309,161	$ 24,092,842	A-	A3
JOHNSON & JOHNSON	2.625%	1/15/2025	3/30/2020	1.226	11,300,000	$ 11,581,714	$ 10,889,697	AAA	Aaa
J PAUL GETTY MUSEUM	0.391%	1/1/2024	1/28/2021	0.386	7,000,000	$ 7,000,000	$ 6,697,810	AAA	Aaa
KAISER FOUNDATION	3.150%	5/1/2027	12/12/2022	4.357	9,005,000	$ 8,591,851	$ 8,427,329	AA-	NR
ELI LILLY & CO	7.125%	6/1/2025	3/10/2022	2.190	18,163,000	$ 20,228,668	$ 19,073,693	A+	A2
MASSACHUSETTS MUTUAL	3.400%	3/8/2026	12/7/2022	4.638	12,000,000	$ 11,643,634	$ 11,442,360	AA+	Aa3
METLIFE INC	3.600%	1/11/2024	11/14/2022	5.375	8,944,000	$ 8,890,928	$ 8,807,962	AA-	Aa3
3M COMPANY	3.000%	8/7/2025	8/9/2022	3.345	4,716,000	$ 4,671,498	$ 4,519,484	A+	A1
MERCK & CO	2.800%	5/18/2023	10/22/2020	0.276	13,000,000	$ 13,124,131	$ 12,903,020	A+	A1
MICROSOFT CORP	2.000%	8/8/2023	12/6/2018	3.070	8,000,000	$ 7,943,647	$ 7,873,280	AAA	Aaa
MICROSOFT CORP	3.625%	12/15/2023	10/1/2020	0.552	5,622,000	$ 5,784,996	$ 5,562,857	AAA	Aaa
MICROSOFT CORP	2.875%	2/6/2024	11/13/2020	0.295	12,179,000	$ 12,489,193	$ 11,963,066	AAA	Aaa
MICROSOFT CORP	3.125%	11/3/2025	4/9/2021	1.034	7,784,000	$ 8,230,926	$ 7,519,500	AAA	Aaa
NATIONAL AUSTRALIA BANK	3.625%	6/20/2023	12/7/2020	0.302	3,590,000	$ 3,645,680	$ 3,570,937	AA-	Aa3
NATIONAL AUSTRALIA BANK	3.625%	6/20/2023	2/17/2021	0.261	5,000,000	$ 5,078,566	$ 4,973,450	AA-	Aa3
NATIONAL AUSTRALIA BANK	3.625%	6/20/2023	6/8/2021	0.262	10,000,000	$ 10,157,156	$ 9,946,900	AA-	Aa3
NORDEA BANK NY	0.250%	2/14/2023	8/27/2021	0.250	25,000,000	$ 25,000,000	$ 24,879,750	AA-	Aa3
PACIFIC LIFE	1.200%	6/24/2025	11/30/2022	5.047	2,275,000	$ 2,070,259	$ 2,062,379	AA-	Aa3
PRINCIPAL LIFE	0.875%	1/12/2026	12/7/2022	4.744	5,000,000	$ 4,469,675	$ 4,403,400	A+	A1
PROCTOR AND GAMBLE	3.100%	8/15/2023	9/28/2020	0.322	3,164,000	$ 3,218,300	$ 3,127,709	AA-	Aa3
PROCTOR AND GAMBLE	2.700%	2/2/2026	2/5/2021	0.622	6,871,000	$ 7,302,216	$ 6,509,517	AA-	Aa3
PROCTOR AND GAMBLE	0.550%	10/29/2025	12/15/2021	1.230	10,003,000	$ 9,810,954	$ 8,971,391	AA-	Aa3
PROCTOR AND GAMBLE	2.700%	2/2/2026	12/16/2021	1.275	4,338,000	$ 4,520,921	$ 4,109,778	AA-	Aa3
RABOBANK NY	0.700%	7/10/2023	12/8/2021	0.700	20,000,000	$ 20,000,000	$ 19,623,600	A+	Aa2
STATE STREET CORP	3.700%	11/20/2023	10/1/2020	0.391	6,903,000	$ 7,103,643	$ 6,817,265	A	A1
STATE STREET CORP	3.550%	8/18/2025	5/2/2022	3.247	7,262,000	$ 7,308,157	$ 7,060,915	A	A1
TARGET CORP	3.500%	7/1/2024	6/28/2022	3.310	9,950,000	$ 9,970,585	$ 9,745,528	A	A2
TARGET CORP	3.500%	7/1/2024	11/3/2022	4.743	5,480,000	$ 5,442,565	$ 5,367,386	A	A2
TOYOTA	2.625%	1/10/2023	12/12/2018	3.232	13,000,000	$ 12,997,147	$ 12,994,930	A+	A1
TOYOTA	1.350%	8/25/2023	7/15/2020	0.633	7,272,000	$ 7,305,076	$ 7,109,544	A+	A1
TOYOTA	0.500%	8/14/2023	4/8/2021	0.423	5,000,000	$ 5,002,201	$ 4,864,900	A+	A1
TOYOTA	0.500%	8/14/2023	4/16/2021	0.417	4,973,000	$ 4,975,356	$ 4,838,630	A+	A1
TOYOTA	0.500%	8/14/2023	8/13/2021	0.345	10,000,000	$ 10,009,248	$ 9,729,800	A+	A1
WAL-MART INC	2.850%	7/8/2024	3/13/2020	1.107	10,000,000	$ 10,237,479	$ 9,727,000	AA	Aa2
Sub Total Corporate Bonds		489	13.99%	1.63%	494,400,000	$ 499,941,074	$ 484,158,439		
CALIFORNIA DEVL AUTHORITY	4.362%	6/1/2027	12/9/2022	4.992	1,720,000	$ 1,384,044	$ 1,367,830	AA	Aa3
KERN COUNTY CA	1.478%	8/15/2025	12/18/2020	1.560	2,300,000	$ 2,209,627	$ 2,007,555	AA-	NR
NAPA VALLEY COMM COLL DIST	1.224%	8/1/2024	5/4/2020	1.279	2,595,000	$ 2,544,013	$ 2,471,426	AA-	Aa3
OLD ADOBE UNIFIED SCHOOLS	0.393%	8/1/2023	2/16/2021	0.400	140,000	$ 139,676	$ 137,159	AA	NR
Sub Total Municipal Zero Coupon Bonds		932	0.18%	2.18%	6,755,000	$ 6,277,360	$ 5,983,971		
--no holdings--									
Sub Total Municipal Notes		0	0.00%	0.00%	-	$ -	$ -		
ALAMEDA COUNTY	3.359%	8/1/2024	8/24/2022	3.314	1,525,000	$ 1,525,000	$ 1,489,376	AAA	Aaa

Sonoma County Treasury Pooled Investment Inventory   Dec 31, 2022

Description	Coupon Rate	Maturity Date	Purchase Date	Book Yield	Current Par / Shares	Current Book / Shares	Market Value	S&P Rating	Moody's Rating
TOTAL		(WAM)	(% Pool)	**1.89%**	**3,575,125,324**	**$ 3,574,438,069**	**$ 3,427,258,132**		
ALAMEDA COUNTY	3.399%	8/1/2025	8/24/2022	3.334	1,300,000	$ 1,300,606	$ 1,256,346	AAA	Aaa
ALAMEDA COUNTY	3.410%	8/1/2026	8/24/2022	3.364	1,150,000	$ 1,150,000	$ 1,101,700	AAA	Aaa
ALAMEDA COUNTY	3.460%	8/1/2027	8/24/2022	3.413	1,150,000	$ 1,150,000	$ 1,090,534	AAA	Aaa
ALAMEDA COUNTY	3.460%	8/1/2027	11/9/2022	4.883	1,500,000	$ 1,420,378	$ 1,422,435	AAA	Aaa
ANAHEIM CA	0.632%	7/1/2024	6/22/2021	0.592	500,000	$ 500,236	$ 468,095	AA	A1
ANAHEIM CA	0.936%	7/1/2025	6/22/2021	0.868	960,000	$ 961,312	$ 870,461	AA	A1
ANAHEIM CA	1.186%	7/1/2026	7/13/2021	1.085	660,000	$ 661,926	$ 582,160	AA	A1
ATASCADERO UNIFIED SCHOOLS	0.699%	8/1/2024	12/14/2020	0.617	345,000	$ 345,399	$ 324,310	NR	Aa3
AUBURN CA	0.656%	6/1/2024	6/17/2021	0.592	460,000	$ 460,359	$ 433,877	AA+	NR
BEVERLY HILLS CA	2.255%	6/1/2025	1/22/2021	0.740	395,000	$ 409,105	$ 374,108	AA+	NR
BEVERLY HILLS CA WATER	0.569%	6/1/2024	8/12/2020	0.493	225,000	$ 225,217	$ 212,981	AAA	NR
BEVERLY HILLS CA WATER	0.719%	6/1/2025	8/12/2020	0.641	205,000	$ 205,335	$ 186,929	AAA	NR
CA STATE GO	5.000%	10/1/2024	3/24/2020	2.139	4,590,000	$ 4,762,809	$ 4,771,076	AA-	Aa2
CA STATE GO	5.000%	8/1/2024	3/24/2020	2.495	1,800,000	$ 1,861,429	$ 1,863,612	AA-	Aa2
CA STATE GO	4.000%	3/1/2023	3/24/2020	2.596	5,410,000	$ 5,421,630	$ 5,418,764	AA-	Aa2
CA STATE GO	2.375%	10/1/2026	10/1/2021	0.971	11,000,000	$ 11,558,360	$ 10,125,830	AA-	Aa2
CA STATE GO	3.000%	11/1/2025	11/12/2021	1.016	1,000,000	$ 1,054,548	$ 957,270	AA-	Aa2
CA STATE GO	1.500%	10/1/2025	11/17/2021	1.016	4,650,000	$ 4,708,749	$ 4,280,372	AA-	Aa2
CALIFORNIA INFRASTRUCTURE BK	0.645%	10/1/2024	12/17/2020	0.636	3,050,000	$ 3,050,000	$ 2,849,646	AAA	NR
CALIFORNIA INFRASTRUCTURE BK	0.765%	10/1/2025	12/17/2020	0.755	1,480,000	$ 1,480,000	$ 1,333,243	AAA	NR
CALIFORNIA FINANCE AUTHORITY	1.605%	11/1/2023	7/15/2020	1.282	350,000	$ 350,810	$ 339,360	AA-	NR
CALIFORNIA FINANCE AUTHORITY	1.605%	11/1/2023	10/1/2020	0.986	3,150,000	$ 3,165,597	$ 3,054,240	AA-	NR
CALIFORNIA FINANCE AUTHORITY	1.896%	12/1/2025	5/6/2021	0.974	1,370,000	$ 1,405,398	$ 1,269,113	NR	Aa3
CALIFORNIA FINANCE AUTHORITY	1.605%	11/1/2023	7/13/2021	0.691	690,000	$ 695,150	$ 669,024	AA-	NR
CALIFORNIA DEVL AUTHORITY	0.345%	2/1/2023	1/26/2021	0.296	875,000	$ 875,033	$ 872,008	A+	A1
CALIFORNIA DEVL AUTHORITY	0.514%	2/1/2024	1/26/2021	0.444	750,000	$ 750,515	$ 715,118	A+	A1
CALIFORNIA DEVL AUTHORITY	0.732%	2/1/2025	1/26/2021	0.641	850,000	$ 851,429	$ 776,654	A+	A1
CALIFORNIA DEVL AUTHORITY	0.932%	2/1/2026	2/1/2021	0.838	745,000	$ 746,838	$ 655,019	A+	A1
CALIFORNIA DEVL AUTHORITY	0.732%	2/1/2025	5/3/2021	0.819	1,000,000	$ 997,991	$ 913,710	A+	A1
CALIFORNIA DEVL AUTHORITY	1.212%	2/1/2027	11/21/2022	4.963	1,000,000	$ 864,628	$ 851,040	A+	A1
CAL STATE UNIVERSITY	0.685%	11/1/2024	9/17/2020	0.676	2,650,000	$ 2,650,000	$ 2,458,114	AA-	Aa2
CAL STATE UNIVERSITY	0.685%	11/1/2024	9/17/2020	0.626	6,000,000	$ 6,005,417	$ 5,565,540	AA-	Aa2
CAL STATE UNIVERSITY	0.475%	11/1/2023	9/17/2020	0.419	4,250,000	$ 4,251,747	$ 4,106,308	AA-	Aa2
CAL STATE UNIVERSITY	0.475%	11/1/2023	9/17/2020	0.419	800,000	$ 800,329	$ 772,952	AA-	Aa2
CAL STATE UNIVERSITY	0.685%	11/1/2024	9/17/2020	0.626	1,250,000	$ 1,251,129	$ 1,159,488	AA-	Aa2
CAL STATE UNIVERSITY	0.885%	11/1/2025	11/2/2020	0.667	1,035,000	$ 1,037,148	$ 926,853	AA-	Aa2
CAL STATE UNIVERSITY	0.885%	11/1/2025	4/9/2021	0.917	500,000	$ 499,376	$ 447,755	AA-	Aa2
CAL STATE UNIVERSITY	0.563%	11/1/2024	7/29/2021	0.555	2,000,000	$ 2,000,000	$ 1,850,960	AA-	Aa2
CAL STATE UNIVERSITY	0.862%	11/1/2025	7/29/2021	0.850	2,500,000	$ 2,500,000	$ 2,237,275	AA-	Aa2
CAL STATE UNIVERSITY	0.885%	11/1/2025	3/2/2022	2.022	1,500,000	$ 1,452,522	$ 1,343,265	AA-	Aa2
CALIFORNIA STATE HOUSING	5.000%	4/1/2025	9/16/2020	0.562	540,000	$ 593,058	$ 564,359	NR	Aa2
CALIFORNIA STATE HOUSING	0.590%	6/1/2024	8/24/2021	0.533	500,000	$ 500,350	$ 470,035	AA	Aa3
CALIFORNIA STATE HOUSING	0.874%	6/1/2025	8/24/2021	0.809	750,000	$ 750,957	$ 683,250	AA	Aa3
CALIFORNIA STATE HOUSING	1.074%	6/1/2026	8/24/2021	1.016	280,000	$ 280,407	$ 247,834	AA	Aa3
CALIFORNIA STATE HOUSING	0.640%	12/1/2024	9/21/2021	0.592	1,000,000	$ 1,000,756	$ 922,980	AA	Aa3
CAL STATE HEALTH FACILITY	0.952%	6/1/2025	11/4/2020	0.939	1,000,000	$ 1,000,000	$ 914,460	AA-	Aa3
CAL STATE HEALTH FACILITY	0.752%	6/1/2024	11/4/2020	0.742	1,000,000	$ 1,000,000	$ 947,030	AA-	Aa3
CAL STATE HEALTH FACILITY	0.553%	6/1/2023	11/4/2020	0.545	1,500,000	$ 1,500,000	$ 1,476,915	AA-	Aa3
CAL STATE HEALTH FACILITY	0.952%	6/1/2025	11/1/2021	1.118	2,000,000	$ 1,991,408	$ 1,828,920	AA-	Aa3
CAL STATE HEALTH FACILITY	2.991%	6/1/2025	4/7/2022	2.951	2,500,000	$ 2,500,000	$ 2,400,825	AA-	Aa3
CAL STATE HEALTH FACILITY	2.991%	6/1/2025	4/26/2022	3.158	1,205,000	$ 1,199,218	$ 1,157,198	AA-	Aa3
CAL STATE HEALTH FACILITY	2.211%	6/1/2025	7/13/2022	3.345	1,320,000	$ 1,284,386	$ 1,244,470	AA-	Aa3
CAL STATE HEALTH FACILITY	2.484%	6/1/2027	12/13/2022	4.609	1,365,000	$ 1,248,232	$ 1,235,748	AA-	Aa3
CAL STATE HEALTH FACILITY	1.368%	6/1/2027	12/13/2022	4.609	1,000,000	$ 870,062	$ 861,550	AA-	Aa3
CAL STATE DEPT WATER	0.790%	12/1/2025	12/1/2020	0.686	1,755,000	$ 1,759,740	$ 1,569,532	AAA	Aa1
CUCAMONGA VALLEY WATER DIST	3.400%	9/1/2025	10/5/2021	0.824	3,005,000	$ 3,206,772	$ 2,907,908	AA+	NR
CORONA NORCO SCHOOLS	1.052%	9/1/2025	5/13/2021	0.957	2,495,000	$ 2,500,323	$ 2,246,523	AA-	NR
CORONA CA	1.131%	5/1/2025	10/14/2021	1.075	1,100,000	$ 1,101,027	$ 1,008,326	AA+	NR
COAST COMM COLL DIST	0.674%	8/1/2024	11/19/2020	0.612	720,000	$ 720,607	$ 678,168	AA+	Aa1
COAST COMM COLL DIST	0.854%	8/1/2025	11/19/2020	0.789	235,000	$ 235,320	$ 213,904	AA+	Aa1
CORTE MADERA CA	0.588%	6/1/2024	6/17/2021	0.543	475,000	$ 475,253	$ 446,980	AAA	NR
CUPERTINO CA UNIFIED SCHOOLS	0.696%	8/1/2024	11/19/2020	0.687	4,290,000	$ 4,290,000	$ 4,030,412	AA+	NR
CLOVERDALE CA DEVL AGY	0.950%	8/1/2023	9/17/2020	0.937	365,000	$ 365,000	$ 357,050	AA-	NR
CLOVERDALE CA DEVL AGY	0.950%	8/1/2023	9/17/2020	0.888	370,000	$ 370,106	$ 361,941	AA-	NR
DESERT COMM COLL DIST	0.617%	8/1/2024	12/3/2020	0.642	195,000	$ 194,747	$ 182,926	AA	Aa2
ESCALON CA UNIFIED SCHOOLS	1.238%	8/1/2025	4/15/2021	1.036	240,000	$ 241,136	$ 219,540	AA	NR
FULLERTON CA UNIFIED SCHOOLS	4.000%	8/1/2024	5/5/2021	0.494	1,350,000	$ 1,424,112	$ 1,336,919	AA	NR
FULLERTON CA UNIFIED SCHOOLS	4.000%	8/1/2025	5/5/2021	0.760	1,475,000	$ 1,595,851	$ 1,448,553	AA	NR
GAVILAN CA JR COLL DIST	0.504%	8/1/2023	10/21/2020	0.451	500,000	$ 500,127	$ 489,155	AA	Aa3
GAVILAN CA JR COLL DIST	0.739%	8/1/2024	10/21/2020	0.677	150,000	$ 150,114	$ 141,020	AA	Aa3

Sonoma County Treasury Pooled Investment Inventory — Dec 31, 2022

Description	Coupon Rate	Maturity Date	Purchase Date	Book Yield	Current Par / Shares	Current Book / Shares	Market Value	S&P Rating	Moody's Rating
TOTAL		**(WAM)**	**(% Pool)**	**1.89%**	**3,575,125,324**	**$ 3,574,438,069**	**$ 3,427,258,132**		
GAVILAN CA JR COLL DIST	0.969%	8/1/2025	10/21/2020	0.885	1,245,000	$ 1,247,161	$ 1,131,033	AA	Aa3
GLENDALE CA UNIFIED SCHOOLS	0.757%	9/1/2025	10/26/2020	0.690	575,000	$ 575,857	$ 519,099	AA	Aa1
GARDENA CA	1.303%	4/1/2023	11/24/2020	1.036	400,000	$ 400,249	$ 396,552	AA-	NR
HUNTINGTON BEACH CA SCHOOLS	0.483%	8/1/2024	6/10/2021	0.476	4,310,000	$ 4,310,000	$ 4,031,703	AA-	NR
HUNTINGTON BEACH CA SCHOOLS	0.908%	8/1/2025	6/10/2021	0.896	2,500,000	$ 2,500,000	$ 2,263,550	AA-	NR
HUNTINGTON BEACH CA SCHOOLS	0.267%	8/1/2023	6/10/2021	0.263	1,480,000	$ 1,480,000	$ 1,445,279	AA-	NR
HUNTINGTON BEACH CA SCHOOLS	0.908%	8/1/2025	12/30/2021	1.237	1,410,000	$ 1,397,710	$ 1,276,642	AA-	NR
LARKSPUR CA	5.000%	7/1/2023	5/14/2020	1.528	720,000	$ 732,076	$ 720,734	AAA	NR
LARKSPUR CA	5.000%	7/1/2024	5/14/2020	1.627	850,000	$ 891,119	$ 851,989	AAA	NR
LOS ANGELES DEV AGENCY	3.890%	8/1/2023	4/17/2020	1.874	1,500,000	$ 1,516,796	$ 1,489,095	AA-	NR
LOS ANGELES DEV AGENCY	2.250%	9/1/2025	9/1/2020	0.868	250,000	$ 258,916	$ 233,850	AA	Aa2
LOS ANGELES DEV AGENCY	2.250%	9/1/2025	11/6/2020	0.838	1,000,000	$ 1,036,497	$ 935,400	AA	Aa2
LOS ANGELES DEV AGENCY	4.000%	8/1/2024	4/13/2021	0.602	3,960,000	$ 4,170,083	$ 3,888,443	AA-	NR
LITTLE LAKE CITY SCHOOLS	5.964%	7/1/2026	12/23/2022	4.606	1,000,000	$ 1,069,792	$ 1,032,530	AA-	Aa3
LOS ALTOS UNIFIED SCHOOLS	1.000%	10/1/2024	6/10/2021	0.503	1,000,000	$ 1,008,490	$ 934,800	AA+	NR
LOS ANGELES CITY CA	5.000%	9/1/2027	11/1/2022	4.650	2,225,000	$ 2,260,333	$ 2,244,958	AA	Aa2
LOS ANGELES CITY CA	3.000%	9/1/2024	11/21/2022	4.659	2,950,000	$ 2,889,187	$ 2,873,743	AA	Aa2
LA COUNTY PUBLIC WORKS	5.000%	12/1/2023	11/3/2020	0.345	4,130,000	$ 4,304,938	$ 4,213,385	AA+	NR
LOS ANGELES CA	0.419%	11/1/2023	3/19/2021	0.375	2,000,000	$ 2,000,643	$ 1,933,820	AA-	NR
LOS ANGELES CA	0.683%	11/1/2024	3/19/2021	0.641	2,500,000	$ 2,501,483	$ 2,323,000	AA-	NR
LOS ANGELES CA	0.947%	11/1/2025	3/19/2021	0.888	2,250,000	$ 2,252,914	$ 2,020,748	AA-	NR
LOS ANGELES CA	1.040%	11/1/2025	2/16/2022	1.997	1,465,000	$ 1,425,790	$ 1,320,727	AA-	NR
LA COMM COLL DIST	0.773%	8/1/2025	11/10/2020	0.730	5,000,000	$ 5,004,155	$ 4,521,050	AA+	Aaa
LA COMM COLL DIST	0.673%	8/1/2024	4/19/2021	0.518	4,335,000	$ 4,345,055	$ 4,072,429	AA+	Aaa
LA COMM COLL DIST	0.773%	8/1/2025	6/24/2021	0.817	1,700,000	$ 1,697,602	$ 1,537,157	AA+	Aaa
LA COMM COLL DIST	0.773%	8/1/2025	6/28/2021	0.760	10,500,000	$ 10,500,597	$ 9,494,205	AA+	Aaa
LA UNIFIED SCHOOLS	5.000%	7/1/2023	3/27/2020	1.736	1,645,000	$ 1,670,781	$ 1,662,108	NR	Aa3
LA UNIFIED SCHOOLS	1.455%	7/1/2026	5/18/2022	3.511	2,500,000	$ 2,330,053	$ 2,234,675	NR	Aa3
LA COUNTY TRANSPORTATION	5.000%	8/1/2024	4/15/2020	1.726	2,000,000	$ 2,098,707	$ 2,061,280	AA+	Aa2
LA DEPT WATER & POWER	5.000%	7/1/2024	4/30/2020	2.393	875,000	$ 906,939	$ 875,000	AA-	Aa2
LA DEPT WATER & POWER	5.516%	7/1/2027	11/9/2022	5.146	2,175,000	$ 2,243,177	$ 2,224,742	AA-	Aa2
LA QUINTA CA DEVL AGCY	0.688%	9/1/2024	4/15/2021	0.617	1,550,000	$ 1,551,606	$ 1,444,988	AA-	NR
LA QUINTA CA DEVL AGCY	1.168%	9/1/2025	4/15/2021	0.937	2,250,000	$ 2,262,774	$ 2,032,133	AA-	NR
MENLO PARK UNIFIED SCHOOLS	2.006%	7/1/2025	9/12/2022	3.739	1,665,000	$ 1,601,682	$ 1,563,002	NR	Aaa
MONTCLAIR CA	0.926%	6/1/2024	10/27/2021	0.894	915,000	$ 915,255	$ 865,764	AA-	NR
MONTCLAIR CA	1.236%	6/1/2025	10/27/2021	1.200	1,000,000	$ 1,000,464	$ 914,960	AA-	NR
MONTCLAIR CA	1.486%	6/1/2026	10/27/2021	1.446	1,000,000	$ 1,000,654	$ 887,830	AA-	NR
MORGAN HILL CA	1.200%	9/1/2026	12/5/2022	4.705	2,640,000	$ 2,335,106	$ 2,289,302	AA	NR
MTN VIEW-WHISMAN SCHOOLS	1.164%	9/1/2023	5/19/2020	1.036	225,000	$ 225,167	$ 219,724	AAA	Aaa
MTN VIEW-WHISMAN SCHOOLS	1.329%	9/1/2024	5/19/2020	1.135	225,000	$ 225,652	$ 212,945	AAA	Aaa
MTN VIEW-WHISMAN SCHOOLS	0.887%	9/1/2025	5/20/2021	0.819	390,000	$ 390,578	$ 354,888	NR	Aaa
MARIN CA COMM COLL DIST	0.279%	8/1/2024	2/25/2021	0.275	2,000,000	$ 2,000,000	$ 1,867,040	NR	Aaa
MARIN CA COMM COLL DIST	0.489%	8/1/2025	2/25/2021	0.482	1,000,000	$ 1,000,000	$ 898,760	NR	Aaa
MARIN CA COMM COLL DIST	0.246%	8/1/2023	9/14/2021	0.243	1,575,000	$ 1,575,000	$ 1,538,129	NR	Aaa
MARIN CA COMM COLL DIST	0.477%	8/1/2024	9/14/2021	0.470	1,000,000	$ 1,000,000	$ 936,490	NR	Aaa
MARIN CA COMM COLL DIST	0.893%	8/1/2026	9/14/2021	0.881	1,000,000	$ 1,000,000	$ 874,870	NR	Aaa
MT SAC COMM COLLEGE	3.000%	8/1/2024	10/13/2020	0.562	300,000	$ 311,401	$ 293,367	AA	Aa1
MT SAC COMM COLLEGE	3.000%	8/1/2024	10/13/2020	0.448	250,000	$ 259,501	$ 244,473	AA	Aa1
MT SAC COMM COLLEGE	3.000%	8/1/2025	10/13/2020	0.661	250,000	$ 264,783	$ 241,033	AA	Aa1
NAPA VALLEY UNIFIED SCHOOLS	0.617%	8/1/2024	8/17/2021	0.543	850,000	$ 850,893	$ 797,980	NR	Aa3
NAPA VALLEY UNIFIED SCHOOLS	0.894%	8/1/2025	8/17/2021	0.819	925,000	$ 926,498	$ 838,522	NR	Aa3
NAPA VALLEY UNIFIED SCHOOLS	1.094%	8/1/2026	8/17/2021	1.006	765,000	$ 766,969	$ 671,188	NR	Aa3
ONTARIO CA	2.537%	6/1/2025	6/1/2020	1.598	1,000,000	$ 1,021,204	$ 945,840	AA	NR
ONTARIO CA	2.537%	6/1/2025	6/1/2020	2.155	1,500,000	$ 1,511,506	$ 1,418,760	AA	NR
ONTARIO CA	2.537%	6/1/2025	8/7/2020	0.917	375,000	$ 389,207	$ 354,690	AA	NR
ORANGE CA	0.391%	6/1/2023	4/1/2021	0.345	1,620,000	$ 1,620,274	$ 1,590,840	AA	NR
PASADENA UNIFIED SCHOOLS	2.073%	5/1/2026	10/4/2021	1.046	1,700,000	$ 1,755,874	$ 1,550,723	AA	Aa3
POWAY CA UNIFIED SCHOOLS	0.922%	9/1/2024	10/14/2020	0.838	355,000	$ 355,418	$ 334,257	AA+	NR
POWAY CA UNIFIED SCHOOLS	1.092%	9/1/2025	10/14/2020	0.937	270,000	$ 270,996	$ 245,757	AA+	NR
POWAY CA UNIFIED SCHOOLS	1.358%	9/1/2026	3/1/2022	2.298	415,000	$ 401,034	$ 367,615	AA+	NR
PORT OF OAKLAND	0.821%	5/1/2023	12/3/2020	0.740	360,000	$ 360,084	$ 355,259	A+	A1
PORT OF OAKLAND	1.081%	5/1/2024	12/3/2020	1.016	825,000	$ 825,548	$ 784,204	A+	A1
PORT OF OAKLAND	1.517%	5/1/2026	10/22/2021	1.338	2,555,000	$ 2,568,194	$ 2,286,163	A+	A1
PORT OF OAKLAND	1.517%	5/1/2026	4/21/2022	3.368	1,460,000	$ 1,374,382	$ 1,306,379	A+	A1
RIVERSIDE COUNTY	2.617%	2/15/2024	2/4/2022	1.633	5,400,000	$ 5,457,062	$ 5,270,724	AA	Aa2
RIVERSIDE COMM COLL DIST	0.824%	8/1/2025	5/27/2021	0.813	1,500,000	$ 1,500,000	$ 1,365,285	NR	Aa1
RANCHO SANTIAGO COMM COLL DIST	0.734%	9/1/2025	3/1/2022	2.022	900,000	$ 869,671	$ 811,161	AA	Aa2
RIVERSIDE COUNTY FACILITIES	1.224%	11/1/2025	10/22/2021	1.228	1,250,000	$ 1,249,261	$ 1,128,600	AA-	NR
RIVERSIDE COUNTY FACILITIES	1.474%	11/1/2026	11/1/2021	1.351	1,000,000	$ 1,003,833	$ 877,480	AA-	NR
SAC COUNTY SANITATION DISTRICT	3.203%	12/1/2023	4/21/2020	1.578	400,000	$ 405,687	$ 395,884	AA	Aa2

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Description	Coupon Rate	Maturity Date	Purchase Date	Book Yield	Current Par / Shares	Current Book / Shares	Market Value	S&P Rating	Moody's Rating
TOTAL		(WAM)	(% Pool)	1.89%	3,575,125,324	$ 3,574,438,069	$ 3,427,258,132		
SACRAMENTO WATER DISTRICT	1.814%	9/1/2025	5/27/2021	0.740	865,000	$ 889,105	$ 805,341	AA	NR
SACRAMENTO WATER DISTRICT	1.953%	9/1/2026	12/10/2021	1.438	1,750,000	$ 1,780,569	$ 1,592,465	AA	NR
SAN BARNARDINO COMM COLL	1.122%	8/1/2025	12/30/2021	1.208	1,460,000	$ 1,456,235	$ 1,332,688	AA	Aa1
SAN BUENAVENTURA CA	0.740%	10/1/2024	6/18/2021	0.671	825,000	$ 825,852	$ 769,362	AA	NR
SAN BUENAVENTURA CA	1.110%	10/1/2025	6/18/2021	0.947	1,000,000	$ 1,004,029	$ 909,140	AA	NR
SANTA CLARA UNIFIED SCHOOLS	5.050%	7/1/2024	11/12/2021	0.764	2,200,000	$ 2,339,393	$ 2,214,564	AA+	NR
SANTA CLARA UNIFIED SCHOOLS	5.100%	7/1/2025	11/12/2021	0.984	3,350,000	$ 3,686,602	$ 3,382,093	AA+	NR
SANTA CLARITA COMM COLL DIST	0.544%	8/1/2024	5/27/2021	0.537	1,860,000	$ 1,860,000	$ 1,743,731	AA	NR
SANTA CLARITA COMM COLL DIST	0.826%	8/1/2025	5/27/2021	0.815	2,500,000	$ 2,500,000	$ 2,264,825	AA	NR
SANTA CLARITA COMM COLL DIST	0.544%	8/1/2024	6/21/2021	0.493	500,000	$ 500,344	$ 468,745	AA	NR
SANTA CLARITA COMM COLL DIST	1.146%	8/1/2026	2/10/2022	2.055	1,250,000	$ 1,210,103	$ 1,102,738	AA	NR
SANTA CLARA VALLEY WATER	0.407%	6/1/2023	10/14/2020	0.401	525,000	$ 525,000	$ 516,716	NR	Aa1
SANTA CLARA VALLEY WATER	0.575%	6/1/2024	10/14/2020	0.567	780,000	$ 780,000	$ 737,638	NR	Aa1
SANTA CLARA VALLEY WATER	0.745%	6/1/2025	10/14/2020	0.735	3,115,000	$ 3,115,000	$ 2,839,323	NR	Aa1
SAN DIEGO COUNTY	0.950%	10/1/2025	11/19/2020	0.908	1,000,000	$ 1,000,802	$ 901,840	AA+	Aa1
SAN DIEGO UNIFIED SCHOOLS	1.201%	7/1/2026	1/12/2022	1.601	500,000	$ 492,893	$ 446,765	NR	Aa2
SAN DIEGO CA	3.125%	9/1/2025	6/14/2021	0.809	350,000	$ 371,101	$ 335,272	AA	NR
SAN DIEGO COUNTY WATER	0.593%	5/1/2024	7/22/2020	0.513	1,000,000	$ 1,000,961	$ 947,790	AAA	Aa2
SAN DIEGO WATER	1.327%	8/1/2023	5/11/2020	1.105	600,000	$ 600,708	$ 589,128	NR	Aa2
SAN DIEGO WATER	1.532%	8/1/2024	5/11/2020	1.204	1,000,000	$ 1,004,796	$ 951,300	NR	Aa2
SAN DIEGUITO UNION HS DIST	1.661%	8/1/2025	12/30/2021	1.237	1,185,000	$ 1,197,139	$ 1,098,874	AA	Aa1
SAN FRANCISCO COMM COLL	1.016%	6/15/2025	10/28/2021	1.085	1,000,000	$ 997,978	$ 914,420	NR	A1
SAN FRANCISCO BAY AREA RAPID T	0.389%	3/1/2024	2/23/2021	0.344	1,850,000	$ 1,850,857	$ 1,758,832	A+	Aa3
SAN FRANCISCO BAY AREA RAPID T	0.654%	3/1/2025	2/23/2021	0.596	1,320,000	$ 1,321,408	$ 1,205,503	A+	Aa3
SAN FRANCISCO BAY AREA RAPID T	0.824%	3/1/2026	3/1/2021	0.773	1,225,000	$ 1,226,513	$ 1,076,236	A+	Aa3
SAN FRANCISCO BAY AREA RAPID T	2.338%	7/1/2026	1/26/2022	1.657	1,000,000	$ 1,022,095	$ 921,040	AA+	NR
SAN FRANCISCO BAY AREA RAPID T	0.654%	3/1/2025	4/7/2022	2.959	1,385,000	$ 1,318,050	$ 1,264,865	A+	Aa3
SAN FRANCISCO BAY AREA RAPID T	1.102%	3/1/2027	4/8/2022	3.234	1,300,000	$ 1,191,860	$ 1,105,728	A+	Aa3
SAN FRANCISCO BAY AREA RAPID T	2.338%	7/1/2026	8/4/2022	3.235	1,320,000	$ 1,282,271	$ 1,215,773	AA+	NR
SAN FRANCISCO WATER	2.750%	11/1/2024	5/20/2020	1.006	2,295,000	$ 2,365,976	$ 2,220,252	AA-	Aa2
SAN FRANCISCO WATER	0.500%	11/1/2023	10/21/2020	0.454	700,000	$ 700,231	$ 678,657	AA-	Aa2
SAN FRANCISCO WATER	0.723%	11/1/2024	10/21/2020	0.674	700,000	$ 700,503	$ 654,514	AA-	Aa2
SAN FRANCISCO WATER	0.500%	11/1/2023	10/21/2020	0.454	1,000,000	$ 1,000,330	$ 969,510	AA-	Aa2
SAN FRANCISCO WATER	0.723%	11/1/2024	10/21/2020	0.674	1,000,000	$ 1,000,719	$ 935,020	AA-	Aa2
SAN FRANCISCO WATER	0.500%	11/1/2023	10/21/2020	0.454	350,000	$ 350,116	$ 339,329	AA-	Aa2
SAN FRANCISCO WATER	0.723%	11/1/2024	10/21/2020	0.674	690,000	$ 690,496	$ 645,164	AA-	Aa2
SAN FRANCISCO DEV AGENCY	3.760%	8/1/2024	5/20/2020	2.012	475,000	$ 487,332	$ 464,783	AA-	NR
SAN FRANCISCO DEV AGENCY	2.071%	8/1/2027	12/5/2022	4.951	1,685,000	$ 1,496,099	$ 1,467,500	AA	NR
SAN JOSE CITY	2.500%	9/1/2026	4/26/2022	3.205	9,245,000	$ 9,009,509	$ 8,432,365	AA+	Aa1
SAN JOSE CITY	2.300%	9/1/2024	11/21/2022	4.660	1,280,000	$ 1,237,450	$ 1,225,114	AA+	Aa1
SAN JOSE DEVL AGENCY	2.958%	8/1/2024	11/29/2022	4.912	2,880,000	$ 2,820,362	$ 2,793,283	AA	NR
SAN JOSE CA	0.757%	6/1/2023	10/15/2020	0.691	700,000	$ 700,164	$ 689,185	AA	Aa3
SAN JOSE CA	0.990%	6/1/2024	10/15/2020	0.888	650,000	$ 650,812	$ 616,051	AA	Aa3
SAN JOSE EVERGREEN COMM COLL	0.721%	9/1/2024	11/19/2020	0.651	500,000	$ 500,500	$ 468,974	NR	Aa1
SAN JOSE EVERGREEN COMM COLL	0.721%	9/1/2024	8/27/2021	0.521	750,000	$ 752,383	$ 703,460	NR	Aa1
SANTA MONICA MALIBU SCHOOLS	0.989%	7/1/2026	12/12/2022	4.323	1,100,000	$ 985,078	$ 972,158	NR	Aa1
SONOMA MARIN AREA RAIL	1.202%	3/1/2025	10/29/2020	1.085	5,000,000	$ 5,010,736	$ 4,643,950	AA	NR
SONOMA MARIN AREA RAIL	0.726%	3/1/2023	5/3/2021	0.286	4,500,000	$ 4,503,258	$ 4,472,640	AA	NR
SONOMA MARIN AREA RAIL	1.532%	3/1/2026	12/7/2022	4.588	5,320,000	$ 4,858,843	$ 4,820,292	AA	NR
SANTA ROSA JR COLL	2.347%	8/1/2025	10/21/2020	0.730	1,325,000	$ 1,378,940	$ 1,249,886	AA	Aa2
SANTA ROSA JR COLL	2.447%	8/1/2026	2/22/2022	2.140	150,000	$ 151,411	$ 138,858	AA	Aa2
SANTA ROSA JR COLL	2.447%	8/1/2026	4/20/2022	3.058	1,075,000	$ 1,051,585	$ 995,149	AA	Aa2
SANTA ROSA JR COLL	2.447%	8/1/2026	11/9/2022	4.981	765,000	$ 705,759	$ 708,176	AA	Aa2
SANTA ROSA JR COLL	4.954%	8/1/2025	11/29/2022	4.889	1,075,000	$ 1,075,000	$ 1,081,257	NR	Aa2
SANTA ROSA SCHOOL DIST	0.571%	8/1/2024	6/3/2021	0.534	725,000	$ 725,338	$ 678,564	AA	Aa2
SANTA ROSA SCHOOL DIST	0.621%	8/1/2024	6/3/2021	0.583	725,000	$ 725,338	$ 679,108	AA	Aa3
SANTA ROSA SCHOOL DIST	1.013%	8/1/2025	6/3/2021	0.970	235,000	$ 235,177	$ 212,903	AA	Aa3
SANTA ROSA SCHOOL DIST	1.263%	8/1/2026	11/9/2022	5.030	500,000	$ 439,814	$ 439,620	AA	Aa3
SOUTHERN CA PUBLIC POWER	5.000%	7/1/2023	5/27/2020	0.691	2,000,000	$ 2,042,460	$ 2,021,400	NR	Aa2
SOUTHERN CA PUBLIC POWER	0.883%	7/1/2025	9/24/2020	0.800	6,400,000	$ 6,411,238	$ 5,819,008	AA-	NR
SOUTHERN CA PUBLIC POWER	0.883%	7/1/2025	12/2/2022	4.725	2,595,000	$ 2,368,748	$ 2,359,426	AA-	NR
TAMPLPAIS UNION HS DIST	2.265%	8/1/2026	2/11/2022	1.915	3,320,000	$ 3,356,630	$ 3,044,506	NR	Aaa
TORRANCE CA FIN AUTH	1.181%	6/1/2025	4/15/2021	1.036	1,465,000	$ 1,469,520	$ 1,336,007	AA	NR
TULARE COUNTY BOARD OF ED	2.312%	5/1/2024	3/17/2021	0.839	1,000,000	$ 1,019,191	$ 968,170	AA	NR
TULARE COUNTY BOARD OF ED	2.613%	5/1/2026	3/2/2022	2.279	500,000	$ 504,779	$ 463,705	AA	NR
UNIV CALIFORNIA	3.259%	5/15/2024	4/16/2020	1.835	235,000	$ 239,324	$ 230,408	AA-	Aa3
UNIV CALIFORNIA	2.337%	5/15/2024	5/5/2020	1.627	100,000	$ 100,908	$ 96,933	AA	Aa2
UNIV CALIFORNIA	2.909%	5/15/2023	5/6/2020	0.741	3,000,000	$ 3,018,682	$ 2,982,510	AA	Aa2
UNIV CALIFORNIA	2.925%	5/15/2025	5/15/2020	1.480	540,000	$ 557,522	$ 519,075	AA	Aa2
UNIV CALIFORNIA	2.487%	5/15/2025	5/15/2020	1.480	300,000	$ 306,742	$ 285,468	AA	Aa2

Sonoma County Treasury Pooled Investment Inventory — Dec 31, 2022

Description	Coupon Rate	Maturity Date	Purchase Date	Book Yield	Current Par / Shares	Current Book / Shares	Market Value	S&P Rating	Moody's Rating
TOTAL		(WAM)	(% Pool)	1.89%	3,575,125,324	$ 3,574,438,069	$ 3,427,258,132		
UNIV CALIFORNIA	3.359%	5/15/2025	5/15/2020	1.480	285,000	$ 297,064	$ 275,455	AA-	Aa3
UNIV CALIFORNIA	3.063%	7/1/2025	9/1/2020	0.699	6,340,000	$ 6,706,168	$ 6,096,988	AA	Aa2
UNIV CALIFORNIA	2.337%	5/15/2024	10/21/2020	0.641	1,500,000	$ 1,534,268	$ 1,453,995	AA	Aa2
UNIV CALIFORNIA	0.883%	5/15/2025	11/4/2020	0.791	500,000	$ 500,945	$ 458,560	AA	Aa2
UNIV CALIFORNIA	3.359%	5/15/2025	11/18/2020	0.863	1,250,000	$ 1,322,071	$ 1,208,138	AA-	Aa3
UNIV CALIFORNIA	3.789%	5/15/2024	11/24/2020	0.621	885,000	$ 922,886	$ 874,628	AA	Aa2
UNIV CALIFORNIA	3.063%	7/1/2025	12/14/2020	0.773	920,000	$ 971,410	$ 884,736	AA	Aa2
UNIV CALIFORNIA	0.883%	5/15/2025	12/17/2020	0.597	15,000,000	$ 15,097,366	$ 13,756,800	AA	Aa2
UNIV CALIFORNIA	0.263%	5/15/2023	3/10/2021	0.259	1,000,000	$ 1,000,000	$ 984,760	AA	Aa2
UNIV CALIFORNIA	0.374%	5/15/2023	3/10/2021	0.369	2,000,000	$ 2,000,000	$ 1,970,600	AA-	Aa3
UNIV CALIFORNIA	0.584%	5/15/2024	3/10/2021	0.576	5,000,000	$ 5,000,000	$ 4,727,800	AA-	Aa3
UNIV CALIFORNIA	0.985%	5/15/2025	3/10/2021	0.971	4,430,000	$ 4,430,000	$ 4,049,596	AA-	Aa3
UNIV CALIFORNIA	0.985%	5/15/2025	3/29/2021	0.937	4,930,000	$ 4,933,995	$ 4,506,661	AA-	Aa3
UNIV CALIFORNIA	0.883%	5/15/2025	4/13/2021	0.743	500,000	$ 501,517	$ 458,560	AA	Aa2
UNIV CALIFORNIA	3.063%	7/1/2025	4/13/2021	0.838	840,000	$ 885,549	$ 807,803	AA	Aa2
UNIV CALIFORNIA	3.359%	5/15/2025	4/15/2021	0.809	500,000	$ 529,553	$ 483,255	AA-	Aa3
UNIV CALIFORNIA	3.063%	7/1/2025	4/19/2021	0.923	350,000	$ 368,208	$ 336,585	AA	Aa2
UNIV CALIFORNIA	3.789%	5/15/2024	4/22/2021	0.513	1,000,000	$ 1,044,442	$ 988,280	AA	Aa2
UNIV CALIFORNIA	0.670%	5/15/2025	5/13/2021	0.730	400,000	$ 399,346	$ 364,544	AA	Aa2
UNIV CALIFORNIA	2.639%	5/15/2026	3/2/2022	2.200	645,000	$ 653,436	$ 599,063	AA-	Aa3
UNIV CALIFORNIA	3.150%	5/15/2026	3/2/2022	2.200	750,000	$ 772,079	$ 711,443	AA	Aa2
UNIV CALIFORNIA	3.806%	5/15/2026	3/2/2022	2.200	850,000	$ 892,872	$ 819,842	AA-	Aa3
UNIV CALIFORNIA	1.316%	5/15/2027	5/16/2022	3.413	3,815,000	$ 3,489,158	$ 3,290,247	AA	Aa2
UNIV CALIFORNIA	0.870%	5/15/2026	12/6/2022	4.438	1,520,000	$ 1,350,154	$ 1,335,457	AA	Aa2
UPPER SANTA CLARITA VALLEY POW	0.987%	8/1/2025	10/12/2021	0.861	2,000,000	$ 2,005,774	$ 1,820,040	AA	NR
VENTURA COUNTY CA	1.048%	11/1/2023	6/11/2020	0.937	230,000	$ 230,184	$ 223,277	AA+	Aa1
VENTURA COUNTY CA	1.223%	11/1/2024	6/11/2020	1.065	500,000	$ 501,276	$ 468,435	AA+	Aa1
VENTURA COUNTY CA	1.223%	11/1/2024	4/13/2021	0.868	575,000	$ 578,552	$ 538,700	AA+	Aa1
VISTA CA UNIFIED SCHOOLS	0.417%	8/1/2023	4/5/2021	0.493	1,920,000	$ 1,919,074	$ 1,874,554	AA	NR
VISTA CA UNIFIED SCHOOLS	0.824%	8/1/2025	4/5/2021	1.036	1,500,000	$ 1,491,456	$ 1,357,245	AA	NR
WEST CONTRA COSTA SCHOOLS	2.077%	8/1/2026	9/28/2021	1.016	1,000,000	$ 1,036,494	$ 908,760	AA-	A1
YOSEMITE COMM COLL DIST	0.561%	8/1/2023	11/9/2020	0.491	770,000	$ 770,270	$ 754,053	NR	Aa2
Sub Total Municipal Bonds		820	11.13%	1.42%	396,980,000	$ 397,835,078	$ 372,456,005		
SCEIP	3.000%	9/2/2029	6/1/2009	2.958	48,257	$ 48,257	$ 48,257	NR	NR
SCEIP	3.000%	9/2/2029	7/1/2009	2.959	25,589	$ 25,589	$ 25,589	NR	NR
SCEIP	3.000%	9/2/2029	8/3/2009	2.959	121,815	$ 121,815	$ 121,815	NR	NR
SCEIP	3.000%	9/2/2029	9/1/2009	2.959	1,376,139	$ 1,376,139	$ 1,376,139	NR	NR
SCEIP	3.000%	9/2/2029	10/1/2009	2.959	235,232	$ 235,232	$ 235,232	NR	NR
SCEIP	3.000%	9/2/2030	11/2/2009	2.958	132,171	$ 132,171	$ 132,171	NR	NR
SCEIP	3.000%	9/2/2030	12/1/2009	2.958	491,242	$ 491,242	$ 491,242	NR	NR
SCEIP	3.000%	9/2/2030	1/4/2010	2.959	491,311	$ 491,311	$ 491,311	NR	NR
SCEIP	3.000%	9/2/2030	2/1/2010	2.959	490,760	$ 490,760	$ 490,760	NR	NR
SCEIP	3.000%	9/2/2030	3/1/2010	2.959	218,084	$ 218,084	$ 218,084	NR	NR
SCEIP	3.000%	9/2/2030	4/1/2010	2.959	296,016	$ 296,016	$ 296,016	NR	NR
SCEIP	3.000%	9/2/2030	5/3/2010	2.959	149,577	$ 149,577	$ 149,577	NR	NR
SCEIP	3.000%	9/2/2030	6/1/2010	2.959	373,783	$ 373,783	$ 373,783	NR	NR
SCEIP	3.000%	9/2/2030	6/30/2010	2.959	247,171	$ 247,171	$ 247,171	NR	NR
SCEIP	3.000%	9/2/2030	8/2/2010	2.959	116,520	$ 116,520	$ 116,520	NR	NR
SCEIP	3.000%	9/2/2030	9/1/2010	2.959	158,708	$ 158,708	$ 158,708	NR	NR
SCEIP	3.000%	9/2/2031	10/1/2010	2.958	158,745	$ 158,745	$ 158,745	NR	NR
SCEIP	3.000%	9/2/2031	11/1/2010	2.958	142,373	$ 142,373	$ 142,373	NR	NR
SCEIP	3.000%	9/2/2031	12/1/2010	2.958	197,900	$ 197,900	$ 197,900	NR	NR
SCEIP	3.000%	9/2/2031	1/3/2011	2.959	167,731	$ 167,731	$ 167,731	NR	NR
SCEIP	3.000%	9/2/2031	2/1/2011	2.959	323,683	$ 323,683	$ 323,683	NR	NR
SCEIP	3.000%	9/2/2031	3/1/2011	2.959	112,592	$ 112,592	$ 112,592	NR	NR
SCEIP	3.000%	9/2/2031	4/1/2011	2.959	156,713	$ 156,713	$ 156,713	NR	NR
SCEIP	3.000%	9/2/2031	5/2/2011	2.959	98,812	$ 98,812	$ 98,812	NR	NR
SCEIP	3.000%	9/2/2031	6/1/2011	2.959	159,245	$ 159,245	$ 159,245	NR	NR
SCEIP	3.000%	9/2/2031	6/30/2011	2.959	209,471	$ 209,471	$ 209,471	NR	NR
SCEIP	3.000%	9/2/2023	11/1/2012	2.958	3,113	$ 3,113	$ 3,113	NR	NR
SCEIP	3.000%	9/2/2023	1/2/2013	2.958	1,394	$ 1,394	$ 1,394	NR	NR
SCEIP	3.000%	9/2/2023	3/1/2013	2.959	3,321	$ 3,321	$ 3,321	NR	NR
SCEIP	3.000%	9/2/2023	5/1/2013	2.959	1,395	$ 1,395	$ 1,395	NR	NR
SCEIP	3.000%	9/2/2023	9/3/2013	2.959	3,528	$ 3,528	$ 3,528	NR	NR
SCEIP	3.000%	9/2/2024	10/1/2013	2.957	29,097	$ 29,097	$ 29,097	NR	NR
SCEIP	3.000%	9/2/2024	2/3/2014	2.959	4,729	$ 4,729	$ 4,729	NR	NR
SCEIP	3.000%	9/2/2024	4/1/2014	2.959	1,811	$ 1,811	$ 1,811	NR	NR
SCEIP	3.000%	9/2/2024	6/2/2014	2.959	945	$ 945	$ 945	NR	NR
SCEIP	3.000%	9/2/2034	6/2/2014	2.959	34,060	$ 34,060	$ 34,060	NR	NR
SCEIP	3.000%	9/2/2034	6/30/2014	2.959	125,642	$ 125,642	$ 125,642	NR	NR

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Description	Coupon Rate	Maturity Date	Purchase Date	Book Yield	Current Par / Shares		Current Book / Shares		Market Value	S&P Rating	Moody's Rating
TOTAL		(WAM)	(% Pool)	**1.89%**	**3,575,125,324**	**$**	**3,574,438,069**	**$**	**3,427,258,132**		
SCEIP	3.000%	9/2/2024	8/1/2014	2.959	5,233	$	5,233	$	5,233	NR	NR
SCEIP	3.000%	9/2/2034	8/1/2014	2.959	60,470	$	60,470	$	60,470	NR	NR
SCEIP	3.000%	9/2/2024	9/2/2014	2.959	1,580	$	1,580	$	1,580	NR	NR
SCEIP	3.000%	9/2/2034	9/2/2014	2.959	32,860	$	32,860	$	32,860	NR	NR
SCEIP	3.000%	9/2/2025	10/1/2014	2.957	1,993	$	1,993	$	1,993	NR	NR
SCEIP	3.000%	9/2/2035	10/1/2014	2.958	47,985	$	47,985	$	47,985	NR	NR
SCEIP	3.000%	9/2/2035	11/3/2014	2.958	30,786	$	30,786	$	30,786	NR	NR
SCEIP	3.000%	9/2/2035	12/1/2014	2.958	14,596	$	14,596	$	14,596	NR	NR
SCEIP	3.000%	9/2/2025	1/5/2015	2.958	3,139	$	3,139	$	3,139	NR	NR
SCEIP	3.000%	9/2/2035	1/5/2015	2.959	67,589	$	67,589	$	67,589	NR	NR
SCEIP	3.000%	9/2/2035	2/2/2015	2.959	66,736	$	66,736	$	66,736	NR	NR
SCEIP	3.000%	9/2/2025	3/2/2015	2.959	1,513	$	1,513	$	1,513	NR	NR
SCEIP	3.000%	9/2/2035	3/2/2015	2.959	82,515	$	82,515	$	82,515	NR	NR
SCEIP	3.000%	9/2/2035	4/1/2015	2.959	58,936	$	58,936	$	58,936	NR	NR
SCEIP	3.000%	9/2/2035	5/1/2015	2.959	16,401	$	16,401	$	16,401	NR	NR
SCEIP	3.000%	9/2/2035	6/1/2015	2.959	29,943	$	29,943	$	29,943	NR	NR
SCEIP	3.000%	9/2/2025	8/3/2015	2.959	4,032	$	4,032	$	4,032	NR	NR
SCEIP	3.000%	9/2/2025	9/2/2015	2.959	3,166	$	3,166	$	3,166	NR	NR
SCEIP	3.000%	9/2/2026	10/1/2015	2.957	10,296	$	10,296	$	10,296	NR	NR
SCEIP	3.000%	9/2/2026	8/1/2016	2.959	1,362	$	1,362	$	1,362	NR	NR
SCEIP	3.000%	9/2/2026	9/2/2016	2.959	19,434	$	19,434	$	19,434	NR	NR
SCEIP	3.000%	9/2/2027	11/1/2016	2.958	18,983	$	18,983	$	18,983	NR	NR
SCEIP	3.000%	9/2/2027	2/1/2017	2.959	35,093	$	35,093	$	35,093	NR	NR
SCEIP	3.000%	9/2/2027	6/1/2017	2.959	6,240	$	6,240	$	6,240	NR	NR
SCEIP	3.000%	9/2/2028	12/1/2017	2.958	27,262	$	27,262	$	27,262	NR	NR
SCEIP	3.000%	9/2/2028	3/2/2018	2.959	10,377	$	10,377	$	10,377	NR	NR
SCEIP	3.000%	9/2/2028	4/2/2018	2.959	34,585	$	34,585	$	34,585	NR	NR
SCEIP	3.000%	9/2/2028	6/29/2018	2.959	42,844	$	42,844	$	42,844	NR	NR
SCEIP	3.000%	9/2/2029	10/1/2018	2.957	86,801	$	86,801	$	86,801	NR	NR
SCEIP	3.000%	9/2/2029	11/1/2018	2.958	33,260	$	33,260	$	33,260	NR	NR
SCEIP	3.000%	9/2/2029	2/1/2019	2.959	4,799	$	4,799	$	4,799	NR	NR
SCEIP	3.000%	9/2/2029	6/28/2019	2.959	8,571	$	8,571	$	8,571	NR	NR
SCEIP	3.000%	9/2/2030	1/2/2020	2.958	13,812	$	13,812	$	13,812	NR	NR
SCEIP	3.000%	9/2/2030	2/3/2020	2.959	10,971	$	10,971	$	10,971	NR	NR
SCEIP	3.000%	9/2/2030	4/1/2020	2.959	22,367	$	22,367	$	22,367	NR	NR
SCEIP	3.000%	9/2/2030	6/1/2020	2.959	14,924	$	14,924	$	14,924	NR	NR
SCEIP	1.990%	9/2/2031	10/1/2020	1.963	70,295	$	70,295	$	70,295	NR	NR
SCEIP	1.990%	9/2/2031	11/2/2020	1.963	53,634	$	53,634	$	53,634	NR	NR
SCEIP	1.990%	9/2/2031	12/1/2020	1.963	44,577	$	44,577	$	44,577	NR	NR
SCEIP	1.990%	9/2/2031	1/4/2021	1.963	17,721	$	17,721	$	17,721	NR	NR
SCEIP	1.990%	9/2/2031	2/1/2021	1.963	104,835	$	104,835	$	104,835	NR	NR
SCEIP	1.990%	9/2/2031	3/1/2021	1.963	28,977	$	28,977	$	28,977	NR	NR
SCEIP	1.990%	9/2/2031	4/1/2021	1.963	67,940	$	67,940	$	67,940	NR	NR
SCEIP	1.990%	9/2/2031	5/3/2021	1.963	113,316	$	113,316	$	113,316	NR	NR
SCEIP	1.990%	9/2/2031	6/1/2021	1.963	54,911	$	54,911	$	54,911	NR	NR
SCEIP	1.990%	9/2/2031	6/30/2021	1.963	263,992	$	263,992	$	263,992	NR	NR
SCEIP	1.990%	9/2/2031	9/2/2021	1.963	48,255	$	48,255	$	48,255	NR	NR
SCEIP	1.990%	9/2/2032	10/1/2021	1.962	327,608	$	327,608	$	327,608	NR	NR
SCEIP	1.990%	9/2/2032	11/1/2021	1.962	54,740	$	54,740	$	54,740	NR	NR
SCEIP	1.990%	9/2/2032	12/1/2021	1.962	79,649	$	79,649	$	79,649	NR	NR
SCEIP	1.990%	9/2/2032	1/3/2022	1.963	36,084	$	36,084	$	36,084	NR	NR
SCEIP	1.990%	9/2/2032	2/1/2022	1.963	81,518	$	81,518	$	81,518	NR	NR
SCEIP	1.990%	9/2/2032	3/1/2022	1.963	51,133	$	51,133	$	51,133	NR	NR
SCEIP	1.990%	9/2/2032	4/1/2022	1.963	84,192	$	84,192	$	84,192	NR	NR
SCEIP	1.990%	9/2/2032	5/2/2022	1.963	106,402	$	106,402	$	106,402	NR	NR
SCEIP	1.990%	9/2/2032	6/1/2022	1.963	270,043	$	270,043	$	270,043	NR	NR
SCEIP	1.990%	9/2/2032	9/2/2022	1.963	195,508	$	195,508	$	195,508	NR	NR
SCEIP	1.990%	9/2/2033	10/3/2022	1.962	143,098	$	143,098	$	143,098	NR	NR
SCEIP	1.990%	9/2/2033	11/1/2022	1.962	154,922	$	154,922	$	154,922	NR	NR
SCEIP	2.990%	9/2/2033	11/1/2022	2.948	30,110	$	30,110	$	30,110	NR	NR
SCEIP	1.990%	9/2/2033	12/1/2022	1.962	16,227	$	16,227	$	16,227	NR	NR
SCEIP	2.990%	9/2/2033	12/1/2022	2.948	81,669	$	81,669	$	81,669	NR	NR
Sub Total SCEIP Notes		3035	0.29%	2.72%	10,421,484	$	10,421,484	$	10,421,484		

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the 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 Direct Participants or Indirect Participants will distribute to the beneficial owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment 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 Direct 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 "Procedure" of DTC to be followed in dealing with DTC Direct or Indirect Participants are on file with DTC.

General

The Depository Trust Company ("DTC"), New York, New York, 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 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 depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its respective Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. *The foregoing internet addresses are included for reference only, and the information on these internet sites is not incorporated by reference herein.*

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 MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District (or the Paying Agent on behalf thereof) 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).

Principal, premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from 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 principal, premium, if any, and interest payments 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, Bonds 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). Discontinuance of use of the system of book-entry transfers through DTC may require the approval of DTC Participants under DTC's operational arrangements. In that event, printed certificates for the Bonds 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.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

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, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the office of the Paying Agent, initially located in Dallas, Texas. Interest on the Bonds will be paid by the Paying Agent by check or draft mailed 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. At the written request of any registered owner of at least $1,000,000 in aggregate principal, payments shall be wired to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for Bonds of any authorized denomination upon presentation and surrender at the office of the Paying Agent, initially located in Dallas, Texas, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such office of the Paying Agent together with an assignment executed by the registered 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 any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to exchange or transfer any Bond during the period from the Record Date through the next Interest Payment Date.