PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 13, 2026

NEW ISSUE - FULL BOOK-ENTRY **RATING: Moody's: "Aa3"**
See "RATING" herein.

In the opinion of Jones Hall LLP, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

$50,000,000*
CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
(Sonoma County, California)
General Obligation Bonds,
2022 Election, 2026 Series C

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

Authority and Purpose. The above-captioned General Obligation Bonds, 2022 Election, 2026 Series C (the "Bonds") are being issued by the City of Santa Rosa High School District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Board of Education of the District adopted on August 12, 2026. The Bonds were authorized at an election of the registered voters of the District held on November 8, 2022, which authorized the issuance of $398,000,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The Bonds are the third series of bonds to be issued under the 2022 Authorization (as defined herein). See "THE BONDS – Authority for Issuance" and "- Purpose of Issue" herein.

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

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

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

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

Bond Insurance. The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds, and will decide prior to the sale of the Bonds whether to purchase such insurance.

MATURITY SCHEDULE
(See inside cover)

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

The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall LLP, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. Kutak Rock LLP is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about September 3, 2026.*

RAYMOND JAMES

The date of this Official Statement is ________, 2026.

**Preliminary; subject to change.*

MATURITY SCHEDULE*

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
(Sonoma County, California)
General Obligation Bonds,
2022 Election, 2026 Series C

Base CUSIP†: ________

$_________ Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$________ ____% Term Bonds maturing August 1, 20__; Yield: ___%; Price: ___; CUSIP†: ___

Preliminary; subject to change.

SANTA ROSA CITY SCHOOLS
(Sonoma County, California)

DISTRICT ADMINISTRATION

Dr. Monica Thomas, *Superintendent*
Lisa August Hulme, *Associate Superintendent, Business Services*
Joel Dontos, *Executive Director, Fiscal Services*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

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

BOND AND DISCLOSURE COUNSEL

Jones Hall LLP
San Mateo, California

UNDERWRITER'S COUNSEL

Kutak Rock LLP
Denver, Colorado

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

The Bank of New York Mellon Trust Company, N.A.
Pittsburgh, Pennsylvania

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

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

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

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

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

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

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

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$50,000,000*
CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
(Sonoma County, California)
General Obligation Bonds,
2022 Election, 2026 Series C

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the general obligation bonds captioned above (the **"Bonds"**) by the City of Santa Rosa High School District (the "**District**").

INTRODUCTION

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

The District. The District, together with the City of Santa Rosa Elementary School District (the "**Elementary 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 adopted Resolution No. E-349 which deemed the District and the Elementary 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 Elementary School District, together, to be the governing board of a single school district. Each of the District and the Elementary 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 Elementary School District incur bonded indebtedness as separate school districts. Coterminous with the issuance of the Bonds, the Elementary School District plans to issue $15,000,000* of its General Obligation Bonds, 2022 Election, 2026 Series C (the "**Elementary School District's Bonds**"). The Elementary School District's Bonds are being offered pursuant to a separate preliminary official statement.

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 District currently provides education in grades seven through twelve in two 7th through 12th grade high schools, one 7th and 8th grade middle school, two 9th through 12th grade traditional senior high schools, and one 11th and 12th grade continuation school, as well as 7th through 12th grade virtual or hybrid learning environment options for each secondary school. In addition, Santa Rosa City Schools operates four charter schools and one continuation high school.

At the end of the 2024-25 school year, two of the middle schools in the District were closed due to budget constraints and declining enrollment. At the end of the 2025-26 school year, another 7th and 8th grade middle school was closed. The Elementary School District, as well as eight distinct elementary districts, feed students into the District. Enrollment in Santa Rosa City Schools for the

* *Preliminary; subject to change.*

2025-26 school year is approximately 13,998 students and is budgeted for approximately 13,685 students for the 2026-27 school year, not including charter school enrollment.

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

Fiscal Crisis. Facing budget deficits and declining enrollment, Santa Rosa City Schools decided to close several of its elementary and middle schools. See "GENERAL AND FINANCIAL INFORMATION ABOUT SANTA ROSA CITY SCHOOLS – Financial Information – Budget and Interim Financial Reporting – *Santa Rosa City Schools' Budget and Interim Certification History*" in APPENDIX A hereto for additional information.

Purpose of Issue. The net proceeds of the Bonds will be used to finance construction of and improvements to facilities of the District, as approved by voters in the District at an election held on November 8, 2022 (the **"Bond Election"**). See "THE BONDS - Purpose of Issue" herein.

Authority for Issuance of the Bonds. Issuance of the Bonds was approved by more than the requisite 55% of the voters of the District voting at the Bond Election to authorize $398,000,000 of general obligation bonds, and will be issued pursuant to certain provisions of the California Government Code and a resolution adopted by the Board of Education of the District on August 12, 2026 (the "**Bond Resolution**"). See "THE BONDS – Authority for Issuance" herein.

Description of the Bonds. The Bonds will be issued as current interest bonds, will be dated their date of delivery (the "**Dated Date**") and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 or any integral multiple thereof. The Bonds will mature on August 1 in the years indicated on the inside cover page hereof. The Bonds will accrue interest from the Dated Date, which is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2027. See "THE BONDS – Description of the Bonds" herein.

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

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

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

Following the issuance of the Bonds, there will be $144,000,000* unissued authorization remaining under the 2022 Authorization (as defined herein). See "FINANCIAL INFORMATION - Existing Debt Obligations" in APPENDIX A.

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

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

Bond Insurance. The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds and, if a commitment is issued to insure the Bonds, will determine prior to the sale of the Bonds whether to obtain such insurance. See "BOND INSURANCE."

Tax Matters. In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" and Appendix D hereto for the form of Bond Counsel's opinion to be delivered concurrently with the Bonds.

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

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

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement are available from the District at 110 Stony Point Road, Suite 210, Santa Rosa, California, attention Lisa August Hulme, which may impose a charge for copying, mailing and handling.

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* *Preliminary; subject to change.*

THE BONDS

Authority for Issuance

The Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof, and the Bond Resolution. The District received authorization by more than the requisite 55% of District voters at the Bond Election to issue general obligation bonds in a principal amount of $398,000,000 (the "**2022 Authorization**").

The Bonds are the third series of bonds issued pursuant to the 2022 Authorization. Following the issuance of the Bonds, there will be $144,000,000* unissued authorization remaining under the 2022 Authorization.

Purpose of Issue

Proceeds of the Bonds will be used for the purposes specified in the ballot measure approved by voters in the District on November 8, 2022, the abbreviated text of which appeared on the ballot as follows:

> *"Santa Rosa City Schools Middle/ High Schools Repair Measure. To upgrade Santa Rosa middle and high school classrooms, science labs, learning technology, and job training facilities; repair/ replace deteriorating portables, leaky roofs inefficient heating/ cooling/ electrical/ plumbing systems; and improve campus security, fire/ earthquake safety; shall City of Santa Rosa High School District's measure authorizing $398,000,000 in bonds at legal rates be adopted, levying 3¢/ $100 of assessed value ($20,000,000 annually) while bonds are outstanding, requiring independent oversight, annual audits, and all funds controlled locally?"*

In addition to the abbreviated statement of the ballot measure, as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of ballot measure, which, among other items, included a project list identifying to District voters the types of projects eligible for funding from proceeds of bonds approved at the Bond Election (the **"Project List"**). The District makes no representation as to the specific application of the proceeds of the Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2022 Authorization will provide sufficient funds to complete any particular project listed in the Project List.

Description of the Bonds

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

The Bonds shall be issued in the denominations of $5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semi-annually on each February 1 and August 1, commencing February 1, 2027 (each, an **"Interest Payment Date"**). Each Bond will bear

* *Preliminary; subject to change.*

interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the fifteenth (15^{th}) day of the month preceding such Interest Payment Date (each, a **"Record Date"**), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to January 15, 2027, in which event it will bear interest from the date of delivery of the Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., as the designated paying agent, registrar and transfer agent (the "**Paying Agent**") to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

Book-Entry Only System

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

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

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

Redemption*

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

Whenever less than all of the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent will select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Bond will be deemed to consist of individual bonds of $5,000 principal amount. The Bonds may all be separately redeemed.

* *Preliminary; subject to change.*

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20__ (the **"Term Bonds"**), are also subject to mandatory sinking fund redemption on or before August 1 in the years, and in the amounts, as set forth in the following table. The Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payment amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption

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

Notice of Redemption

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

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

Partial Redemption of Bonds

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

Effect of Redemption

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

Right to Rescind Notice of Redemption

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

Registration, Transfer and Exchange of Bonds

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

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

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

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

Defeasance and Discharge of Bonds

Any or all of the Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable under the Bond Resolution by the District:

(a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay or redeem such Bonds; or

(c) by delivering such Bonds to the Paying Agent for cancellation by it.

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

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in the Bond Resolution or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the County and the District in respect of such Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of the Bond Resolution will apply in all events.

"**Federal Securities**," has the meaning given such term in the Bond Resolution, means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

DEBT SERVICE SCHEDULES

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

City of Santa Rosa High School District
General Obligation Bonds,
2022 Election, 2026 Series C
Debt Service Schedule

Bond Year Ending (August 1)	Principal	Interest	Total Annual Debt Service
TOTAL			

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

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
Combined General Obligation Bond Debt Service Schedule

Year Ending (August 1)	2017 Refunding Bonds	2014 Election, 2021 Series D	2021 Refunding Bonds	2022 Refunding Bonds(1)	2022 Election, 2023 Series A	2022 Election, 2025 Series B	2026 Refunding Bonds	The Bonds	Aggregate General Obligation Bonds Debt Service
2027	$2,293,500.00	$1,879,400.00	$777,884.00	$830,861.80	$6,059,150.00	$6,942,150.00	$5,013,250.00		
2028	2,299,500.00	1,943,800.00	776,738.80	830,965.90	3,738,650.00	4,737,150.00	5,094,250.00		
2029	--	2,004,600.00	229,085.00	830,928.50	3,738,650.00	4,737,150.00	5,276,250.00		
2030	--	2,076,800.00	234,834.60	830,749.60	3,738,650.00	4,737,150.00	5,453,750.00		
2031	--	2,139,800.00	--	831,429.20	3,738,650.00	4,737,150.00	5,641,250.00		
2032	--	2,213,800.00	--	830,939.00	3,738,650.00	4,737,150.00	5,837,500.00		
2033	--	2,288,200.00	--	831,307.30	3,738,650.00	4,737,150.00	6,036,250.00		
2034	--	2,362,800.00	--	2,786,505.80	4,928,650.00	4,737,150.00	4,441,500.00		
2035	--	2,442,400.00	--	2,873,208.00	5,074,150.00	4,737,150.00	4,572,000.00		
2036	--	2,521,600.00	--	2,966,721.80	5,229,400.00	6,062,150.00	4,700,000.00		
2037	--	2,605,200.00	--	3,060,735.90	5,388,400.00	6,240,900.00	4,840,000.00		
2038	--	2,687,800.00	--	3,158,108.80	5,545,400.00	6,432,400.00	4,980,750.00		
2039	--	2,779,200.00	--	3,254,614.10	5,714,900.00	6,625,400.00	5,126,500.00		
2040	--	2,863,800.00	--	3,360,138.60	5,885,650.00	6,824,150.00	5,276,250.00		
2041	--	2,956,600.00	--	3,462,286.10	6,061,900.00	7,027,650.00	5,429,000.00		
2042	--	4,792,000.00	--	--	6,242,650.00	7,234,900.00	7,408,750.00		
2043	--	4,940,000.00	--	--	6,430,050.00	7,454,900.00	7,628,250.00		
2044	--	--	--	--	6,624,650.00	7,676,150.00	--		
2045	--	--	--	--	6,825,650.00	7,907,650.00	--		
2046	--	--	--	--	7,027,250.00	8,147,900.00	--		
2047	--	--	--	--	7,238,850.00	8,388,525.00	--		
2048	--	--	--	--	7,454,450.00	8,643,425.00	--		
2049	--	--	--	--	7,678,250.00	8,900,500.00	--		
2050	--	--	--	--	7,909,250.00	9,168,175.00	--		
2051	--	--	--	--	8,147,000.00	9,444,350.00	--		
2052	--	--	--	--	8,391,750.00	9,729,775.00	--		
2053	--	--	--	--	8,646,750.00	10,019,562.50	--		
2054	--	--	--	--	--	15,482,050.00	--		
Total	$4,593,000.00	$45,497,800.00	$2,018,542.40	$30,739,500.40	$160,936,050.00	$202,249,862.50	$92,755,500.00		

(1) Issued through a private placement.

SOURCES AND USES OF FUNDS

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

Sources of Funds	
Principal Amount of Bonds	
[Net] Original Issue [Premium]/[Discount]	
Total Sources	
Uses of Funds	
Building Fund	
Debt Service Fund	
Costs of Issuance [(1)]	
Total Uses	

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

SECURITY FOR THE BONDS

Ad Valorem Taxes

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

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

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

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

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

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

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

Building Fund

Proceeds from the sale of the Bonds, to the extent of the principal amount thereof, will be paid to the County to the credit of the fund created and established in the Bond Resolution and known as the "City of Santa Rosa High School District 2022 Election, 2026 Series C Building Fund" (the "**Building Fund**"). The County Treasurer will maintain separate accounting for the proceeds of the Bonds, including all earnings received from the investment thereof. Amounts credited to the Building Fund for the Bonds will be expended by the District solely for the financing of projects for which the Bond proceeds are authorized to be expended under the 2022 Authorization (which includes related costs of issuance). All interest and other gain arising from the investment of proceeds of the Bonds will be retained in the Building Fund and used for the purposes thereof. At the Written Request of the District filed with the County Treasurer, any amounts remaining on deposit in the Building Fund and not needed for the purposes thereof shall be withdrawn from the Building Fund and transferred to the Debt Service Fund (as defined below), to be applied to pay the principal of and interest on the Bonds.

If excess amounts remain on deposit in the Debt Service Fund after payment in full of the Bonds, any such excess amounts shall be transferred to the general fund of the District, to be applied for the purposes for which the Bonds have been authorized or otherwise.

Debt Service Fund

Amounts to pay debt service on the Bonds will be held in the fund created and established in the Bond Resolution and known as the "City of Santa Rosa High School District 2022 Election, 2026 Series C Debt Service Fund" (the "**Debt Service Fund**") for the Bonds, which the County Treasurer shall hold as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County, at the request of the District, for the payment of the principal of and interest and premium (if any) on the Bonds will be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy. The Debt Service Fund is pledged for the payment of the principal of and interest on the Bonds when and as the same become due, including the principal of any term Bonds required to be paid upon the mandatory sinking fund redemption thereof. Amounts in the Debt Service Fund shall be transferred by the County Treasurer to the Paying Agent to the extent necessary to pay the principal of and interest and redemption premium (if any) on the Bonds when due. In addition, amounts on deposit in the Debt Service Fund shall be applied to pay the fees and expenses of the Paying Agent insofar as permitted by law, including specifically by Section 15232 of the Education Code.

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

Not a County Obligation

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

PROPERTY TAXATION

Property Tax Collection Procedures

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

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

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

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

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization ("**SBE**") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property", a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuation

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

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

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

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
Assessed Valuations of All Taxable Property
Fiscal Years 2016-17 to 2026-27

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2016-17	$28,819,547,452	$3,501,256	$1,169,606,214	$29,992,654,922	--%
2017-18	30,234,262,858	3,501,256	1,172,525,698	31,410,289,812	4.7
2018-19	30,307,845,195	3,101,763	1,300,893,421	31,611,840,379	0.6
2019-20	31,953,095,005	3,101,763	1,349,958,532	33,306,155,300	5.4
2020-21	33,689,274,516	3,101,763	1,478,635,562	35,171,011,841	5.6
2021-22	34,788,701,298	3,101,763	1,492,481,652	36,284,284,713	3.2
2022-23	36,878,698,884	8,330,697	1,649,654,797	38,536,684,378	6.2
2023-24	38,909,919,299	8,106,026	1,972,001,142	40,890,026,467	6.1
2024-25	41,298,696,861	8,106,026	1,934,347,714	43,241,150,601	5.7
2025-26	43,547,749,571	8,702,897	1,940,595,789	45,497,048,257	5.2
2026-27	45,319,589,647	8,702,897	1,729,080,042	47,057,372,586(1)	3.4

(1) Excludes any aircraft valuation that may be within the District.
Source: California Municipal Statistics, Inc.

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

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

In October 2017, the Tubbs Fire broke out in rural Napa County and spread to the County including area in the District and the Elementary School District. According to the California Department of Forestry and Fire Protection, 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 Elementary School District) and Santa Rosa High School's Farm on Alba Lane (owned by the 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 Elementary 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.

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

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

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

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

Public Health Emergencies. In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, the World Health Organization announced the official name for the outbreak of the disease known as COVID-19 ("**COVID-19**"), an upper respiratory tract illness, that spread across the world and materially impacted the global economy. While the national and global health emergencies have passed, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the District's operations and finances. In addition, the District cannot predict whether future pandemics will occur and whether any such pandemics may impact its finances or operations. As of this date, several vaccines have been provided approval by federal health authorities and are widely available, and both the national emergency and state of emergency have officially ended, and the World Health Organization declared an end to the COVID-19 global health emergency.

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

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2025-26

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Rohnert Park	$197,496,982	0.43%	$8,068,795,906	2.45%
City of Santa Rosa	34,644,535,890	76.15	$34,645,498,944	100.00%
Town of Windsor	256,602,983	0.56	$5,689,003,424	4.51%
Unincorporated Sonoma Co.	10,398,412,402	22.86	$51,320,835,232	20.26%
Total District	$45,497,048,257	100.00%		
Sonoma County	$45,497,048,257	100.00%	$127,520,578,053	35.68%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of property in the District, as measured by assessed valuation and the number of parcels for fiscal year 2025-26. As shown, the majority of the District's assessed valuation is represented by residential property.

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2025-26

Non-Residential:	2025-26 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Agricultural	$1,464,464,081	3.36%	2,171	3.13%
Commercial	3,847,184,160	8.83	2,006	2.89
Vacant Commercial	186,560,930	0.43	254	0.37
Industrial	2,609,721,983	5.99	835	1.20
Vacant Industrial	123,074,293	0.28	118	0.17
Recreational	119,761,449	0.28	85	0.12
Government/Social/Institutional	554,509,022	1.27	279	0.40
Miscellaneous	68,285,307	0.16	287	0.41
Subtotal Non-Residential	$8,973,561,225	20.61%	6,035	8.69%
Residential:				
Single Family Residence	$26,389,856,416	60.60%	46,636	67.17%
Condominium/Townhouse	2,370,126,764	5.44	6,905	9.95
Mobile Home	230,104,234	0.53	2,678	3.86
Mobile Home Park	143,640,453	0.33	43	0.06
Hotel/Motel	470,363,931	1.08	50	0.07
2-4 Residential Units	2,433,325,916	5.59	3,989	5.75
5+ Residential Units/Apartments	2,109,847,159	4.84	538	0.77
Vacant Residential	426,923,473	0.98	2,554	3.68
Subtotal Residential	$34,574,188,346	79.39%	63,393	91.31%
Total	$43,547,749,571	100.00%	69,428	100.00%

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

Assessed Valuation of Single-Family Residential Parcels. The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the District for fiscal year 2025-26, including the median and average assessed value of single-family parcels in the District.

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2025-26

	No. of Parcels	2025-26 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	46,636	$26,389,856,416	$565,869	$513,777

2025-26 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	342	0.733%	0.733%	$11,847,613	0.045%	0.045%
$50,000 - $99,999	1,766	3.787	4.520	136,845,289	0.519	0.563
$100,000 - $149,999	1,494	3.204	7.724	184,715,891	0.700	1.263
$150,000 - $199,999	1,773	3.802	11.525	312,039,022	1.182	2.446
$200,000 - $249,999	2,316	4.966	16.492	524,750,453	1.988	4.434
$250,000 - $299,999	3,146	6.746	23.237	866,172,331	3.282	7.716
$300,000 - $349,999	3,048	6.536	29.773	990,912,474	3.755	11.471
$350,000 - $399,999	2,881	6.178	35.951	1,079,165,454	4.089	15.561
$400,000 - $449,999	2,914	6.248	42.199	1,238,391,966	4.693	20.253
$450,000 - $499,999	2,824	6.055	48.255	1,340,983,501	5.081	25.335
$500,000 - $549,999	3,047	6.534	54.788	1,598,991,726	6.059	31.394
$550,000 - $599,999	3,006	6.446	61.234	1,727,831,664	6.547	37.941
$600,000 - $649,999	3,052	6.544	67.778	1,906,900,413	7.226	45.167
$650,000 - $699,999	2,914	6.248	74.027	1,964,761,088	7.445	52.612
$700,000 - $749,999	2,344	5.026	79.053	1,696,382,244	6.428	59.040
$750,000 - $799,999	1,802	3.864	82.917	1,394,582,158	5.285	64.325
$800,000 - $849,999	1,383	2.966	85.882	1,139,828,803	4.319	68.644
$850,000 - $899,999	1,081	2.318	88.200	944,151,501	3.578	72.222
$900,000 - $949,999	845	1.812	90.012	781,102,551	2.960	75.182
$950,000 - $999,999	720	1.544	91.556	700,779,868	2.655	77.837
$1,000,000 and greater	3,938	8.444	100.000	5,848,720,406	22.163	100.000
	46,636	100.000%		$26,389,856,416	100.000%	

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

Reassessments and Appeals of Assessed Value

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

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

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the applicable County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value.

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

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

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

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 did not cause the total assessed valuation in the District to decrease, however assessed valuation only increased by approximately 0.6% between 2017-18 to 2018-19, which is a much lower rate than in previous years or the subsequent year. 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 reassessed 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 Countywide 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.

Tax Rates

Below are historical typical tax rates in a typical tax rate area (Tax Rate Area 4-009) within the District for fiscal years 2021-22 through 2025-26.

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
Typical Total Tax Rates per $100 of Assessed Valuation (TRA 4-009) (1)
Fiscal Years 2021-22 through 2025-26

	2021-22	2022-23	2023-24	2024-25	2025-26
General Tax Rate	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Warm Springs Dam	.0070	.0070	.0070	.0070	.0070
Rincon Valley Union School District	.0410	.0420	.0420	.0670	.0635
Santa Rosa High School District	.0285	.0295	.0560	.0550	.0520
Sonoma County Community College District	.0370	.0350	.0335	.0305	.0295
Total Tax Rate	$1.1135	$1.1135	$1.1385	$1.1595	$1.1520

(1) 2025-26 assessed valuation of TRA 4-009 is $6,561,347,595 which is 14.42% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 *et seq.* of the State's Revenue and Taxation Code. Under the Teeter Plan, each entity levying property taxes in the County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if such amount had been collected. The District participates in the Teeter Plan, and thus receives 100% of secured property taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes. Currently, the County includes general obligation bond levies, including for general obligation bonds issued by the District, in its Teeter Plan.

So long as the Teeter Plan remains in effect and the District continues to participate, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes will not be dependent upon actual collections of the *ad valorem* property taxes by the County. However, under the statute creating the Teeter Plan, the Board of Supervisors of the County could, under certain circumstances, terminate the Teeter Plan in its entirety and, in addition, the Board of Supervisors of the County could terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%. In the event that the Teeter Plan were terminated in the County with regard to the secured tax roll, the amount of the levy of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes within the County and delinquency rates experienced with respect to the parcels within the District. With respect to general obligation bonds, county assessors are authorized to levy taxes sufficient to pay debt service on bonds coming due, including at a rate that will provide for a reserve in the event of delinquencies. The District cannot represent the sufficiency of any such reserve to the extent necessary to cover delinquent taxes, to the extent the Teeter Plan were amended or discontinued.

The District cannot provide any assurances that the County will maintain the Teeter Plan or have sufficient funds available to distribute the full amount of the District's share of property tax collections. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression, which could be caused by many factors outside the control of the District, including interest rates, consumer confidence, wages or reduced economic activity for any reason.

Notwithstanding the County's participation in the Teeter Plan, the following table shows historical secured tax charges and delinquencies in the District.

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
Fiscal Years 2019-20 through 2024-25
Secured Tax Charges and Delinquency Rates

Fiscal Year	Secured Tax Charge(1)	Amount Delinquent June 30	Percent Delinquent June 30
2019-20	$62,408,736.62	$699,108.48	1.12%
2020-21	65,787,387.44	646,734.02	0.98
2021-22	68,197,180.34	637,364.06	0.93
2022-23	72,256,538.92	743,577.88	1.03
2023-24	76,456,301.69	827,904.96	1.08
2024-25	82,225,461.39	1,194,461.33	1.45

(1) 1% General Fund apportionment.
Source: California Municipal Statistics, Inc.

Top 20 Property Owners

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2025-26. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below. A large concentration of ownership in a single individual or entity results in a greater amount of tax collections which are dependent upon that property owner's ability or willingness to pay property taxes.

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
Top 20 Secured Property Taxpayers
Fiscal Year 2025-26

	Property Owner	Primary Land Use	2025-26 Assessed Valuation	% of Total [1]
1.	Keysight Technologies Inc.	Industrial	$341,198,789	0.78%
2.	Jackson Family Investments III LLC	Winery	103,770,857	0.24
3.	Montgomery Village Owner LLC	Shopping Center	101,116,792	0.23
4.	Varenna LLC	Assisted Living Facility	96,392,731	0.22
5.	GG Yoland Apartments LLC	Apartments	93,931,015	0.22
6.	EMI Santa Rosa LP	Shopping Center	92,721,844	0.21
7.	DS Santa Rosa LP	Shopping Center	88,846,545	0.20
8.	Coddingtown LLC	Shopping Center	71,820,197	0.16
9.	Apple Creek Apartments California LLC	Apartments	69,910,239	0.16
10.	Exchange Bank Trust	Auto Dealership	68,789,547	0.16
11.	KW Petaluma Hill Road LLC	Apartments	62,905,496	0.14
12.	Brookfield US 2 Real Estate Sub LLC	Hotel	62,872,427	0.14
13.	Sonoma-Cutrer Vineyards Inc	Winery	60,633,218	0.14
14.	CRE Sonoma LLC	Hotel	54,929,066	0.13
15.	Fit Ren Paulin Creek LP	Assisted Living Facility	52,673,596	0.12
16.	CP5 Sonoma Ridge LLC	Apartments	51,749,289	0.12
17.	SR Stony Point LLC	Office Building	50,949,701	0.12
18.	MDR-TFP LLC	Apartments	50,201,508	0.12
19.	Dav-N Renaissance LLC	Apartments	49,489,526	0.11
20.	Canyon Oaks LLC	Apartments	49,042,485	0.11
			$1,673,944,868	3.84%

(1) 2025-26 local secured assessed valuation: $43,547,749,571.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. for debt issued as of August 1, 2026. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
(Debt Issued as of August 1, 2026)

2025-26 Assessed Valuation: $45,497,048,257

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 8/1/26**	
Sonoma County Joint Community College District	35.435%	$ 97,010,400	
Santa Rosa High School District	**100.000**	**302,781,000**	(1)
Bellevue Union School District	100.000	49,556,523	
Bennett Valley Unified School District	100.000	10,589,811	
Kenwood School District	100.000	15,860,000	
Mark West Union School District	100.000	8,015,023	
Piner-Olivet School District	100.000	25,594,158	
Rincon Valley Union School District	100.000	65,320,027	
Roseland School District	100.000	15,184,673	
Santa Rosa School District	100.000	97,033,000	
Wright School District	100.000	21,250,549	
Sonoma Valley Healthcare District	0.017	2,169	
California Statewide Community Development Authority 1915 Act Bonds	100.000	10,580,000	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$718,777,333	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Sonoma County General Fund Obligations	35.678%	$ 9,249,522	
Sonoma County Pension Obligation Bonds	35.678	47,416,062	
Sonoma County Office of Education Certificates of Participation	35.678	721,125	
Santa Rosa High School District Certificates of Participation	**100.000**	**7,141,517**	
Rincon Valley Union School District Certificates of Participation	100.000	781,363	
Roseland School District Certificates of Participation	100.000	2,005,920	
West County Transportation Agency	100.000	3,707,744	(2)
Other School District General Fund Obligations	100.000	6,482,944	
City of Santa Rosa Certificates of Participation and Pension Obligation Bonds	99.997	9,569,713	
Town of Windsor Authority General Fund Obligations	4.511	111,467	
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$87,187,377	
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	2.476 - 100. %	$18,782,955	
COMBINED TOTAL DEBT		**$824,747,665**	**(3)**

Ratios to 2025-26 Assessed Valuation:
DIRECT DEBT ($302,781,000) 0.67%
Total Direct and Overlapping Tax and Assessment Debt.......1.58%
Combined Direct Debt ($309,922,517)................................0.68%
Combined Total Debt..1.81%

Ratios to Redevelopment Successor Agencies Incremental Valuation ($3,012,392,247):
Total Overlapping Tax Increment Debt...................................0.62%

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(1) Excludes the Elementary School District's bonds being issued coterminously, and the Bonds offered for sale hereunder.
(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.

BOND INSURANCE

The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds and, if a commitment is issued to insure the Bonds, will determine prior to the sale of the Bonds whether to obtain such insurance.

TAX MATTERS

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall LLP, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

Form of Opinion. A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX D.

CERTAIN LEGAL MATTERS

Legality for Investment

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

Litigation

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

Claims and Lawsuits Against Public School Districts Generally. The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future, including but not limited to claims relating to health issues and pandemics, or claims that may be made available by future legislation.

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall LLP, as Bond Counsel and Disclosure Counsel to the District, Isom Advisors, a Division of Urban Futures, Inc., as municipal advisor to the District, and Kutak Rock LLP, as counsel to the Underwriter, are contingent upon issuance of the Bonds.

CONTINUING DISCLOSURE

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

In the previous five-years, the District failed to timely file a listed event notice in connection with a rating change. In order to assist it in complying with its undertakings pursuant to the Rule, including the undertaking to be entered into with respect to the Bonds, the District has engaged Isom Advisors, a Division of Urban Futures, Inc., to serve as its dissemination agent.

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

RATING

Moody's Investors Services ("**Moody's**") has assigned a rating of "Aa3" to the Bonds. The District has provided certain additional information and materials to Moody's (some of which has been determined not to be material to making an investment decision in the Bonds and does not appear in this Official Statement). Such rating reflects only the views of Moody's and explanations of the significance of such rating may be obtained only from Moody's. There is no assurance that any credit rating given to the Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

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

UNDERWRITING

The Bonds are being purchased by Raymond James & Associates, Inc. (the "**Underwriter**"). The Underwriter has agreed to purchase the Bonds at a price of $________ which is equal to the aggregate principal amount of the Bonds of $________, [plus][less] [net] original issue [premium][discount] of $________ less an Underwriter's discount of $________.

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

ADDITIONAL INFORMATION

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

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

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

EXECUTION

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

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT

By: ____________________________________
Associate Superintendent, Business Services

APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT SANTA ROSA CITY SCHOOLS

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

GENERAL INFORMATION

The District, together with the Elementary 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 adopted Resolution No. E-349 which deemed the District and the Elementary 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 Elementary School District, together, to be the governing board of a single school district. Each of the District and the Elementary 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 Elementary School District incur bonded indebtedness as separate school districts. Coterminous with the issuance of the Bonds, the Elementary School District plans to issue $15,000,000* of its General Obligation Bonds, 2022 Election, 2026 Series C (the "**Elementary School District's Bonds**"). The Elementary School District's Bonds are being offered pursuant to a separate preliminary official statement.

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 District currently provides education in grades seven through twelve in two 7th through 12th grade high schools, one 7th and 8th grade middle school, two 9th through 12th grade traditional senior high schools, and one 11th and 12th grade continuation school, as well as 7th through 12th grade virtual or hybrid learning environment options for each secondary school. In addition, Santa Rosa City Schools operates four charter schools and one continuation high school.

At the end of the 2024-25 school year, two of the middle schools in the District were closed, due to budget constraints and declining enrollment. At the end of the 2025-26 school year, another 7th and 8th grade middle school was closed. The Elementary School District, as well as eight distinct elementary districts, feed students into the District. Enrollment in Santa Rosa City Schools for the 2025-26 school year is approximately 13,998 students and is budgeted for approximately 13,685 students for the 2026-27 school year, not including charter school enrollment.

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* *Preliminary; subject to change.*

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

Charter Schools

Charter schools are largely independent schools operating as part of the public school system created pursuant to Part 26.8 (beginning with Section 47600) of Division 4 of Title 2 of the State Education Code (the "**Charter School Law**"). A charter school is usually created or organized by a group of teachers, parents and community leaders, or a community-based organization, and the petition for a charter school's creation approved by an existing local public school district, a county board of education, or the State Board of Education.

There are four charter schools operating within Santa Rosa City Schools. Cesar Chavez Language Academy and Santa Rosa Charter for the Arts, serving students in grades kindergarten through eight, Santa Rosa Accelerated Charter, serving students in grades five and six, and Santa Rosa French-American Charter School, serving students in grades kindergarten through six.

A charter school is generally exempt from the laws governing school districts, except where specifically noted in the law. The Charter School Law acknowledges that among its intended purposes are: (i) to provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system; (ii) to hold schools accountable for meeting measurable pupil outcomes and provide schools a way to shift from a rule-based to a performance-based system of accountability; and (iii) to provide competition within the public school system to stimulate improvements in all public schools.

District Governance and Administration

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

Name	Office	Term Expires
Nick Caston	President	December 2028
Donna Prak	Vice President	December 2026
Sarah Jenkins	Clerk	December 2028
Jeremy De La Torre	Director	December 2028
Shaun Du Fosee	Director	December 2026
Mark Kirby	Director	December 2028
Omar Medina	Director	December 2026

Administration. The Superintendent of Santa Rosa City Schools, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other Santa Rosa City Schools administrators. Dr. Monica Thomas serves as Superintendent, Lisa August Hulme serves as Associate Superintendent, Business Services, and Joel Dontos serves as Executive Director of Fiscal Services.

Employee Relations

For fiscal year 2026-27, Santa Rosa City Schools has budgeted approximately 674 full-time equivalent ("**FTE**") certificated employees, 397 FTE classified employees, and 98 FTE management employees. Two unions represent Santa Rosa City Schools employees as shown in the table below.

Employee Group	Bargaining Group	Contract Expiration Date
Certificated	Santa Rosa Teachers Association	June 30, 2027
Classified	California School Employees Association	October 31, 2027

Source: Santa Rosa City Schools.

Recent Enrollment Trends

The following table shows a recent history and budgeted enrollment for Santa Rosa City Schools.

ANNUAL ENROLLMENT
Fiscal Years 2020-21 through 2026-27
Santa Rosa City Schools

Fiscal Year	Student Enrollment[1]	% Change
2020-21	13,986	--%
2021-22	13,395	(4.2)
2022-23	13,124	(2.0)
2023-24	12,860	(2.0)
2024-25	12,563	(2.3)
2025-26[2]	13,998	11.7
2026-27[3]	13,685	(2.2)

(1) Does not include charter school enrollment.
(2) Estimated actual.
(3) Budgeted.

Source: California Department of Education; Santa Rosa City Schools.

FINANCIAL INFORMATION

Education Funding Generally

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

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

- A base grant for each local education agency per unit of average daily attendance ("**ADA**"), which varies with respect to different grade spans and are adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.

- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.

- An additional concentration grant of up to 65% (which was increased from 50% as part of the State's trailer bill to the 2021-22 State Budget - Assembly Bill 130) of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.

- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

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

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

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

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

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

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

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

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

District Accounting Practices

The accounting practices 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. Santa Rosa City Schools accounting is organized on the basis of funds, with each group consisting of a separate accounting entity. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. Santa Rosa City Schools' fiscal year begins on July 1 and ends on June 30. For more information on Santa Rosa City Schools' basis of accounting and fund accounting, see Note 1 of APPENDIX B to the Official Statement.

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

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

Financial Statements

General. Santa Rosa City Schools' general fund finances the legally authorized activities of Santa Rosa City Schools 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. Santa Rosa City Schools' June 30, 2025 audited financial statements were prepared by Chavan & Associates, LLP, Morgan Hill, California, and are attached to the Official Statement as APPENDIX B. Audited financial statements for Santa Rosa City Schools for prior fiscal years are on file with Santa Rosa City Schools and available for public inspection at the Office of the Superintendent. Santa Rosa City Schools has not requested, and the auditor has not provided, any review or update of such financial statements in connection with inclusion in this Official Statement.

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

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2020-21 through 2024-25 (Audited) (1)
Santa Rosa City Schools

	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24	Audited 2024-25
Revenues					
LCFF	$143,519,705	$146,221,115	$164,209,245	$169,782,335	$170,063,913
Federal revenues	25,543,722	20,033,624	22,738,023	19,880,905	9,985,829
Other state revenues	24,414,840	27,103,268	46,670,200	24,332,832	28,097,801
Other local revenues	11,973,478	18,024,446	21,238,387	26,555,469	28,626,886
Total Revenues	205,451,745	211,382,453	254,855,855	240,551,541	236,774,429
Expenditures					
Instruction	120,520,226	126,955,250	135,724,340	138,689,135	144,657,261
Instruction-related services:					
Supervision of instruction	8,484,391	6,910,806	8,715,395	13,265,525	10,752,027
Library, media and technology	1,801,500	1,423,063	1,334,746	1,571,120	1,343,123
School site administration	15,899,556	16,936,843	17,706,026	22,235,258	24,218,598
Pupil services:					
Home-to-school transportation	6,463,110	8,000,749	8,422,989	10,228,219	10,522,427
Food services	246	--	29,816	258,092	505,654
All other pupil services	14,201,429	18,787,728	21,591,985	23,332,332	26,453,287
General administration services:					
Data processing	903,698	889,370	1,177,869	1,739,416	1,585,813
Other general administration	12,485,109	10,355,140	11,616,045	11,682,014	12,774,412
Plant services	13,159,696	15,774,134	17,533,683	17,347,273	18,761,738
Facility acquisition and construction	2,005,274	1,099,120	395,069	3,265,844	--
Ancillary services	2,197,957	4,794,248	5,780,758	6,190,872	6,532,441
Community services	1,339,709	1,591,043	1,865,621	2,029,461	1,427,628
Other outgo	141,759	114,290	158,868	764,168	66,015
Debt service-Principal	81,870	735,361	1,542,675	2,356,806	1,118,444
Debt service-Interest and other	--	163,528	199,800	299,569	229,618
Total Expenditures	199,685,530	214,530,673	233,795,685	255,255,104	260,948,486
Excess of Revenues Over/(Under) Expend.	5,766,215	(3,148,220)	21,060,170	(14,703,563)	(24,174,057)
Other Financing Sources (Uses)					
Operating transfers in	4,657,646	1,719,258	--	45,351	1,085,739
Operating transfers out	(42,694)	(664,609)	--	(3,901,269)	--
Leases	--	--	--	2,468,450	--
Subscriptions	--	--	--	737,266	--
Total Other Financing Source(Uses)	4,614,952	1,054,649	--	(650,202)	1,085,739
Net change in fund balance	10,381,167	(2,093,571)	21,060,170	(15,353,765)	(23,088,318)
Fund Balance, July 1	25,057,778(2)	35,434,932(2)	33,341,361	54,401,531	39,047,766
Fund Balance, June 30	$35,438,945	$33,341,361	$54,401,531	$39,047,766	$15,959,448

(1) Totals may not foot due to rounding.
(2) As adjusted.
Source: Audited financial statements of Santa Rosa City Schools.

District Budget and Interim Financial Reporting

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

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. Santa Rosa City Schools is under the jurisdiction of the Sonoma County Superintendent of Schools (the **"County Superintendent"**). The County Superintendent is independent from and not a part of the organizational structure of the County.

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

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

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

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district's repayment of indebtedness is probable.

Budget and Interim Certification History. The following is a five-year summary of certifications of Santa Rosa City Schools' interim financial reports:

SANTA ROSA CITY SCHOOLS
Interim Report Status
Fiscal Years 2021-22 through 2025-26

Interim Report	Certification Assigned
1st Interim 2021-22	Positive
2nd Interim 2021-22	Positive
1st Interim 2022-23	Qualified
2nd Interim 2022-23	Positive
1st Interim 2023-24	Qualified
2nd Interim 2023-24	Qualified
1st Interim 2024-25	Positive
2nd Interim 2024-25	Qualified
1st Interim 2025-26	Negative
2nd Interim 2025-26	Positive

Beginning in fiscal year 2016-17, increases in budgeted expenditures, 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. Santa Rosa City Schools then formed a Fiscal Stabilization Committee, which developed potential budget reductions that were subsequently approved by the Board.

In connection with its fiscal year 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 fiscal year 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 the second year out, and required that the fiscal year 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 as positive.

Due to increased salary and benefit expenses, declining enrollment and uncertain cost of living adjustments and one-time revenues, Santa Rosa City Schools projected depletion of its general fund balance in fiscal year 2021-22, and therefore filed its fiscal year 2019-20 first interim report with a qualified certification. In September, 2019, Santa Rosa City Schools reconvened the Fiscal Stabilization Committee in order to start the process of identifying expenditure reductions and revenue enhancements. In February, 2020, the Fiscal Stabilization Committee presented its Fiscal Stabilization Plan – Part 1, which was 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 fiscal year 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 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' fiscal year 2020-21 adopted budget.

Santa Rosa City Schools certified its fiscal year 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 fiscal year 2020-21 second interim report that showed 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 fiscal year 2020-21 second interim report with a positive certification.

Santa Rosa City Schools certified its fiscal year 2021-22 first interim report with a qualified certification, indicating that Santa Rosa City Schools would not be able to meet all of its financial obligations in out years. To address these factors, additional stabilization measures were taken and Santa Rosa City Schools certified its fiscal year 2021-22 second interim report with a positive certification.

Santa Rosa City Schools certified its fiscal year 2022-23 first interim report with a qualified certification based on unidentified fiscal stabilization measures of $5,142,905.00 for fiscal year 2024-25, but certified its fiscal year 2022-23 second interim report as positive.

Santa Rosa City Schools certified as qualified its fiscal year 2023-24 first interim report based on future identified and unidentified fiscal stabilization measures in fiscal year 2025-26 of $17,608,078. The fiscal year 2023-24 second interim report was also certified as qualified based on future unidentified fiscal stabilization measures of $3,232,476 in fiscal year 2024-25 and $26,023,219 in fiscal year 2025-26. As required by State law, Santa Rosa City Schools submitted a fiscal year 2023-24 third interim report. In addition, the Board created a School Consolidation Advisory Committee for the purpose of reviewing and analyzing school sites in Santa Rosa City Schools that may be closed or consolidated due to declining enrollment.

Following a positive certification for the Santa Rosa City Schools fiscal year 2024-25 first interim report, the second interim report for fiscal year 2024-25 was certified as qualified, projecting a $20 million deficit in the Santa Rosa City Schools unrestricted general funds, risking takeover by the State. On May 28, 2025, the third interim report for fiscal year 2024-25 was approved by the Board.

In February 2025, the School Consolidation Advisory Committee made its recommendations to the Board, and the Board made the decision to close two elementary schools and two middle schools at the end of the 2024-25 school year. In addition, an additional elementary school and an additional middle school will be closed at the end of the 2025-26 school year.

Santa Rosa City Schools certified its fiscal year 2025-26 first interim report as negative due to ongoing structural deficits, low reserve balances and a declining cash position, but certified its fiscal year 2025-26 second interim report as positive. The transition to a positive certification was attributed to the closure of school sites and grade level realignment, which addressed underutilization caused by an ongoing decline in enrollment over the past decade, certain one-time solutions, and ongoing solutions, including staffing reductions.

On April 16, 2026, the County Office of Education reported that it had completed its reviews of the District's second interim report and accepted the District's positive certification, noting grave concerns. The County Office of Education notes that while the District's multiyear projections reflect efforts to restore reserve levels in subsequent years, it remains critical that the District continue to closely monitor cash positions of all funds to ensure sufficient liquidity to meet operational needs.

The District undertook a voluntary third interim report, which was presented to the Board on May 27, 2026, and detailed continued necessary actions in order to meet ongoing financial obligations.

Santa Rosa City Schools' General Fund. The following table shows the general fund figures for Santa Rosa City Schools for fiscal year 2025-26 (estimated actuals) and fiscal year 2026-27 (adopted budget).

SANTA ROSA CITY SCHOOLS
Revenues, Expenditures, and Changes in General Fund Balance
Fiscal Year 2025-26 (Estimated Actuals)
Fiscal Year 2026-27 (Adopted Budget)

Revenues	**Estimated Actuals 2025-26**	**Adopted Budget 2026-27**
Total LCFF Sources	$175,749,683	$180,754,616
Federal Revenues	9,438,720	9,455,469
Other state revenues	33,191,579	25,467,711
Other local revenues	24,772,254	20,696,466
Total Revenues	243,152,237	236,374,262
Expenditures		
Certificated Salaries	92,582,424	85,001,815
Classified Salaries	32,811,027	32,750,896
Employee Benefits	57,038,433	55,066,629
Books and Supplies	4,828,922	4,965,615
Services and Other Operating Expenditures	61,947,646	60,843,703
Capital Outlay	533,105	511,169
Other Outgo (excluding transfers of indirect costs)	115,843	116,490
Other Outgo	(1,466,380)	(2,318,115)
Total Expenditures	248,391,020	236,938,202
Excess of Revenues Over/(Under) Expenditures	(5,238,783)	(563,940)
Other Financing Sources (Uses)		
Operating transfers in	5,900,000	920,313
Operating transfers out	--	--
Other sources	--	--
Contributions	--	--
Total Other Financing Sources (Uses)	5,900,000[3]	920,313
Net change in fund balance	661,217	356,373
Fund Balance, July 1	14,004,247	16,551,325
Fund Balance, June 30 [1][2]	$16,551,325	$18,793,560

(1) Columns may not sum to totals due to rounding.
(2) Santa Rosa City Schools' reserves are not accounted for in its General Fund for purposes of budgeting and projections. As such, beginning and ending fund balance figures do not correspond with presentation of audited financial statements in the previous table, because Santa Rosa City Schools' audits account for reserve funds within the General Fund.
(3) Represents a one-time transfer primarily consisting of the deposit of local redevelopment revenues.
Source: Santa Rosa City Schools.

Santa Rosa City Schools Reserves. Santa Rosa City Schools ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State's minimum required reserve of 3% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by Santa Rosa City Schools in the future.

Under State law, there are certain restrictions on the amounts that can be held in reserve by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or school districts funded as Basic Aid school districts. When applicable, the reserve cap requires that a school district's adopted or revised budget not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the State's Public School System Stabilization Account and is triggered in any fiscal year in which when the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period, if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multi-year infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap has been triggered for fiscal year 2026-27.

Attendance - LCFF Funding

Funding Trends under LCFF. As described herein, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth recent LCFF funding per ADA for Santa Rosa City Schools for fiscal years 2020-21 through 2026-27.

SANTA ROSA CITY SCHOOLS
ADA and LCFF Funding
Fiscal Years 2020-21 through 2026-27

Fiscal Year	ADA	LCFF Funding Per ADA
2020-21	13,409	$10,703
2021-22	11,826	12,364
2022-23	11,703	14,032
2023-24	11,701	14,510
2024-25	11,468	14,830
2025-26(1)	11,726	14,988
2026-27(2)	11,476	15,751

(1) Estimated actual.
(2) Budgeted
Source: California Department of Education for fiscal years 2020-21 through 2024-25; Santa Rosa City Schools for fiscal years 2025-26 through 2026-27.

District's Unduplicated Student Count. Under LCFF, school districts are entitled to supplemental funding based on the unduplicated count of targeted students. The District's percentage of unduplicated students is approximately 49% for purposes of calculating supplemental and concentration grant funding under LCFF. Recent federal deportation efforts may pose a risk to school districts relying on revenue from the LCFF. With the exception of community supported districts, school districts rely heavily on student attendance and enrollment, including supplemental and concentration grant add-ons for serving a high percentage of English language learner and low-income students. If undocumented students, or students who have parents or caretakers that are undocumented or have been granted temporary status, face deportation, districts may experience a decrease in student enrollment or ADA. The District cannot predict potential changes to enrollment or attendance in response to such deportation efforts.

Revenue Sources

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

***LCFF Sources*.** Santa Rosa City Schools funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding under the LCFF. Generally, the State apportionments will amount to the difference between the Santa Rosa City Schools' LCFF funding entitlement and its local property tax revenues.

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

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238.03(c) itemizes the local revenues that are subtracted from the base entitlement to determine the amount of the State apportionment of funding. Historically, the more local property taxes a district received, the less State equalization aid it was entitled to.

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

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

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

***Other State Revenues*.** As discussed above, Santa Rosa City Schools receives State apportionment of basic and equalization aid in an amount equal to the difference between the Santa Rosa City Schools' funding entitlement under the LCFF and its property tax revenues. In addition to such apportionment revenue, Santa Rosa City Schools receives other State revenues.

Santa Rosa City Schools receives State aid from the California State Lottery (the "**Lottery**"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50%

of the increase in Lottery revenues over 1997-98 levels must be restricted to use on instruction material.

Other Local Revenues. In addition to property taxes, Santa Rosa City Schools receives additional local revenues from items such as interest earnings, leases and rentals.

District Retirement Systems

Qualified employees of Santa Rosa City Schools are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. *The information set forth below regarding the STRS and PERS programs, other than the information provided by Santa Rosa City Schools 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 Santa Rosa City Schools or the Underwriter.*

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

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

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

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

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

Source: STRS.

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

Santa Rosa City Schools' recent contributions to STRS including the current budgeted fiscal year are set forth in the following table. These contributions represent 100% of the required contribution for each year.

STRS CONTRIBUTIONS
Santa Rosa City Schools
Fiscal Years 2020-21 through 2026-27

Fiscal Year	Amount
2020-21	$13,872,063
2021-22	15,975,434
2022-23	19,047,421
2023-24	20,156,726
2024-25	20,466,870
2025-26(1)	25,917,553
2026-27(2)	24,482,741

(1) Estimated actual.
(2) Budgeted
Source: Santa Rosa City Schools.

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

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

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

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

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

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

Santa Rosa City Schools' employer contributions to PERS for recent fiscal years are set forth in the following table.

PERS EMPLOYER CONTRIBUTIONS
Santa Rosa City Schools
Fiscal Years 2020-21 through 2026-27

Fiscal Year	Amount
2020-21	$4,899,392
2021-22	6,547,949
2022-23	7,855,120
2023-24	9,673,932
2024-25	10,460,519
2025-26[(1)]	8,349,400
2026-27[(2)]	8,452,604

(1) Estimated actual.
(2) Budgeted.
Source: Santa Rosa City Schools.

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

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

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

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

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

Additional Information - STRS and PERS. Additional information regarding Santa Rosa City Schools' retirement programs is available in Note 9 to the Santa Rosa City Schools' audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811.

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

Other Post-Employment Retirement Benefits

Santa Rosa City Schools provides postemployment health care benefits ("**OPEB**") under a single-employer defined benefit post-employment healthcare plan (the "**Plan**") for qualified employees. Dependents are eligible to enroll, and benefits continue to surviving spouses. The OPEB Plan provides medical, dental and vision to eligible employees and dependents. As of the June 30, 2024 measurement date there were 1,486 active employees and 208 inactive employees.

Contributions. Santa Rosa City Schools makes contributions based on an actuarially determined rate and are approved by the authority of Santa Rosa City Schools' Board. Total contributions during the year were $857,843. Total contributions included in the measurement period were $1,935,174. Santa Rosa City Schools' contributions were 1.42% of covered employee payroll during the measurement period June 30, 2024 (reporting period June 30, 2025). Employees are not required to contribute to the plan. There have been no assets accumulated in a trust to provide for the benefits of the Plan.

Actuarial Assumptions. Santa Rosa City Schools' total OPEB liability of $33,088,079 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified: the entry age normal actuarial cost method was used, inflation rate of 2.50%, salary increases of 3.50% and the healthcare cost trend rate was 7.60%. The discount rate used to measure the OPEB liability was 3.97% and was based on the Bond Buyer 20-bond General Obligation Index.

Changes in the OPEB Liability of Santa Rosa City Schools. The changes in the OPEB liability of Santa Rosa City Schools as of June 30, 2025, are shown in the following table:

CHANGES IN TOTAL OPEB LIABILITY
Santa Rosa City Schools

Changes in Total OPEB Liability	
Balance at June 30, 2024	$32,005,317
Service cost	2,282,243
Interest	1,286,151
Differences between expected and actual experience	(297,209)
Changes in assumptions	(253,249)
Benefit payments	(1,935,174)
Net changes	1,082,762
Balance at June 30, 2025	$33,088,079

Source: Santa Rosa City Schools Audit Report.

Plan Expense. For the year ended June 30, 2025, Santa Rosa City Schools recognized an OPEB benefit of $2,272,623.

For further information regarding Santa Rosa City Schools' OPEB plan, benefits provided, assumptions and discount rates used in its most recent actuarial studies, see Note 10 of APPENDIX B.

Insurance – Joint Powers Authorities

Santa Rosa City Schools participates in joint ventures under joint powers agreements with the Redwood Empire Schools' Insurance Group, a Joint Powers Authority ("**JPA**"), for benefits. The relationships between Santa Rosa City Schools and the JPA is such that the JPA is not a component unit of Santa Rosa City Schools for financial reporting purposes. The JPA provides property and liability insurance coverage as well as health and welfare benefits coverage. The JPA is governed by a board consisting of a representative from each member district. The governing board controls the operations of its JPA 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 JPA. Condensed audited financial information is available by contacting the JPA directly.

Disclaimer Regarding Cyber Risks

Santa Rosa City Schools, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, Santa Rosa City Schools may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the Santa Rosa City Schools' systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that Santa Rosa City Schools' current efforts to manage cyber threats and security will, in all cases, be successful.

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

Existing Debt Obligations

General Obligation Bonds. The District has voter-approved general obligation bonds which have been issued pursuant to the authority obtained from voters at elections in past years, which are secured by *ad valorem* property taxes levied and collected in the District. The following table shows the outstanding general obligation bonded debt of the District prior to the issuance of the Bonds offered for sale hereunder.

SUMMARY OF OUTSTANDING GENERAL OBLIGATION BONDS (1)
City of Santa Rosa High School District

Dated Date	Series	Final Maturity Date	Outstanding as of August 1, 2026
10/05/2017	2017 General Obligation Refunding Bonds	08/01/2028	$4,270,000
06/03/2021	General Obligation Bonds 2014 Election, 2021 Series E	08/01/2043	30,985,000
06/03/2021	2021 General Obligation Refunding Bonds	08/01/2030	1,950,000
06/22/2022	2022 General Obligation Refunding Bonds(2)	08/01/2041	23,246,000
04/18/2023	General Obligation Bonds 2022 Election, 2023 Series A	08/01/2053	84,300,000
06/26/2025	General Obligation Bonds 2022 Election, 2025 Series B	08/01/2054	97,365,000
05/13/2026	2026 General Obligation Refunding Bonds	08/01/2043	60,665,000
Total			**$302,781,000**

(1) Does not include the Bonds offered for sale in this Official Statement.
(2) Issued through a private placement.

Certificates of Participation. On November 19, 2015, the Public Property Financing Corporation of California issued Certificates of Participation (the "**Certificates**") 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 were issued to finance the 2008 Capital Project, that consisted of the acquisition, construction, installation, and equipping of improvements to various facilities within Santa Rosa City Schools. As a result of the refunding, Santa Rosa City Schools 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.

Santa Rosa City Schools
Schedule of the Certificate Payments

Year Ending June 30	Principal	Interest	Accreted Interest	Total
2026	$181,200	$235,719	$88,800	$505,719
2027	192,650	235,719	112,350	540,719
2028	204,554	235,719	140,446	580,719
2029	217,394	235,719	172,606	625,719
2030	226,920	235,719	203,080	665,719
2031-2035	3,205,000	932,996	-	4,137,996
2036-2040	3,094,999	193,900	-	3,288,899
Total	$7,322,717	$2,305,491	$717,282	$10,345,490

Source: Santa Rosa City Schools.

School Facilities Loans. In 2016, the Charter School Facilities Program ("**CSFP**"), which is jointly administered by the California School Finance Authority and the Office of Public School Construction, 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 Santa Rosa City Schools facilities. Both loans have payments from September 1, 2018 through August 1, 2047 and carry a 2.000% annual interest rate.

Future payments on the CSFP loans are as follows:

Santa Rosa City Schools
Schedule of Loan Payments

Year Ending June 30	Principal	Interest	Total
2026	$148,151	$80,468	$228,619
2027	151,139	77,479	228,618
2028	154,188	74,430	228,618
2029	157,299	71,320	228,619
2030	160,472	68,146	228,618
2031-2035	852,244	290,848	1,143,092
2036-2040	941,745	201,347	1,143,092
2041-2045	1,040,645	102,447	1,143,092
2046-2050	471,515	11,122	482,637
Total	$4,077,398	$977,607	$5,055,005

Source: Santa Rosa City Schools.

Pacific Gas and Electric Company Loan. Santa Rosa City Schools received zero interest loans from PG&E totaling $4,830,293 that mature in December 2031. Principal payments of $40,252 are due monthly. Santa Rosa City Schools 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. 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 loans issued under the Program are interest-free, unsecured loans to reimburse Santa Rosa City Schools for the costs it incurred in connection with qualified energy efficient retrofit projects.

Future payments on the loans are scheduled as follows:

Santa Rosa City Schools
Schedule of Loan Payments

Year Ending June 30	Principal	Interest	Total
2026	$483,029	--	$483,029
2027	483,029	--	483,029
2028	483,029	--	483,029
2029	483,029	--	483,029
2030	483,029		483,029
2031-2034	401,162	--	401,162
Total	$2,816,307	--	$2,816,307

Source: Santa Rosa City Schools.

Portable Leases. As a normal course of business, Santa Rosa City Schools 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, Santa Rosa City Schools 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 Santa Rosa City Schools' incremental borrowing rate of 3.82%. The average annual lease payment over the next 22 years is approximately $275,181.

Future payments on the leases are scheduled as follows:

Santa Rosa City Schools
Schedule of Lease Payments

Year Ending June 30	Principal	Interest	Total
2026	$854,077	$179,411	$1,033,488
2027	894,749	138,739	1,033,488
2028	301,449	108,248	409,697
2029	216,419	99,601	316,020
2030	224,832	91,188	316,020
2031-2035	949,902	346,218	1,296,120
2036-2040	970,840	153,104	1,123,944
2041-2043	343,872	20,627	364,499
Total	$4,756,141	$1,137,135	$5,893,276

Source: Santa Rosa City Schools.

Compensated Absences. Total unpaid employee compensated absences as of June 30, 2025, amounted to $2,562,586. This amount is included as part of long-term liabilities in the government-wide financial statements.

Investment of District Funds

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

Effect of State Budget on Revenues

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

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

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

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

State Funding of Education Generally

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

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

The State Budget Process

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

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

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

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

Resources Relating to State Budgets

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

- www.treasurer.ca.gov: The California State Treasurer internet home page, under the link to "Bond Finance" and sub-heading "-Public Finance Division", includes links to recent State official statements and various State financial documents which includes information regarding State budgets and finances.

- www.dof.ca.gov: The California Department of Finance's (the **"DOF"**) internet home page, under the link to "California Budget", includes the text of proposed and adopted State Budgets.

- www.lao.ca.gov: The LAO's internet home page includes a link to "-The Budget" which includes analyses and commentary on fiscal outlooks.

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

The 2026-27 State Budget

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

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

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

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

- *Managed Care Organization (MCO) Tax* – A renewal of the MCO Tax effective January 1, 2027, projected to raise $575 million in fiscal year 2026-27, growing to $2.3 billion in fiscal years 2027-28 and 2028-29, and $1.7 billion in fiscal year 2029-30, to support Medi-Cal and targeted provider rate increases.

- *Business Tax Credit Limitation* – An extension of temporary business tax credit limitation for an additional three years, which limits the amount by which carry-over business credits can reduce net tax liability. Beginning in 2030, the 2026-27 State Budget permanently limits the use of business tax credits to the greater of $5 million or 70% of the tax liability. This is projected to increase State general fund revenues by $1 billion in fiscal year 2026-27, $3.3 billion in fiscal year 2027-28, $4.7 billion in fiscal year 2028-29 and $4.2 billion in fiscal year 2029-30.

- *Prewritten Software Tax* – An extension of the existing sales tax on tangible prewritten software to electronically delivered prewritten software, projected to increase General Fund revenue by $450 million in fiscal year 2026-27 and $900 million annually thereafter.

The 2026-27 State Budget projects total resources available in fiscal year 2025-26 of approximately $302.5 billion, including revenues and transfers of approximately $245.8 billion and a prior year balance of approximately $56.7 billion, and total expenditures in fiscal year 2025-26 of approximately $245.3 billion. The 2026-27 State Budget projects total resources available for fiscal year 2026-27 of approximately $284.0 billion, inclusive of revenues and transfers of approximately $226.8 billion and a prior year balance of approximately $57.2 billion. The 2026-27 State Budget projects total expenditures in fiscal year 2026-27 of approximately $251.5 billion, inclusive of non-Proposition 98 expenditures of approximately $158.5 billion and Proposition 98 expenditures of approximately $92.9 billion. The 2026-27 State Budget projects a General Fund balance of $32.5 billion at the end of fiscal year 2026-27, comprising $28.0 billion in the Reserve for Liquidation of Encumbrances, $4.5 billion in the State's Special Fund for Economic Uncertainties, $9.2 billion in the Public School System Stabilization Account, and $15.1 billion in the Rainy Day Fund.

The 2026-27 State Budget includes total funding of $151.4 billion for all TK-12 education programs, including $91.1 billion from the State's General Fund and $60.3 billion from other funds. The 2026-27 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, educator workforce, and preschool.

Certain budgeted programs and adjustments for K-12 education set forth in the 2026-27 State Budget include:

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

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

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

Rebench for Non-Local Educational Agency State Preschool Program. To streamline funding sources, the 2026-27 State Budget shifts non-local educational agencies California State Preschool Program ("**CSPP**") funding from non-Proposition 98 to Proposition 98 General Fund, rebenching the guarantee by shifting $813 million from the General Fund to Proposition 98 General Fund and increasing the Proposition 98 Guarantee Test 1 percentage from 39.3% to 39.6%.

Local Control Funding Formula. The 2026-27 State Budget includes a statutory LCFF cost-of-living adjustment ("**COLA**") of 2.87%, which, when combined with population growth adjustments, results in approximately $1.1 billion in additional discretionary funding for local educational agencies relative to the 2025-26 State Budget. An additional $1.1 billion discretionary "super COLA" brings the total COLA to 4.31%, intended to help manage rising costs, offset declining-enrollment reductions and fund the new paid pregnancy disability leave mandate. The 2026-27 State Budget also includes an ongoing $31.3 million increase for Necessary Small Schools funding.

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

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

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

Community Schools. The 2026-27 State Budget provides $1 billion ongoing Proposition 98 General Fund to expand the community schools model, plus $50 million for middle/high school redesign, $15 million and $13 million for State and regional transformational assistance centers, and $6 million for the Transforming Together behavioral health initiative. It also includes intent language to provide $20 million ongoing beginning in fiscal year 2030-31 for county offices of education coordination services.

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

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

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

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

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

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

Disclaimer Regarding State Budgets

The execution of State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. Santa Rosa City Schools cannot predict the impact that the 2026-27 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein are secured by *ad valorem* property taxes levied and collected on taxable property in Santa Rosa City Schools, without limit as to rate or amount, and are not secured by a pledge of revenues of Santa Rosa City Schools or its general fund.

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

Legal Challenges to State Funding of Education

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

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

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

Constitutionally Required Funding of Education

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

Article XIIIA of the California Constitution

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

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

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

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.

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

Article XIIIB of the California Constitution

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

Article 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 under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

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

Articles XIIIC and 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 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.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC 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.

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.

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

Proposition 98

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

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

Proposition 111

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

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

Annual Adjustments to Spending Limit. The annual adjustments to the Article 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.

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

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article 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 the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article 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.

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 (the "**third test**"). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

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

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

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning, in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

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

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

Proposition 30 and Proposition 55

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

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

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

Proposition 2

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

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

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

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

Proposition 19

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

Proposition 2 (2024)

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

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

Santa Rosa City Schools makes no guarantees that it will either pursue or qualify for Proposition 2 (2024) State facilities funding

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 111, 22, 26, 30, 39 and 55 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting Santa Rosa City Schools revenues or the Santa Rosa City Schools' ability to expend revenues. The nature and impact of these measures cannot be anticipated by Santa Rosa City Schools.

APPENDIX B

SANTA ROSA CITY SCHOOLS
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2024-25

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

AUDIT REPORT

June 30, 2025

Chavan & Associates, LLP
Certified Public Accountants
16450 Monterey Road, Ste. #5,
Morgan Hill, CA 95037

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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, business-type activities, fiduciary 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, 2025, and the related notes to the financial statements, which comprise the District's basic financial statements as listed in the table of contents.

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

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.

Emphasis of a Matter

Deficit Net Position

As of June 30, 2025, the District's net position in its Government-wide financial statements was a deficit $6,457,433 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.

As of June 30, 2025, the District's unrestricted fund balance in the General Fund was a deficit $1,504,022 mostly because of declining enrollment, unanticipated operating expenditures in excess of budget, and the loss of one-time unrestricted funding. The deficit unrestricted fund balance means the District had consumed all available unassigned fund balance and utilized restricted

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resources for other purposes and had essentially borrowed from the subsequent year's funds, demanding immediate corrective action to realign its financial structure and ensure long-term solvency. Our opinion is not modified with respect to this matter.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, as required by the *Governmental Accounting Standards Board*; schedule of average daily attendance, schedule of instructional time, schedule of financial trends and analysis, schedule of charter schools and the reconciliation of the Annual Financial and Budget Report to the Audited Financial Statements, as required by the *2024-25 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.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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Other Information

Management is responsible for the other information included in the financial report. The other information has the organization schedule but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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

January 5, 2026
Morgan Hill, California

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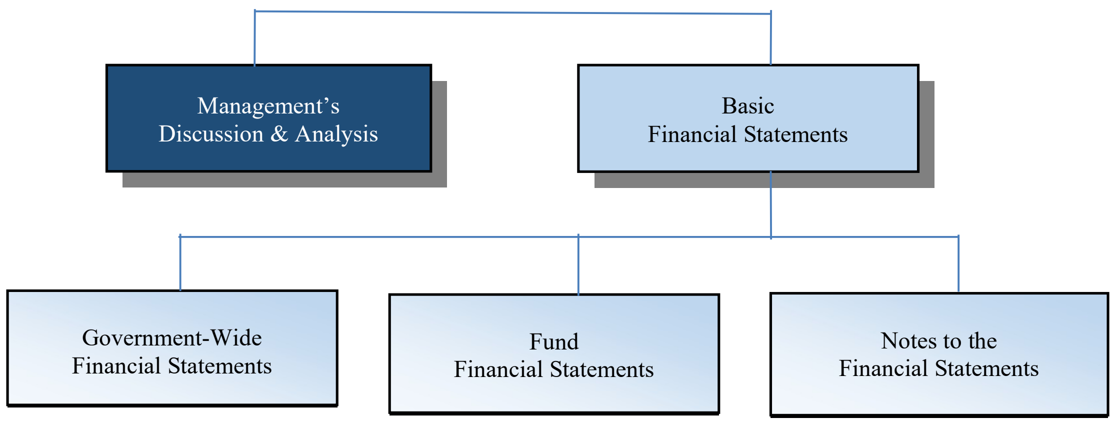
Management's Discussion and Analysis

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, 2025. 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, 2025 were as follows:

- Total net position decreased $6,224,336 (2670%) while unrestricted net position decreased by $12,479,693, from June 30, 2024 to June 30, 2025. 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 $65,489,661 and deferred inflows of resources of $22,575,436 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 $329,601,009 in government-wide expenses, which was 102% of total government-wide revenues. Program-specific revenues, in the form of operating grants and contributions and charges for services, accounted for $71,018,097 (22%) of the total revenues of $323,386,407.
- General revenues of $252,368,310, which include property taxes, unrestricted federal and state grants, and LCFF sources, were 78% of total revenues in 2025. General revenues were 76% of total revenue in the fiscal year 2024.
- The fund balances of all governmental funds increased by $61,396,160, which is a 28% increase from 2024 mostly due to new bond issuances in the Building Fund.
- Total governmental fund revenues and expenditures totaled $323,135,833 and $394,770,071, 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 2024 - 2025?" 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, 2025 as compared to June 30, 2024:

Table 1 - Summary of Statement of Net Position

Description		2025		2024		Change	Percentage Change
Assets							
Current Assets	$	314,759,427	$	261,909,337	$	52,850,090	20.2%
Capital Assets		367,114,439		328,378,783		38,735,656	11.8%
Total Assets	**$**	**681,873,866**	**$**	**590,288,120**	**$**	**91,585,746**	**15.5%**
Total Deferred Outflows of Resources	**$**	**65,489,661**	**$**	**73,306,627**	**$**	**(7,816,966)**	**-11.9%**
Liabilities							
Current Liabilities	$	40,654,191	$	49,218,399	$	(8,564,208)	-17.4%
Long-term Liabilities		690,591,333		590,456,896		100,134,437	17.0%
Total Liabilities	**$**	**731,245,524**	**$**	**639,675,295**	**$**	**91,570,229**	**14.3%**
Total Deferred Inflows of Resources	**$**	**22,575,436**	**$**	**24,152,549**	**$**	**(1,577,113)**	**-7.0%**
Net Position							
Net Investment in Capital Assets	$	104,548,566	$	102,862,859	$	1,685,707	1.6%
Restricted		52,611,643		44,216,277		8,395,366	19.0%
Unrestricted		(163,617,642)		(147,312,233)		(16,305,409)	-11.1%
Total Net Position	**$**	**(6,457,433)**	**$**	**(233,097)**	**$**	**(6,224,336)**	**-2670.3%**

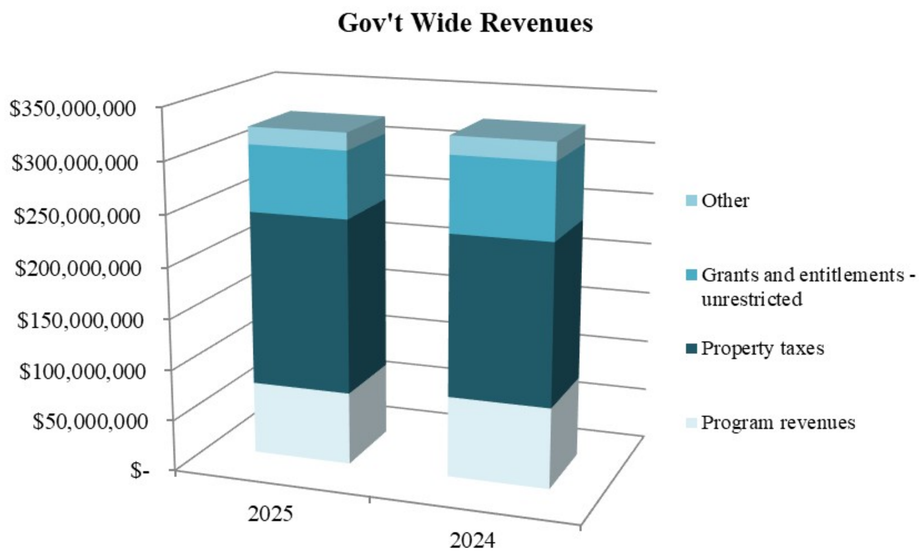
During the year, deferred outflows of resources decreased by 12%, deferred inflows of resources decreased by 7%, and long-term liabilities increased by 17% mostly because of pension adjustments related to GASB 68, and debt issuances. GASB 68 requires all local governments that participate in cost sharing 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 2025 as compared to 2024:

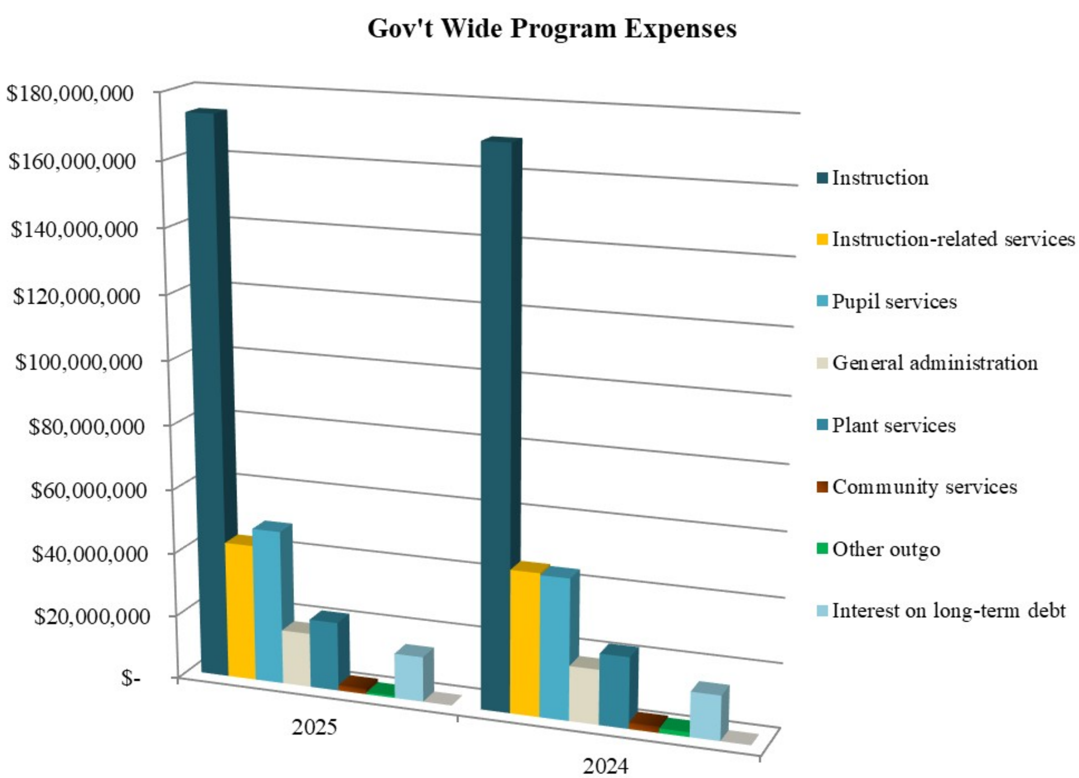
Table 2 - Summary of Changes in Statement of Activities				
Description	**2025**	**2024**	**Change**	**Percentage Change**
Revenues				
Program revenues	$ 71,018,097	$ 78,962,128	$ (7,944,031)	-10.1%
General revenues:				
Property taxes	170,425,610	156,930,185	13,495,425	8.6%
Grants and entitlements - unrestricted	65,099,187	73,210,593	(8,111,406)	-11.1%
Other	16,843,513	17,603,246	(759,733)	-4.3%
Total Revenues	323,386,407	326,706,152	(3,319,745)	-1.0%
Program Expenses				
Instruction	$ 173,545,287	170,023,496	3,521,791	2.1%
Instruction-related services	42,867,753	44,598,977	(1,731,224)	-3.9%
Pupil services	48,280,921	44,030,989	4,249,932	9.7%
General administration	17,008,667	17,155,575	(146,908)	-0.9%
Plant services	21,554,558	22,178,080	(623,522)	-2.8%
Ancillary services	9,876,273	9,768,768	107,505	1.1%
Community services	1,723,496	2,018,759	(295,263)	-14.6%
Other outgo	644,682	1,432,810	(788,128)	-55.0%
Interest on long-term debt	14,099,372	13,988,653	110,719	0.8%
Total Expenses	329,601,009	325,196,107	4,404,902	1.4%
Special Item				
Loss on disposal of capital assets	(9,734)	-	(9,734)	100.0%
Change in Net Position	(6,224,336)	1,510,045	(7,734,381)	512.2%
Begininng Net Position	(233,097)	(1,743,142)	1,510,045	86.6%
Ending Net Position	**$ (6,457,433)**	**$ (233,097)**	**$ (6,224,336)**	**-2670.3%**

The District's expenses for instructional services was 66% of total expenses in 2024-2025 same as 2023-2024. The purely administrative activities of the District accounted for 5% of total costs in 2024-2025 same as 2023-2024. Interest on long-term debt represented 4% of total expenses in 2024-2025 and same as 2023-2024. Total expenses were 102% and 100% of revenue in 2024-2025 and in 2023-2024, respectively. In regard to revenue, program revenues were 22% of total revenues in 2024-2025 versus 24% in 2023-2024.

The following is a summary of government wide revenues for the fiscal year ended June 30, 2025:



The following is a summary of expenses by function for the fiscal year ended June 30, 2025:



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	2025	2024	Change	Percentage Change
Instruction	$ 127,917,732	$ 125,737,967	$ 2,179,765	1.7%
Instruction-related services	37,842,818	39,368,125	(1,525,307)	-3.9%
Pupil services	32,977,261	24,620,436	8,356,825	33.9%
General administration	16,105,035	15,643,219	461,816	3.0%
Plant services	21,149,631	19,489,625	1,660,006	8.5%
Ancillary services	6,600,223	6,607,694	(7,471)	-0.1%
Community services	1,416,933	2,018,588	(601,655)	-29.8%
Other outgo	473,907	(1,240,328)	1,714,235	361.7%
Interest on long-term debt	14,099,372	13,988,653	110,719	0.8%
Total Net Cost of Services	**$ 258,582,912**	**$ 246,233,979**	**$ 12,348,933**	**5.02%**

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.
- *Interest on Long-term Debt* involves the transactions associated with the payment of interest and other related charges to debt of the District

THE DISTRICT'S FUNDS

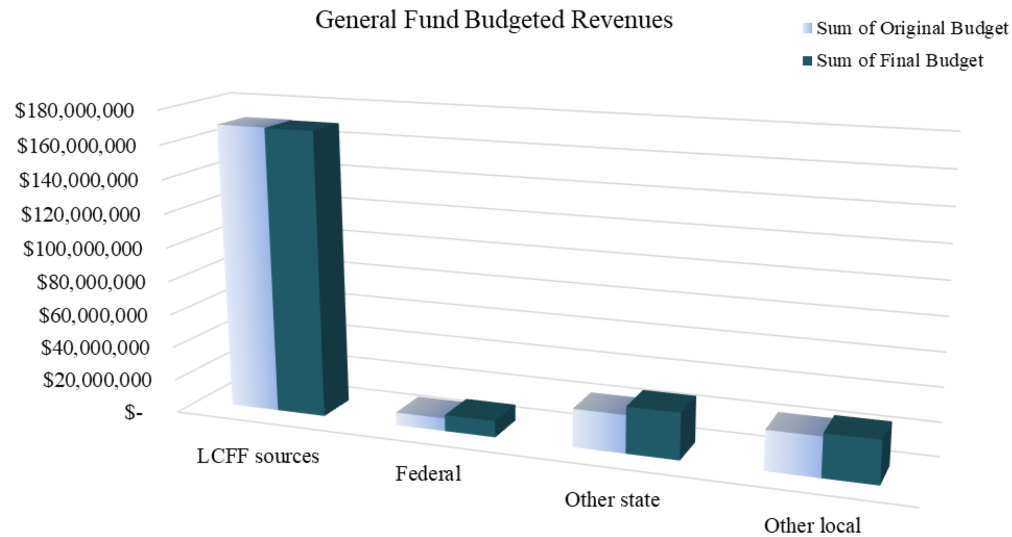
Table 4 provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

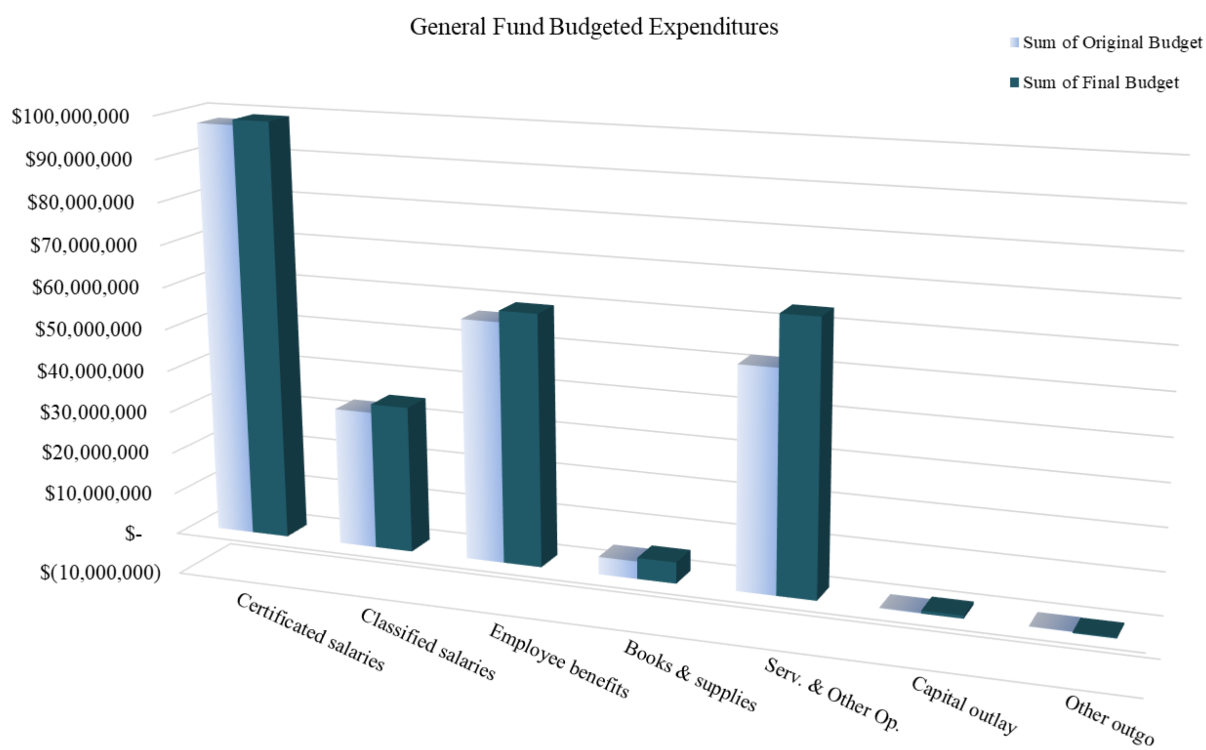
Table 4 - Summary of Fund Balances

Description	2025	2024	Change	Percentage Change
General Fund	$ 15,959,448	$ 39,047,766	$ (23,088,318)	-59.1%
Charter School Fund	3,178,396	4,382,732	(1,204,336)	-27.5%
Building Fund	197,438,692	122,602,216	74,836,476	61.0%
Bond Interest and Redemption Fund	36,574,177	28,455,871	8,118,306	28.5%
Nonmajor Funds	26,538,500	23,804,468	2,734,032	11.5%
Total Fund Balances	**$ 279,689,213**	**$ 218,293,053**	**$ 61,396,160**	**28.1%**

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 2024-2025 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, 2025 balances as compared to June 30, 2024.

Table 5 - Summary of Capital Assets Net of Depreciation and Amortization				
Description	**2025**	**2024**	**Change**	**Percentage Change**
Land	$ 8,929,571	$ 8,929,571	$ -	0.0%
Work-in-Progress	111,191,534	72,836,284	38,355,250	52.7%
Buildings and improvements	238,753,914	237,574,741	1,179,173	0.5%
Right of Use Assets	4,102,031	5,260,928	(1,158,897)	-22.0%
Equipment	4,137,389	3,777,259	360,130	9.5%
Total Capital Assets - Net	**$ 367,114,439**	**$ 328,378,783**	**$ 38,735,656**	**11.8%**

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	**2025**	**2024**	**Change**	**Percentage Change**
General Obligation Bonds	$ 464,676,318	$ 348,947,916	$ 115,728,402	33.2%
Charter School Facilities Program Loan	4,077,398	4,222,618	(145,220)	-3.4%
PG&E Energy Efficient Loans	2,816,307	3,299,336	(483,029)	-14.6%
Leased Portable Buildings	4,756,141	5,571,419	(815,278)	-14.6%
Subscription Liability	77,131	380,297	(303,166)	-79.7%
Certificates of Participation	7,818,119	7,980,991	(162,872)	-2.0%
Net Pension Obligations	170,719,254	185,599,842	(14,880,588)	-8.0%
Net OPEB Obligation	33,088,079	32,005,317	1,082,762	3.4%
Compensated Absences	2,562,586	2,449,160	113,426	4.6%
Total Long-term Liabilities	**$ 690,591,333**	**$ 590,456,896**	**$ 100,134,437**	**17.0%**

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.

If the economy experiences a recession and the State of California faces a budget deficit and lower state revenues, which indicators are showing it may, the corresponding adjustments to Santa Rosa City School's revenues from Proposition 98 and K-12 budgets are a concern. The district again had a decrease in ADA for 2024-25 and is concerned about declining enrollment in future years. The COVID-19 Pandemic continues to have an 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 90%, we only receive 90% of our available 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. The current projected future state funded COLA is volatile and not as high as what school districts need to avoid dipping into reserves or making significant reductions to student services. 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.

As part of Santa Rosa City Schools' commitment to enhancing, transforming, and redesigning how we provide services to students within the financial resources that we have, beginning in the 2025-26 school year, we implemented school consolidations and restructuring, including the closure of two elementary and two middle schools with the integration of 7th and 8th graders into 7-12 secondary school models. This plan ensures a coordinated, student-centered approach across all departments, maintaining clear communication, operational efficiency, and student success while addressing the evolving needs of our school communities and our financial needs. It continues to be a concern whether these new ventures have a greater impact on our finances than anticipated.

The general fund June 30, 2025 unrestricted negative ending fund balance for the district primarily bears on a fundamental issue of structural deficit spending, indicating that the district's ongoing unrestricted expenditures consistently exceeded its recurring unrestricted revenues during the fiscal period. This shortfall is often compounded by factors such as unanticipated enrollment decline, which reduces state per-pupil funding; unbudgeted increases in operating costs, particularly for salaries, benefits, and utilities; or the loss of significant, yet previously relied upon, one-time funding without a corresponding reduction in permanent program expenses. The negative balance—a sign of fiscal distress—signals that the district has consumed all available undesignated savings and is now using resources legally restricted for other purposes or has essentially borrowed from the subsequent year's funds, demanding immediate corrective action to realign its financial structure and ensure long-term solvency.

Future predictions and uncertainties with the changes to the State funding formula, enrollment and aging district facilities, unknowns of our school closures and consolidations, and general fund unrestricted negative ending fund balance and deficit spending, require management to plan carefully and prudently to provide the necessary resources to meet the students' needs and continue to keep pace with the cost of goods and services 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.

Basic Financial Statements

SANTA ROSA CITY SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2025

Assets		Governmental Activities
Current assets:		
Cash and investments	$	291,038,812
Accounts receivable		22,286,640
Stores inventories and other assets		1,433,975
Total current assets		314,759,427
Noncurrent assets:		
Non-depreciable capital assets		120,121,105
Depreciable capital assets - net		246,993,334
Total noncurrent assets		367,114,439
Total Assets	$	681,873,866
Deferred Outflows of Resources		
Pension adjustments	$	61,895,480
OPEB adjustments		956,876
Deferred loss on early retirement of long-term debt		2,637,305
Total Deferred Outflows of Resources	$	65,489,661
Liabilities		
Current liabilities:		
Accounts payable	$	32,689,140
Unearned revenue		1,412,893
Accrued interest		6,552,158
Total current liabilities		40,654,191
Long-term liabilities:		
Due within one year		22,160,588
Due after one year		668,430,745
Total long-term liabilities		690,591,333
Total Liabilities	$	731,245,524
Deferred Inflows of Resources		
Pension adjustments	$	19,390,729
OPEB adjustments		3,184,707
Total Deferred Outflows of Resources	$	22,575,436
Net Position		
Net investment in capital assets	$	104,548,566
Restricted for:		
Capital projects		13,255,331
Debt service		11,822,859
Child development programs		3,825,716
Cafeteria programs		5,421,349
Educational programs		18,286,388
Total restricted net position		52,611,643
Unrestricted		(163,617,642)
Total Net Position	$	(6,457,433)

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, 2025

		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	$ 173,545,287	$ 1,060,824	$ 44,526,369	$ 40,362	$ (127,917,732)
Instruction-related services:					
Supervision of instruction	11,144,901	4,016	3,650,358	-	(7,490,527)
Instruction library, media and technolog	2,246,010	55	3,081	-	(2,242,874)
School site administration	29,476,842	2,492	1,364,933	-	(28,109,417)
Pupil services:					
Home-to-school transportation	10,250,052	1,022	70,583	-	(10,178,447)
Food services	10,745,337	376,367	9,861,451	-	(507,519)
All other pupil services	27,285,532	29,435	4,964,802	-	(22,291,295)
General administration:					
Data processing	2,101,684	-	-	-	(2,101,684)
All other general administration	14,906,983	12,198	891,434	-	(14,003,351)
Plant services	21,554,558	33,888	371,039	-	(21,149,631)
Ancillary services	9,876,273	4,978	3,271,072	-	(6,600,223)
Community services	1,723,496	-	306,563	-	(1,416,933)
Payments to other agencies	644,682	27,629	143,146	-	(473,907)
Interest on long-term debt	14,099,372	-	-	-	(14,099,372)
Total governmental activities	$ 329,601,009	$ 1,552,904	$ 69,424,831	$ 40,362	(258,582,912)
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					134,520,475
Taxes levied for debt service					34,080,633
Taxes levied for other specific purposes					1,824,502
Federal and state aid not restricted to specific purposes					65,099,187
Interest and investment earnings					9,654,188
Miscellaneous					7,189,325
Special item - loss on disposal of capital assets					(9,734)
Total general revenues and special items					252,358,576
Change in net position					(6,224,336)
Net position beginning					(233,097)
Net position ending					$ (6,457,433)

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

SANTA ROSA CITY SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Charter School Fund	Building Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	$ 18,823,010	$ 4,662,121	$ 209,167,134	$ 36,574,177	$ 20,492,011	$ 289,718,453
Accounts receivable	16,436,178	2,594,445	-	-	3,255,826	22,286,449
Due from other funds	4,061,891	327,884	106,801	-	3,630,780	8,127,356
Stores inventories and other assets	357,509	-	-	-	1,076,466	1,433,975
Total Assets	$ 39,678,588	$ 7,584,450	$ 209,273,935	$ 36,574,177	$ 28,455,083	$ 321,566,233
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ 20,062,218	$ 1,106,207	$ 10,908,475	$ -	$ 612,240	$ 32,689,140
Due to other funds	3,285,350	3,193,310	926,768	-	369,559	7,774,987
Unearned revenue	371,572	106,537	-	-	934,784	1,412,893
Total Liabilities	23,719,140	4,406,054	11,835,243	-	1,916,583	41,877,020
Fund balances:						
Nonspendable:						
Revolving fund	36,750	1,500	-	-	200	38,450
Stores inventory	356,526	-	-	-	1,076,466	1,432,992
Prepaid expenses	983	-	-	-	-	983
Restricted for:						
Cafeteria programs	-	-	-	-	5,421,349	5,421,349
Capital projects	-	-	191,575,549	-	13,255,331	204,830,880
Educational programs	16,460,395	1,825,993	-	-	-	18,286,388
Child care program	-	-	-	-	3,825,716	3,825,716
Debt service	-	-	-	36,574,177	-	36,574,177
Assigned for:						
Capital projects	-	-	5,863,143	-	1,647,913	7,511,056
Charter school programs	-	1,350,903	-	-	-	1,350,903
Child care program	-	-	-	-	161,081	161,081
Deferred maintenance	-	-	-	-	1,150,444	1,150,444
Unassigned:						
Economic uncertainties	608,816	-	-	-	-	608,816
Unappropriated	(1,504,022)	-	-	-	-	(1,504,022)
Total Fund Balances	15,959,448	3,178,396	197,438,692	36,574,177	26,538,500	279,689,213
Total Liabilities and Fund Balances	$ 39,678,588	$ 7,584,450	$ 209,273,935	$ 36,574,177	$ 28,455,083	$ 321,566,233

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, 2025

Total fund balances - governmental funds			$ 279,689,213
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	$	676,664,294	
Accumulated depreciation and amortization		(309,549,855)	367,114,439
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.			61,895,480
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.			(19,390,729)
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			857,843
Diff. actual and expected experience			99,033
Change in assumptions			(3,184,707)
Interest payable on long-term debt does not require the use of current financial resources and, therefore, are not reported in the governmental funds.			(6,552,158)
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.			968,181
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	$	464,676,318	
Certificates of participation		7,818,119	
Loss on early retirement of long-term debt		(2,637,305)	
School Facilities Loan		4,077,398	
PG&E Energy Efficient Loans		2,816,307	
Leases		4,756,141	
Subscription liabilities		77,131	
Net pension liabilities		170,719,254	
Total OPEB liability		33,088,079	
Compensated absences (vacation)		2,562,586	(687,954,028)
Total net position - governmental activities			$ (6,457,433)

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, 2025

	General Fund	Charter School Fund	Building Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
LCFF sources	$ 170,063,913	$ 21,217,946	$ -	$ -	$ -	$ 191,281,859
Federal revenue	9,985,829	-	-	-	4,974,763	14,960,592
Other state	28,097,801	3,069,298	-	135,765	10,597,402	41,900,266
Other local	28,626,886	739,807	5,614,292	35,321,567	4,690,564	74,993,116
Total revenues	236,774,429	25,027,051	5,614,292	35,457,332	20,262,729	323,135,833
Expenditures:						
Current						
Instruction	144,657,261	16,797,501	-	-	4,469,523	165,924,285
Instruction-related services:						
Supervision of instruction	10,752,027	657,289	-	-	31,739	11,441,055
Instruction library, media and technolog	1,343,123	169,227	-	-	-	1,512,350
School site administration	24,218,598	2,429,844	-	-	288,424	26,936,866
Pupil services:						
Home-to-school transportation	10,522,427	-	-	-	-	10,522,427
Food services	505,654	-	-	-	10,188,909	10,694,563
All other pupil services	26,453,287	1,542,469	-	-	14,837	28,010,593
General administration:						
Data processing	1,585,813	-	-	-	-	1,585,813
All other general administration	12,774,412	2,032,911	-	-	378,925	15,186,248
Plant services	18,761,738	1,548,053	599,736	-	1,137,028	22,046,555
Facilities acquisition and construction	-	-	58,740,217	-	283,492	59,023,709
Ancillary services	6,532,441	127,566	-	-	-	6,660,007
Community services	1,427,628	340,788	-	-	879	1,769,295
Payments to other agencies	66,015	-	-	-	595,798	661,813
Debt service:						
Principal	1,118,444	-	145,221	15,170,000	708,029	17,141,694
Interest and fees	229,618	-	471,825	14,699,424	251,931	15,652,798
Total expenditures	260,948,486	25,645,648	59,956,999	29,869,424	18,349,514	394,770,071
Excess (deficiency) of revenues over (under) expenditures	(24,174,057)	(618,597)	(54,342,707)	5,587,908	1,913,215	(71,634,238)
Other financing sources (uses):						
Transfers in	1,085,739	-	-	-	820,817	1,906,556
Transfers out	-	(585,739)	(820,817)	-	-	(1,406,556)
Debt issuance	-	-	130,000,000	-	-	130,000,000
Premium from debt issuance	-	-	-	2,530,398	-	2,530,398
Total other financing sources (uses)	1,085,739	(585,739)	129,179,183	2,530,398	820,817	133,030,398
Net changes in fund balances	(23,088,318)	(1,204,336)	74,836,476	8,118,306	2,734,032	61,396,160
Fund balances beginning	39,047,766	4,382,732	122,602,216	28,455,871	23,804,468	218,293,053
Fund balances ending	$ 15,959,448	$ 3,178,396	$ 197,438,692	$ 36,574,177	$ 26,538,500	$ 279,689,213

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, 2025

Total net change in fund balances - governmental funds		$ 61,396,160
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	$ 59,023,709	
Depreciation and amortization expense	(20,278,319)	38,745,390
Losses and adjustments on the diposal of capital assets are recorded as special items in the government-wide Statement of Activities but are not reported in the governmental funds.		(9,734)
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.		(62,129)
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		16,838,528
Premium from debt issuance		(2,530,398)
Subscription liabilities principal		303,166
Amortization of bond premiums		1,631,996
Amortization of loss on early retirement of long-term debt		(284,005)
Debt issuances		(130,000,000)
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:		(113,426)
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.		8,609,762
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.		(767,784)
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		(249,426)
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.		267,564
Changes in net position of governmental activities		$ (6,224,336)

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, 2025

	Internal Service Self Insurance Fund
Assets	
Cash	$ 1,320,359
Accounts receivable	191
Due from other funds	147,631
Total Assets	$ 1,468,181
Liabilities	
Due to other funds	$ 500,000
Total Liabilities	$ 500,000
Net Position	
Restricted	$ 968,181
Total Net Position	$ 968,181

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, 2025

	Internal Service Self Insurance Fund
Operating Revenues	
Charges to other funds	$ 2,460,401
Operating Expenses	
Services and other operating expenditures	2,311,839
Operating Income (Loss)	148,562
Nonoperating Revenues (Expenses):	
Interest income	102,012
Income Before Transfers	250,574
Transfers to Other Funds	(500,000)
Change in Net Position	(249,426)
Beginning Net Position	1,217,607
Ending Net Position	$ 968,181

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, 2025

	Internal Service Self Insurance Fund
Cash Flows from Operating Activities	
Cash received from assessments made to other funds	$ 2,539,614
Cash paid for insurance and operating expenses	(2,311,839)
Net cash provided by (used for) operating activities	227,775
Cash Flows from Noncapital Financing Activities	
Transfer to other funds	(1,900,000)
Net cash provided by (used for) noncapital financing activities	(1,900,000)
Cash Flows from Investing Activities	
Interest income (loss)	102,012
Net cash provided by (used for) investing activities	102,012
Increase in Cash and Cash Equivalents	(1,570,213)
Cash and Cash Equivalents - Beginning	2,890,572
Cash and Cash Equivalents - Ending	$ 1,320,359
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	$ 148,562
(Increase) decrease in accounts receivable	37
(Increase) decrease in due from other funds	79,176
Net cash provided by operating activities	$ 227,775

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, 2025

	Expendable Trust Scholarship Fund
Assets	
Cash in banks	$ 22,869
Total Assets	$ 22,869
Net Position	
Restricted	$ 22,869
Total Net Position	$ 22,869

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, 2025

	Expendable Trust
	Scholarship Fund
Additions	
Other local revenues	$ 1,246
Deductions	
Other services and operating expenses	681
Changes in net position	565
Net position beginning	22,304
Net position ending	$ 22,869

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 seven 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, 2025.

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 identify better 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 recipients of program goods or services, as well as grants and contributions restricted to meeting a program's operational or capital requirements. 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 indicates the extent to which each governmental function is self-financing or draws on the District's general revenues.

Fund Financial Statements:

Fund financial statements report detailed information about the District. Governmental fund financial statements focus 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 presents 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, proprietary funds (business-type activities), and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified 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 avoid distorting normal revenue patterns with respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined available for a 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 *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.

- *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 *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 *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* accounts 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, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

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

	PERS	STRS	Total
Deferred outflows of resources	$ 20,873,650	$ 41,021,830	$ 61,895,480
Deferred inflows of resources	$ 1,740,990	$ 17,649,739	$ 19,390,729
Net pension liabilities	$ 65,273,344	$ 105,445,910	$ 170,719,254
Pension expense	$ 12,487,923	$ 19,580,954	$ 32,068,877

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

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

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, only vacation leave qualify for liability recognition for compensated absences. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. The liability for compensated absences includes salary-related taxes and benefits, where applicable.

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

Sick Leave
Accumulated sick leave benefits are not recognized as liabilities because it is not more likely than not to be used for paid time off or otherwise settled, therefore does not meet the liability recognition criteria. Under the District’s policy, sick leave accumulates but is not paid out upon separation and is used only for retirement service credit.

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. Subscription-Based Information Technology Arrangements

The District recognizes subscription liabilities with an initial, individual value of $200,000 or more. The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate in the arrangement. The District's estimated incremental borrowing rate is calculated as described above. The District’s estimated incremental borrowing rate is based on its most recent public debt issuance.

8. 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 they are not in a 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 include 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 do 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.

9. 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, 2025, capital assets net of accumulated depreciation totaling $367,114,439 was increased by unspent bond proceeds $191,575,549 and reduced by related debt of $454,141,422. 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.

10. 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 January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 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 (July 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.

11. 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, 2025, 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 2025, the District participated in the RESIG JPA for workers compensation.

12. 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.

13. 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.

14. 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 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. This statement did not have a material impact on the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions for (1) the concentration or constraint (2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (3) actions taken by the government prior to the issuance of the financial statements to mitigate the risk. This statement did not have a material impact on the financial statements.

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. 103, *Financial Reporting Model Improvements*

This Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

This Statement establishes new accounting and financial reporting requirements or modifies existing requirements related to (a) Management's discussion and analysis (MD&A) (b) Unusual or infrequent items (c) Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position (d) Information about major component units in basic financial statements (e) Budgetary comparison information (f) Financial trend information in the statistical section. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information

Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

NOTE 2 – CASH AND INVESTMENTS

A summary of cash and investments as of June 30, 2025 is as follows:

Description	Carrying Amount	Fair Value
Government-Wide Statements:		
Cash in bank	$ 1,351,887	$ 1,351,887
Cash with fiscal agent	139,342	139,342
Cash in revolving fund	38,450	38,450
Cash with County	289,509,133	289,509,133
Total Cash and Investments	$ 291,038,812	$ 291,038,812

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, 2025, the bank balances in the District's bank accounts were $2,687,658, of which $2,159,358 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, 2025:

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 $3.66 billion and an amortized book value of $3.65 billion. The average weighted maturity for this pool is 732 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, 2025:

Receivables	General Fund	Charter School Fund	Nonmajor Funds	Total
Federal	$ 5,193,322	$ -	$ 3,172,456	$ 8,365,778
State	2,828,491	164,059	1,180	2,993,730
Local	1,075,084	9,033	81,070	1,165,187
Other resources	7,339,281	2,421,353	1,311	9,761,945
Total Accounts Receivable	$ 16,436,178	$ 2,594,445	$ 3,256,017	$ 22,286,640

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION AND AMORTIZATION

Capital asset activities for the year ended June 30, 2025 were as follows:

Capital Assets	Balance June 30, 2024	GASB 96 Adjustments	Additions	Transfers & Deletions	Balance June 30, 2025
Nondepreciable capital assets					
Land	$ 8,929,571	$ -	$ -	$ -	$ 8,929,571
Work-in-progress	72,836,284	-	50,584,449	(12,229,199)	111,191,534
Total nondepreicable capital assets	81,765,855	-	50,584,449	(12,229,199)	120,121,105
Depreciable capital assets					
Buildings and improvements	516,308,833	-	19,792,509	(46,944)	536,054,398
Furniture and equipment	9,567,797	-	875,950	-	10,443,747
Total depreciable capital assets	525,876,630	-	20,668,459	(46,944)	546,498,145
Amortizable right of use assets					
Portable buildings	9,159,264	-	-	-	9,159,264
Subscriptions	2,268,139	-	-	(1,382,359)	885,780
Total depreciable and amortizable assets	537,304,033	-	20,668,459	(1,429,303)	556,543,189
Less accumulated depreciation for:					
Buildings and improvements	278,734,092	-	18,603,602	(37,210)	297,300,484
Furniture and equipment	5,790,538	-	515,820	-	6,306,358
Total accumulated depreciation	284,524,630	-	19,119,422	(37,210)	303,606,842
Less accumulated amortization for:					
Portable buildings	4,193,596	-	863,637	-	5,057,233
Subscriptions	1,972,879	-	295,260	(1,382,359)	885,780
Total accumulated depreciation and amortization	290,691,105	-	20,278,319	(1,419,569)	309,549,855
Total capital assets - net depreciation and amortization	$ 328,378,783	$ -	$ 50,974,589	$(12,238,933)	$ 367,114,439

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

Instruction	$ 11,802,564
Instruction library, media and technology	772,808
School site administration	3,237,243
Food services	327,605
Data processing	556,920
All other general administration	113,834
Plant services	78,683
Ancillary services	3,388,662
Total depreciation and amortization expense	$ 20,278,319

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 consisted of the following for the fiscal year ended June 30, 2025:

Fund	Transfers In	Transfers Out
General Fund	$ 1,085,739	$ -
Charter School Fund	-	585,739
Building Fund	-	820,817
Internal Service - Self Insurance Fund	-	500,000
Nonmajor Funds	820,817	-
Total	$ 1,906,556	$ 1,906,556

Interfund receivables and payables *(Due From/Due To)* consisted of the following as of June 30, 2025:

Fund	Due From	Due To
General Fund	$ 4,061,891	$ 3,285,350
Charter School Fund	327,884	3,193,310
Building Fund	106,801	926,768
Internal Service - Self Insurance Fund	147,631	500,000
Nonmajor Funds	3,630,780	369,559
Total	$ 8,274,987	$ 8,274,987

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, 2025, is shown below:

Description	Balance July 01, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
General Obligation Bonds	$ 348,947,916	$ 132,530,398	$ 16,801,996	$ 464,676,318	$ 20,417,000
Direct Borrowing:					
School Facilities Program Loan	4,222,619	-	145,221	4,077,398	148,151
PG&E Energy Efficient Loans	3,299,336	-	483,029	2,816,307	483,029
Leased Portable Buildings	5,571,419	-	815,278	4,756,141	854,077
Subscription Liability	380,297	-	303,166	77,131	77,131
Total Direct Borrowing	13,473,671	-	1,746,694	11,726,977	1,562,388
Certificates of Participation:					
Principal Payments	7,547,717	-	225,000	7,322,717	181,200
Accreted Interest	433,273	62,129	-	495,402	-
Total COP's	7,980,990	62,129	225,000	7,818,119	181,200
Net Pension Liability	185,599,842	90,909,310	105,789,898	170,719,254	-
Total OPEB Liability	32,005,317	11,351,440	10,268,678	33,088,079	-
Compensated Absences	2,449,160	1,272,733	1,159,307	2,562,586	-
Total Long-term Liabilities	$ 590,456,896	$ 236,126,010	$ 135,991,573	$ 690,591,333	$ 22,160,588

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.

2023 General Obligation Bonds, Series A

In March 2023, the District issued $32,000,000 in 2023 General Obligation Bonds, Series A (Elementary School) to finance the acquisition, construction, furnishing and equipping of District facilities. The net proceeds were $32,622,578 after premiums of $888,578 and the payment of $266,000 in issuance costs. Interest is due semi-annually on February 1 and August 1, commencing August 1, 2023. Principal payments begin August 1, 2023 and are due annually thereafter until August 1, 2053.

In March 2023, the District issued $104,000,000 in 2023 General Obligation Bonds, Series A (High School) to finance the acquisition, construction, furnishing and equipping of District facilities. The net proceeds were $109,645,998 after premiums of $6,141,998 and the payment of $496,000 in issuance costs. Interest is due semi-annually on February 1 and August 1, commencing August 1, 2023. Principal payments begin August 1, 2023 and are due annually thereafter until August 1, 2053.

2025 General Obligation Bonds, Series B – High School

In June 2025, the District issued $100,000,000 in General Obligation Bonds, 2022 Election, 2025 Series B (High School District), to finance the renovation, construction, modernization, furnishing, and equipping of school facilities. The net proceeds were $101,574,330 after the recognition of a $2,064,330 net original issue premium and the payment of $490,000 in issuance costs. Interest is payable semi-annually on February 1 and August 1, commencing February 1, 2026. Principal payments begin August 1, 2026 and continue annually thereafter through August 1, 2055.

In June 2025, the District issued $30,000,000 in General Obligation Bonds, 2022 Election, 2025 Series B (Elementary School District), to finance the renovation, construction, modernization, furnishing, and equipping of school facilities. The net proceeds were $30,128,076 after the recognition of a $466,068 net original issue premium and the payment of $337,992 in issuance costs. Interest is payable semi-annually on February 1 and August 1, commencing February 1, 2026. Principal payments begin August 1, 2026 and continue annually thereafter through August 1, 2055.

A summary of the District's general obligation bonded debt as of June 30, 2025 is as follows:

Bond	Date	Rate	Issue	July 01, 2024	Issued	Redeemed	June 30, 2025
2016 GOB, Series A	2035	2-5	$ 5,700,000	$ 2,940,000	$ -	$ 190,000	$ 2,750,000
2016 GOB, Series B	2041	2-5	50,000,000	11,710,000	-	640,000	11,070,000
2016 GOB, Series C	2041	2-5	15,000,000	660,000	-	185,000	475,000
2017 GORB	2028	2-5	21,090,000	14,635,000	-	3,315,000	11,320,000
2018 GOB, Series D	2043	5	10,000,000	160,000	-	-	160,000
2018 GOB, Series C	2043	4-5	65,000,000	59,100,000	-	-	59,100,000
2021 GOB, Series E	2044	.22-4	42,835,000	35,050,000	-	1,140,000	33,910,000
2021 GORB	2044	.247-2.102	5,080,000	4,140,000	-	725,000	3,415,000
2021 GOB, Series F	2044	.25-4	16,500,000	13,990,000	-	180,000	13,810,000
2021 GORB Series A	2027	4	1,830,000	1,140,000	-	365,000	775,000
2021 GORB Series B	2031	.297-2.182	5,325,000	4,455,000	-	725,000	3,730,000
2022 GORB Elementary	2043	3.82	22,849,000	22,379,000	-	50,000	22,329,000
2022 GORB High School	2042	3.88	23,678,000	23,246,000	-	-	23,246,000
2023 GOB Series A - Elementary	2054	4-5	32,000,000	32,000,000	-	1,815,000	30,185,000
2023 GOB Series A - High School	2054	4-5	104,000,000	99,490,000	-	5,840,000	93,650,000
2025 GOB Series B - High School	2055	5	100,000,000	-	100,000,000	-	100,000,000
2026 GOB Series B - Elementary	2055	5	30,000,000	-	30,000,000	-	30,000,000
Subtotal General Obligation Bonds			550,887,000	325,095,000	130,000,000	15,170,000	439,925,000
Bond Premiums				23,852,916	2,530,398	1,631,996	24,751,318
Total General Obligation Bonds			$ 550,887,000	$ 348,947,916	$ 132,530,398	$ 16,801,996	$ 464,676,318

The annual debt service requirements of the bonds as of June 30, 2025 are as follows:

For the Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 20,417,000	$ 23,222,674	$ 43,639,674
2027	13,874,000	21,623,144	35,497,144
2028	11,107,000	18,911,367	30,018,367
2029	8,310,000	18,510,046	26,820,046
2030	5,710,000	18,230,795	23,940,795
2031-2035	37,089,000	86,021,180	123,110,180
2036-2040	77,158,000	70,071,431	147,229,431
2041-2045	102,995,000	49,290,482	152,285,482
2046-2050	71,065,000	26,510,875	97,575,875
2051-2055	92,200,000	10,062,713	102,262,713
Total Debt Service GOB's	$ 439,925,000	$ 342,454,707	$ 782,379,707

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, 2025 are as follows:

For the Fiscal Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2026	$ 181,200	$ 235,719	$ 88,800	$ 505,719
2027	192,650	235,719	112,350	540,719
2028	204,554	235,719	140,446	580,719
2029	217,394	235,719	172,606	625,719
2030	226,920	235,719	203,080	665,719
2031-2035	3,205,000	932,996	-	4,137,996
2036-2040	3,094,999	193,900	-	3,288,899
Total Debt Service COP's	$ 7,322,717	$ 2,305,491	$ 717,282	$ 10,345,490

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, 2025 are as follows:

For the Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 148,151	$ 80,468	$ 228,619
2027	151,139	77,479	228,618
2028	154,188	74,430	228,618
2029	157,299	71,320	228,619
2030	160,472	68,146	228,618
2031-2035	852,244	290,848	1,143,092
2036-2040	941,745	201,347	1,143,092
2041-2045	1,040,645	102,447	1,143,092
2046-2050	471,515	11,122	482,637
Total Debt Service CSFP Loans	$ 4,077,398	$ 977,607	$ 5,055,005

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 2031. 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, 2025 are as follows:

For the Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 483,029	$ -	$ 483,029
2027	483,029	-	483,029
2028	483,029	-	483,029
2029	483,029	-	483,029
2030	483,029	-	483,029
2031-2034	401,162	-	401,162
Total Debt Service	$ 2,816,307	$ -	$ 2,816,307

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, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	$ 854,077	$ 179,411	$ 1,033,488
2027	894,749	138,739	1,033,488
2028	301,449	108,248	409,697
2029	216,419	99,601	316,020
2030	224,832	91,188	316,020
2031-2035	949,902	346,218	1,296,120
2036-2040	970,840	153,104	1,123,944
2041-2043	343,872	20,627	364,499
Total	$ 4,756,141	$ 1,137,135	$ 5,893,276

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, Awards, 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, 2025.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS

California Public Employees Retirement System (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, 2025, 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	7.000%	8.000%
Required employer contribution rates	27.050%	27.050%

(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, 2025, the District's contributions were as follows:

	CalPERS
Contributions - employer	$ 10,460,519

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

As of June 30, 2025, 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	$ 65,273,344

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, 2024, 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, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension 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, 2024 and 2025 was as follows:

	CalPERS
Proportion - June 30, 2024	0.17882%
Proportion - June 30, 2025	0.18264%
Change - Increase/(Decrease)	0.00382%

For the year ended June 30, 2025, the District recognized pension expense of $12,487,923 for the Plan. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Changes of Assumptions	$ 1,442,761	$ -
Differences between Expected and Actual Experience	5,472,216	467,159
Differences between Projected and Actual Investment Earnings	2,535,492	-
Differences between Employer's Contributions and Proportionate Share of Contributions	47,206	152,423
Change in Employer's Proportion	915,456	1,121,408
Pension Contributions Made Subsequent to Measurement Date	10,460,519	-
Total	$ 20,873,650	$ 1,740,990

The District reported $10,460,519 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, 2026.

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**
2026	$ 2,356,203
2027	6,246,581
2028	871,626
2029	(802,269)
2030	-
Thereafter	-
Total	$ 8,672,141

Actuarial Assumptions - The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	(1)
Investment Rate of Return	6.8% (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 6.9%. 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 6.9% discount rate is adequate and the use of the municipal bond rate calculation is not necessary.

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 6.8% 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 6.95%. 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	Long-Term Expected Real Return (1)(2)
Global Equity Cap Weighted	30.00%	4.54%
Global Equity NonCap Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(1) An expected inflation of 2.3% used for this period.
(2) Figures are based on the 2021-22 Asset Liability Study.

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	5.90%
Net Pension Liability	$ 96,964,097
Current	6.90%
Net Pension Liability	$ 65,273,344
1% Increase	7.90%
Net Pension Liability	$ 39,094,259

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, 2025, 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	19.100%	19.100%
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, 2025 the District's contributions were as follows:

	CalSTRS
Employer Contributions	$ 20,466,870
State Contributions	9,774,096
Total	$ 30,240,966

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

As of June 30, 2025, 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	$ 105,445,910
State	48,378,584
Total	$ 153,824,494

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, 2024, 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, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The state contributed 10.828 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, 2024 and 2025 was as follows:

	CalSTRS
Proportion - June 30, 2024	0.15870%
Proportion - June 30, 2025	0.15700%
Change - Increase/(Decrease)	-0.00170%

For the year ended June 30, 2025, the District recognized pension expense of $19,580,954 which included a state on-behalf contribution of $9,774,096. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 461,580	$ 7,201,590
Differences between Expected and Actual Experience	11,927,290	4,611,090
Differences between Projected and Actual Investment Earnings	-	425,470
Differences between Employer's Contributions and Proportionate Share of Contributions	1,021,748	1,768,692
Change in Employer's Proportion	7,144,342	3,642,897
Pension Contributions Made Subsequent to Measurement Date	20,466,870	-
Total	$ 41,021,830	$ 17,649,739

The District reported $20,466,870 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, 2026.

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
2026	$ (6,435,736)
2027	9,567,274
2028	84,860
2029	(223,692)
2030	543,299
Thereafter	(630,784)
Total	$ 2,905,221

Actuarial Assumptions - The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.10%
Inflation	2.75%
Payroll Growth	3.25%
Wage Growth	3.50%
Postretirement Benefit Increases (1)	
Investment Rate of Return (2)	7.10%
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) Uses a base year of 2023 and projected improvement is based on the MP-2021 Ultimate Projection Scale.

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)
Public Equity	38.00%	5.25%
Real Estate	15.00%	4.05%
Private Equity	14.00%	6.75%
Fixed Income	14.00%	2.45%
Risk Mitigation Strategies	10.00%	2.25%
Inflation Sensitive	7.00%	3.65%
Liquidity	2.00%	0.05%
Total	100.00%	

(a) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) Real return is net of assumed 2.75% inflation.

(c) 20-to 30-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	$ 187,553,770
Current	7.10%
Net Pension Liability	$ 105,445,910
1% Increase	8.10%
Net Pension Liability	$ 36,882,440

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, 2024 (the measurement date), the benefit terms covered the following employees:

Active employees	1,486
Inactive employees	208
Total employees	1,694

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 $857,843. Total contributions included in the measurement period were $1,935,174. The District's contributions were 1.42% of covered employee payroll during the measurement period June 30, 2024 (reporting period June 30, 2025). 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, 2023
Measurement Date:	June 30, 2024
Actuarial Cost Method:	Entry-Age Normal Cost Method
Amortization Period:	8.69 years
Actuarial Assumptions:	
Discount Rate	3.97%
Inflation	2.50%
Salary Increases	3.50%
Healthcare Trend Rate	7.60%
Mortality	Teachers: January 2020 CalSTRS Experience Study. Nonteachers: 2021 CalPERS Experience Study
Retirement	Teachers: 2.0% @ 60 Teachers: 2.0% @ 62 Nonteachers: Misc 2.5% @ 55 Nonteachers: Misc 2% @ 62

Note:
The discount rate was increased from 3.86% to 3.97% in fiscal year 2025.

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, 2025:

Fiscal Year Ended June 30, 2025	**Total OPEB Liability**
Balance at June 30, 2024	$ 32,005,317
Service cost	2,282,243
Interest in Total OPEB Liability	1,286,151
Balance of diff between actual and exp experience	(297,209)
Balance of changes in assumptions	(253,249)
Benefit payments	(1,935,174)
Net changes	1,082,762
Balance at June 30, 2025	$ 33,088,079
Covered Employee Payroll	$ 139,374,934
Total OPEB Liability as a % of Covered Employee Payroll	23.74%
Service Cost as a % of Covered Employee Payroll	1.64%
Net OPEB Liability as a % of Covered Employee Payroll	23.74%

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, 2025, 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	$ 99,033	$ -
Change in assumptions	-	3,184,707
OPEB contribution subsequent to measurement date	857,843	-
Total	$ 956,876	$ 3,184,707

Of the total amount reported as deferred outflows of resources related to OPEB, $857,843 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, 2026.

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,	
2026	$ (711,000)
2027	(579,857)
2028	(520,389)
2029	(135,411)
2030	(469,144)
Thereafter	(669,873)
Total	$ (3,085,674)

OPEB Expense - The following summarizes the OPEB expense by source during the year ended June 30, 2025:

Service cost	$ 2,282,243
Interest in TOL	1,286,151
Difference between actual and expected experience	176,539
Change in assumptions	(1,016,310)
OPEB Expense	**$ 2,728,623**

The following summarizes changes in the total OPEB liability as reconciled to OPEB expense during the year ended June 30, 2025, for the measurement date of June 30, 2024:

Total OPEB liability ending	$ 33,088,079
Total OPEB liability begining	(32,005,317)
Change in total OPEB liability	1,082,762
Changes in deferred outflows	4,166,253
Changes in deferred inflows	(4,481,233)
Employer contributions and implict subsidy	1,960,841
OPEB Expense	**$ 2,728,623**

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)	3.97%	(1% Increase)
Total OPEB Liability	$ 35,461,929	$ 33,088,079	$ 30,873,199

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)	7.60%	(1% Increase)
Total OPEB Liability	$ 29,764,670	$ 33,088,079	$ 36,986,835

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, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual (GAAP Basis)	Positive - (Negative)
Revenues:				
LCFF sources	$ 169,619,415	$ 169,234,791	$ 170,063,913	$ 829,122
Federal revenues	7,582,368	9,710,712	9,985,829	275,117
Other state	22,521,879	27,419,179	28,097,801	678,622
Other local	23,402,412	25,298,929	28,626,886	3,327,957
Total revenues	223,126,074	231,663,611	236,774,429	5,110,818
Expenditures:				
Certificated salaries	97,788,272	99,043,246	100,356,727	(1,313,481)
Classified salaries	32,667,218	34,681,834	35,122,132	(440,298)
Employee benefits	56,753,252	59,409,549	59,248,313	161,236
Books and supplies	4,137,981	4,996,703	5,713,954	(717,251)
Services and other operating expenditures	51,931,437	63,927,606	59,770,357	4,157,249
Capital outlay	145,413	716,211	670,988	45,223
Other outgo	83,412	(252,376)	66,015	(318,391)
Total expenditures	243,506,985	262,522,773	260,948,486	1,574,287
Excess (deficiency) of revenues over (under) expenditures	(20,380,911)	(30,859,162)	(24,174,057)	6,685,105
Other financing sources (uses):				
Transfers in	1,085,739	1,085,739	1,085,739	-
Transfers out	-	-	-	-
Total other financing sources (uses)	1,085,739	1,085,739	1,085,739	-
Change in fund balance	$ (19,295,172)	$ (29,773,423)	(23,088,318)	$ 6,685,105
Fund balances beginning			39,047,766	
Fund balances ending			$ 15,959,448	

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, 2025

	Budgeted Amounts			Variance with
				Final Budget
			Actual	Positive -
	Original	Final	(GAAP Basis)	(Negative)
Revenues:				
LCFF sources	$ 22,488,900	$ 21,217,945	$ 21,217,946	$ 1
Federal revenues	152,485	32,370	-	(32,370)
Other state	329,679	1,606,234	3,069,298	1,463,064
Other local	200,000	432,475	739,807	307,332
Total revenues	23,171,064	23,289,024	25,027,051	1,738,027
Expenditures:				
Certificated salaries	13,174,935	11,514,054	11,664,182	(150,128)
Classified salaries	3,074,676	2,913,336	2,894,012	19,324
Employee benefits	5,938,605	5,239,618	6,166,057	(926,439)
Books and supplies	132,395	605,974	431,946	174,028
Services and other operating expenditures	664,896	3,726,081	4,495,812	(769,731)
Total expenditures	22,985,507	23,999,063	25,645,648	(1,646,585)
Excess (deficiency) of revenues over (under) expenditures	185,557	(710,039)	(618,597)	91,442
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(585,739)	(585,739)	(585,739)	-
Total other financing sources (uses)	(585,739)	(585,739)	(585,739)	-
Change in fund balance	$ (400,182)	$ (1,295,778)	(1,204,336)	$ 91,442
Fund balances beginning			4,382,732	
Fund balances ending			$ 3,178,396	

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 CALPERS PENSION PLAN CONTRIBUTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Plan Measurement Date **Fiscal Year Ended**	**2015** **2016**	**2016** **2017**	**2017** **2018**	**2018** **2019**	**2019** **2020**
Contractually Required Contributions	$ 2,193,239	$ 2,926,108	$ 3,344,202	$ 3,865,049	$ 4,711,818
Contributions in Relation to Contractually Required Contributions	2,193,239	2,926,108	3,344,202	3,865,049	4,711,818
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 18,513,033	$ 21,069,326	$ 21,532,432	$ 21,398,788	$ 23,892,389
Contributions as a % of Covered Payroll	11.85%	13.89%	15.53%	18.06%	19.72%

Plan Measurement Date **Fiscal Year Ended**	**2020** **2021**	**2021** **2022**	**2022** **2023**	**2023** **2024**	**2024** **2025**
Contractually Required Contributions	$ 4,899,392	$ 6,547,949	$ 7,855,120	$ 9,673,932	$ 10,460,519
Contributions in Relation to Contractually Required Contributions	4,899,392	6,547,949	7,855,120	9,673,932	10,460,519
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 23,666,629	$ 28,581,183	$ 30,962,238	$ 36,316,286	$ 38,671,050
Contributions as a % of Covered Payroll	20.70%	22.91%	25.37%	26.64%	27.05%

Notes to Schedule:

Valuation Date: June 30, 2023

Assumptions Used:
- Entry Age Method used for Actuarial Cost Method
- Level Percentage of Payroll and Direct Rate Smoothing
- 3.9 Years Remaining Amortization Period
- Inflation Assumed at 2.30%
- Investment Rate of Returns set at 6.8
- 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.

The CalPERS discount rate was increased from 7.5% to 7.65% in the District's fiscal year 2016, to 7.15% in FY18, and then decreased to 6.90% in FY22.
The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019, and to 2.30% in FY23.
The CalPERS mortality assumptions was adjusted in the District's fiscal year 2021.
In 2019, the amortization period for actuarial gains and losses was shortened from 30 years to 20 years.
This schedule presents information on the District’s portion of the net pension liability of CalPERS in compliance with GASB 68.

SANTA ROSA CITY SCHOOLS
SCHEDULE OF CALPERS PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Plan Measurement Date **Fiscal Year Ended**	**2015** **2016**	**2016** **2017**	**2017** **2018**	**2018** **2019**	**2019** **2020**
District's Proportion of Net Pension Liability	0.16437%	0.16557%	0.16521%	0.16319%	0.15474%
Proportionate Share of Net Pension Liability	$ 24,228,612	$ 32,700,460	$ 39,439,987	$ 43,511,592	$ 45,097,814
Covered Payroll	$ 16,626,455	$ 18,513,033	$ 21,069,326	$ 21,532,432	$ 21,398,788
Proportionate Share of NPL as a % of Covered Payroll	**145.72%**	**176.63%**	**187.19%**	**202.07%**	**210.75%**
Plan's Fiduciary Net Position as a % of the TPL	**79.43%**	**73.90%**	**71.87%**	**70.85%**	**70.05%**

Plan Measurement Date **Fiscal Year Ended**	**2020** **2021**	**2021** **2022**	**2022** **2023**	**2023** **2024**	**2024** **2025**
District's Proportion of Net Pension Liability	0.16632%	0.19595%	0.17833%	0.17882%	0.18264%
Proportionate Share of Net Pension Liability	$ 51,030,865	$ 39,844,506	$ 61,361,722	$ 64,731,675	$ 65,273,344
Covered Payroll	$ 23,892,389	$ 23,666,629	$ 28,581,183	$ 30,962,238	$ 36,316,286
Proportionate Share of NPL as a % of Covered Payroll	**213.59%**	**168.36%**	**214.69%**	**209.07%**	**179.74%**
Plan's Fiduciary Net Position as a % of the TPL	**70.00%**	**80.97%**	**69.76%**	**69.96%**	**72.29%**

The CalPERS discount rate was increased from 7.5% to 7.65% in the District's fiscal year 2016, to 7.15% in FY18, and then decreased to 6.90% in FY22.
The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019, and to 2.30% in FY22.
The CalPERS mortality assumptions was adjusted in the District's fiscal year 2018.
In 2019, the amortization period for actuarial gains and losses was shortened from 30 years to 20 years.
This schedule presents information on the District’s portion of the net pension liability of CalPERS in compliance with GASB 68.

SANTA ROSA CITY SCHOOLS
SCHEDULE OF CALSTRS PENSION PLAN CONTRIBUTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Plan Measurement Date	**2015**	**2016**	**2017**	**2018**	**2019**
Fiscal Year Ended	**2016**	**2017**	**2018**	**2019**	**2020**
Contractually Required Contributions	$ 8,502,761	$ 10,046,129	$ 11,276,388	$ 12,897,120	$ 14,064,362
Contributions in Relation to Contractually Required Contributions	8,502,761	10,046,129	11,276,388	12,897,120	14,064,362
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	**$ 79,242,880**	**$ 79,857,941**	**$ 78,145,447**	**$ 79,220,639**	**$ 77,575,080**
Contributions as a % of Covered Payroll	10.73%	12.58%	14.43%	16.28%	18.13%

Plan Measurement Date	**2020**	**2021**	**2022**	**2023**	**2024**
Fiscal Year Ended	**2021**	**2022**	**2023**	**2024**	**2025**
Contractually Required Contributions	$ 13,872,063	$ 15,975,434	$ 19,047,421	$ 20,156,726	$ 20,466,870
Contributions in Relation to Contractually Required Contributions	13,872,063	15,975,434	19,047,421	20,156,726	20,466,870
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	**$ 86,233,295**	**$ 94,417,459**	**$ 99,724,719**	**$ 104,983,829**	$ 107,156,387
Contributions as a % of Covered Payroll	16.09%	16.92%	19.10%	19.20%	19.10%

Notes to Schedule:

Valuation Date:	June 30, 2023
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 use a base year of 2023 and projected improvement is based on the MP-2021 Ultimate Projection Scale.

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.
This schedule provides information about the District’s required and actual contributions to CalSTRS during the year.

SANTA ROSA CITY SCHOOLS
SCHEDULE OF CALSTRS PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Plan Measurement Date	**2015**	**2016**	**2017**	**2018**	**2019**
Fiscal Year Ended	**2016**	**2017**	**2018**	**2019**	**2020**
District's Proportion of Net Pension Liability	0.15876%	0.15796%	0.15000%	0.14500%	0.14500%
District's Proportionate Share of Net Pension Liability	$ 106,880,850	$ 127,758,630	$ 138,718,500	$ 133,265,150	$ 130,958,200
State's Proportionate Share of Net Pension Liability Associated with the District	56,528,213	72,730,433	82,064,477	76,300,962	71,446,865
	$ 163,409,063	$ 200,489,063	$ 220,782,977	$ 209,566,112	$ 202,405,065
Covered Payroll	$ 70,192,050	$ 79,242,880	$ 79,857,941	$ 78,145,447	$ 79,220,639
Proportionate Share of NPL as a % of Covered Payroll	**152.27%**	**161.22%**	**173.71%**	**170.53%**	**165.31%**
Plan's Fiduciary Net Position as a % of the TPL	**74.02%**	**70.04%**	**69.46%**	**70.99%**	**72.56%**

Plan Measurement Date	**2020**	**2021**	**2022**	**2023**	**2024**
Fiscal Year Ended	**2021**	**2022**	**2023**	**2024**	**2025**
District's Proportion of Net Pension Liability	0.14900%	0.15459%	0.16353%	0.15870%	0.15700%
District's Proportionate Share of Net Pension Liability	$ 144,394,410	$ 70,349,991	$ 113,628,703	$ 120,868,167	$ 105,445,910
State's Proportionate Share of Net Pension Liability Associated with the District	74,435,318	35,397,301	56,905,254	57,911,565	48,378,584
	$ 218,829,728	$ 105,747,292	$ 170,533,957	$ 178,779,732	$ 153,824,494
Covered Payroll	$ 77,575,080	$ 86,233,295	$ 94,417,459	$ 99,724,719	$ 104,983,829
Proportionate Share of NPL as a % of Covered Payroll	**186.14%**	**81.58%**	**120.35%**	**121.20%**	**100.44%**
Plan's Fiduciary Net Position as a % of the TPL	**71.82%**	**87.21%**	**81.20%**	**80.62%**	**83.55%**

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.
This schedule presents information on the District's portion of the net pension liability of CalSTRS in compliance with GASB 68.

SANTA ROSA CITY SCHOOLS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Measurement Period	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Fiscal Year Ended	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Total OPEB liability								
Service cost	$ 1,909,893	$ 1,760,939	$ 1,787,851	$ 1,947,218	$ 2,282,016	$ 2,730,609	$ 2,162,558	$ 2,282,243
Interest	770,739	934,573	955,030	745,287	644,273	699,657	1,214,585	1,286,151
Changes of benefit terms	-	-	-	-	4,193,464	-	-	-
Diff. b/w expected & actual experience	-	-	299,318	-	3,913,389	(217,864)	(2,184,781)	(297,209)
Changes of assumptions	(1,188,185)	(1,048,073)	(4,213,526)	964,861	372,722	(4,293,221)	962,751	(253,249)
Benefit payments	(1,465,101)	(1,508,107)	(1,580,608)	(1,537,406)	(1,475,330)	(1,946,411)	(1,805,622)	(1,935,174)
Implicit subsidy fulfilled	-	-	-	-	-	-	-	-
Net change in Total OPEB Liability	27,346	139,332	(2,751,935)	2,119,960	9,930,534	(3,027,230)	349,491	1,082,762
Total OPEB Liability - beginning	25,217,819	25,245,165	25,384,497	22,632,562	24,752,522	34,683,056	31,655,826	32,005,317
Total OPEB Liability - ending	$ 25,245,165	$ 25,384,497	$ 22,632,562	$ 24,752,522	$ 34,683,056	$ 31,655,826	$ 32,005,317	$ 33,088,079
Net OPEB liability (asset)	$ 25,245,165	25,384,497	22,632,562	24,752,522	34,683,056	31,655,826	32,005,317	33,088,079
Covered Employee Payroll	$ 99,129,925	$ 100,182,511	$ 102,937,530	$ 107,070,763	$ 115,494,053	$ 115,342,582	$ 133,308,561	$ 136,308,004
Total OPEB liability as a % of cov. Emp. payroll	25.47%	25.34%	21.99%	23.12%	30.03%	27.45%	24.01%	24.27%

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.

There were not changes in benefit terms.

The discount rate decreased from 3.62% to 3.13% from June 30, 2019 to June 30, 2020, then decreased to 2.45% on June 30, 2021, to 1.92% on June 30, 2022, and increased to 3.69% on June 30, 2023.

For fiscal year 2025, the discount rate increased from 3.86% to 3.97%.

SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds
Combining Schedules

SANTA ROSA CITY SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds			Capital Projects Funds			
	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Governmental Funds
Assets							
Cash and investments	$ 2,947,688	$ 2,779,467	$ 329,627	$ 8,679,962	$ 6,001	$ 5,749,266	$ 20,492,011
Accounts receivable	1,180	3,172,456	-	78,431	-	3,759	3,255,826
Due from other funds	1,441,426	35,251	820,817	-	-	1,333,286	3,630,780
Stores inventories and other	-	1,076,466	-	-	-	-	1,076,466
Total Assets	$ 4,390,294	$ 7,063,640	$ 1,150,444	$ 8,758,393	$ 6,001	$ 7,086,311	$ 28,455,083
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	$ 317,148	$ 261,683	$ -	$ (184)	$ -	$ 33,593	$ 612,240
Due to other funds	86,349	282,361	-	-	-	849	369,559
Unearned revenue	-	21,581	-	-	-	913,203	934,784
Total Liabilities	403,497	565,625	-	(184)	-	947,645	1,916,583
Fund balances:							
Nonspendable:							
Revolving fund	-	200	-	-	-	-	200
Inventory	-	1,076,466	-	-	-	-	1,076,466
Restricted for:							
Cafeteria programs	-	5,421,349	-	-	-	-	5,421,349
Capital projects	-	-	-	8,137,713	4,868	5,112,750	13,255,331
Child care program	3,825,716	-	-	-	-	-	3,825,716
Assigned for:							
Capital projects	-	-	-	620,864	1,133	1,025,916	1,647,913
Child care program	161,081	-	-	-	-	-	161,081
Deferred maintenance	-	-	1,150,444	-	-	-	1,150,444
Miscellaneous	-	-	-	-	-	-	-
Total Fund Balances	3,986,797	6,498,015	1,150,444	8,758,577	6,001	6,138,666	26,538,500
Total Liabilities and Fund Balances	$ 4,390,294	$ 7,063,640	$ 1,150,444	$ 8,758,393	$ 6,001	$ 7,086,311	$ 28,455,083

SANTA ROSA CITY SCHOOLS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds			Capital Projects Funds			
	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Governmental Funds
Revenues:							
Federal revenue	$ -	$ 4,974,763	$ -	$ -	$ -	$ -	$ 4,974,763
Other state	5,061,213	5,209,823	-	-	-	326,366	10,597,402
Other local	185,089	577,919	17,404	1,428,511	6,000	2,475,641	4,690,564
Total revenues	5,246,302	10,762,505	17,404	1,428,511	6,000	2,802,007	20,262,729
Expenditures:							
Current							
Instruction	4,469,523	-	-	-	-	-	4,469,523
Instruction-related services:							
Supervision of instruction	31,739	-	-	-	-	-	31,739
School site administration	288,424	-	-	-	-	-	288,424
Pupil services:							
Food services	-	10,188,909	-	-	-	-	10,188,909
All other pupil services	14,837	-	-	-	-	-	14,837
General administration:							
All other general administration	60,055	282,361	-	36,509	-	-	378,925
Plant services	9,894	151,266	-	868,414	-	107,454	1,137,028
Facilities acquisition and construction	-	-	-	12,791	-	270,701	283,492
Community services	879		-	-	-	-	879
Payments to other agencies	-	-	-	595,798	-	-	595,798
Debt service:							
Principal	-	-	-	-	-	708,029	708,029
Interest and Fees	-	-	-	-	-	251,931	251,931
Total expenditures	4,875,351	10,622,536	-	1,513,512	-	1,338,115	18,349,514
Excess (deficiency) of revenues over (under) expenditures	370,951	139,969	17,404	(85,001)	6,000	1,463,892	1,913,215
Other financing sources (uses):							
Transfers in	-	-	820,817	-	-	-	820,817
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	820,817	-	-	-	820,817
Change in fund balances	370,951	139,969	838,221	(85,001)	6,000	1,463,892	2,734,032
Fund balances beginning	3,615,846	6,358,046	312,223	8,843,578	1	4,674,774	23,804,468
Fund balances ending	$ 3,986,797	$ 6,498,015	$ 1,150,444	$ 8,758,577	$ 6,001	$ 6,138,666	$ 26,538,500

STATE AND FEDERAL AWARD COMPLIANCE SECTION

SANTA ROSA CITY SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Santa Rosa Elementary	Total ADA		Classroom Based	
	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA:				
Grades TK/K through three	1,745.00	1,753.13	1,745.00	1,753.13
Grades four through six	1,165.34	1,165.41	1,165.34	1,165.41
Regular ADA Totals	2,910.34	2,918.54	2,910.34	2,918.54
Extended year special education:				
Grades TK/K through three	8.44	8.44	8.44	8.44
Grades four through six	3.60	3.60	3.60	3.60
Special education - nonpublic, nonsect schools:				
Grades TK/K through three	7.07	7.39	7.07	7.39
Grades four through six	12.84	13.40	12.84	13.40
Extended year special education - nonpublic, nonsect schools:				
Grades TK/K through three	1.35	1.35	1.35	1.35
Grades four through six	1.15	1.15	1.15	1.15
ADA Totals	2,944.79	2,953.87	2,944.79	2,953.87

Santa Rosa High	Total ADA		Classroom Based	
	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA:				
Grades seven and eight	1,997.16	1,991.42	1,997.16	1,991.42
Grades nine through twelve	6,429.74	6,398.37	6,429.74	6,398.37
Regular ADA Totals	8,426.90	8,389.79	8,426.90	8,389.79
Extended year Special education				
Grades seven and eight	2.19	2.19	2.19	2.19
Grades nine through twelve	6.39	6.39	6.39	6.39
Special education - nonpublic, nonsect schools:				
Grades seven and eight	18.06	17.79	18.06	17.79
Grades nine through twelve	91.56	88.94	91.56	88.94
Extended year special education - nonpublic, nonsect schools:				
Grades seven and eight	1.36	1.36	1.36	1.36
Grades nine through twelve	7.99	7.99	7.99	7.99
ADA Totals	8,554.45	8,514.45	8,554.45	8,514.45

Continued

SANTA ROSA CITY SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total ADA		Classroom Based	
Santa Rosa Charter School for the Arts	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA:				
Grades TK/K through three	145.27	145.22	145.27	145.22
Grades four through six	129.61	128.77	129.61	128.77
Grades seven and eight	78.08	77.71	78.08	77.71
ADA Totals	352.96	351.70	352.96	351.70

	Total ADA		Classroom Based	
Santa Rosa French American Charter	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA:				
Grades TK/K through three	310.64	311.33	310.64	311.33
Grades four through six	151.51	151.54	151.51	151.54
Grades seven and eight	35.79	35.66	35.79	35.66
ADA Totals	497.94	498.53	497.94	498.53

	Total ADA		Classroom Based	
Cesar Chavez Language Academy	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA:				
Grades TK/K through three	297.69	296.22	297.69	296.22
Grades four through six	157.34	156.97	157.34	156.97
Grades seven and eight	270.38	268.01	270.38	267.53
ADA Totals	725.41	721.20	725.41	720.72

	Total ADA		Classroom Based	
Santa Rosa Accelerated Charter	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA:				
Grades four through six	123.60	123.81	123.60	123.81
ADA Totals	123.60	123.81	123.60	123.81

Concluded

SANTA ROSA CITY SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Grade Level	Minutes Requirements	2025 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Proctor Terrace Elementary					
Kindergarten	36,000	44,360	180	0	In compliance
Grade 1	50,400	53,995	180	0	In compliance
Grade 2	50,400	53,995	180	0	In compliance
Grade 3	50,400	53,995	180	0	In compliance
Grade 4	54,000	54,155	180	0	In compliance
Grade 5	54,000	54,155	180	0	In compliance
Grade 6	54,000	54,155	180	0	In compliance
Santa Rosa Middle and High					
Grade 7	54,000	54,680	180	0	In compliance
Grade 8	54,000	54,680	180	0	In compliance
Grade 9	64,800	64,870	180	0	In compliance
Grade 10	64,800	64,870	180	0	In compliance
Grade 11	64,800	64,870	180	0	In compliance
Grade 12	64,800	64,870	180	0	In compliance
Santa Rosa Charter for the Arts					
Kindergarten	36,000	46,240	180	0	In compliance
Grade 1	50,400	52,940	180	0	In compliance
Grade 2	50,400	52,940	180	0	In compliance
Grade 3	50,400	52,940	180	0	In compliance
Grade 4	54,000	54,280	180	0	In compliance
Grade 5	54,000	54,280	180	0	In compliance
Grade 6	54,000	54,440	180	0	In compliance
Grade 7	54,000	54,440	180	0	In compliance
Grade 8	54,000	54,440	180	0	In compliance
Santa Rosa Accelerated Charter					
Grade 5	54,000	54,320	180	0	In compliance
Grade 6	54,000	54,320	180	0	In compliance
Cesar Chavez Language Academy					
Kindergarten	36,000	45,844	180	0	In compliance
Grade 1	50,400	54,554	180	0	In compliance
Grade 2	50,400	54,554	180	0	In compliance
Grade 3	50,400	54,554	180	0	In compliance
Grade 4	54,000	54,554	180	0	In compliance
Grade 5	54,000	54,554	180	0	In compliance
Grade 6	54,000	54,554	180	0	In compliance
Grade 7	54,000	55,902	180	0	In compliance
Grade 8	54,000	55,902	180	0	In compliance
Santa Rosa French-American Charter School					
Kindergarten	36,000	46,199	180	0	In compliance
Grade 1	50,400	54,364	180	0	In compliance
Grade 2	50,400	54,474	180	0	In compliance
Grade 3	50,400	54,474	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
JUNE 30, 2025

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	(Budget [1]) 2026	2025	2024	2023
General Fund				
Revenues and other financial sources	$ 229,503,737	$ 237,860,168	$ 243,802,608	$ 254,855,855
Expenditures	239,248,627	260,948,486	255,255,104	233,795,685
Other uses and transfers (out)	-	-	3,901,269	-
Total outgo	239,248,627	260,948,486	259,156,373	233,795,685
Change in fund balance	(9,744,890)	(23,088,318)	(15,353,765)	21,060,170
Ending fund balance	$ 6,214,558	$ 15,959,448	$ 39,047,766	$ 54,401,531
Available reserves [(2)]	$ (8,547,510)	$ (895,206)	$ 8,848,733	$ 14,013,972
Reserve for economic uncertainties	$ 625,951	$ 608,816	$ 7,013,822	$ 6,928,251
Unassigned fund balance	$ (9,173,461)	$ (1,504,022)	$ 1,834,911	$ 7,085,721
Available reserves as a percentage of total outgo	-3.6%	-0.3%	3.4%	6.0%
Total long-term liabilities	$ 668,430,745	$ 690,591,333	$ 590,456,896	$ 587,183,576
Average daily attendance at P-2	11,785	13,199	13,443	13,371

Average daily attendance decreases by 172 over the last three years. The district anticipates an decrease of 1,414 in ADA in fiscal year 2025-26.

The general fund balance has decreased by $38,442,083 in the last three years. For a District this size, the state recommen 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 increased by $103,407,757 over the past three years, due to issuance of new bonds.

[1] Budget numbers are based on the first adopted budget of the fiscal year 2025/26.

[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, 2025

Program Name	Assistance Listing	Pass Through Number	Major Program	Program Expenditures
U. S. DEPARTMENT OF EDUCATION:				
Indian Education (from Federal Government)	84.060	10011		$ 58,538
Passed through California Department of Education:				
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	Yes	2,632,499
ESEA (ESSA) School Improvement (CSI) Funding for LEAs	84.010	15438	Yes	814,397
Subottal CFDA 84.010				3,446,896
ESEA (ESSA): Title II, Part A, Improving Teacher Quality Local Grants	84.367	14341		749,836
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346		179,126
ESEA (ESSA) : Title III, Immigrant Student Program	84.365	15146		39,402
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		296,000
Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Voc. Ed.)	84.048	14894		217,838
Education Stabilization Fund (ESF)				
ASES Rate Increase: ESSER III State Reserve Summer Learning Program	84.425	15652		437,383
Passed through Sonoma County SELPA:				
Special Education Cluster				
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379		3,972,013
Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430		90,687
Special Ed: IDEA Mental Health Average Daily Attendance (ADA) Allocation	84.027A	15197		171,365
Special Education: IDEA Preschool Capacity Building, Part B, Sec 619	84.173	13839		31,138
Special Ed: IDEA Capacity Building, Part B, Sec 611	84.027A	13693		22,631
Total Special Education Cluster				4,287,834
TOTAL U. S. DEPARTMENT OF EDUCATION				**9,712,853**
U. S. DEPARTMENT OF AGRICULTURE:				
Passed through California Department of Education:				
Child Nutrition Cluster				
Child Nutrition: School Programs (NSL Sec 11)	10.555	13396	Yes	4,974,763
TOTAL U.S. DEPARTMENT OF AGRICULTURE				**4,974,763**
TOTAL EXPENDITURES				**$ 14,687,616**

Note: There were no federal grants passed through to subrecipients.

SANTA ROSA CITY SCHOOLS
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Charter School Fund	Building Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds
June 30, 2024 Annual Financial and Budget Report Fund Balances.	$ 14,004,247	$ 3,178,396	$ 197,438,692	$ 36,574,177	$ 28,493,701
Adjustments to reconcile audited financials:					
Special Res Fund for Other Than Capital Outlay:					
GASB 54 Adjustments	608,814	-	-	-	(608,814)
Student Activity Special Revenue Fund:					
GASB 54 Adjustments	1,346,387	-	-	-	(1,346,387)
June 30, 2024 Audited Financial Statements Fund Balances	$ 15,959,448	$ 3,178,396	$ 197,438,692	$ 36,574,177	$ 26,538,500

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.

C. 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.

D. 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.

E. 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.

F. 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.

OTHER INFORMATION

SANTA ROSA CITY SCHOOLS
ORGANIZATION (UNAUDITED)
JUNE 30, 2025

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 as of June 30, 2025. The District operates nine elementary schools, five middle schools, five comprehensive high schools, one continuation high school, one opportunity school, and several alternative education programs, and it also authorizes five charter schools within its boundaries. In total, the District serves nearly 16,000 students across 24 District-operated schools, in addition to charter schools authorized by the Board. Santa Rosa City Schools encompasses approximately 280 square miles, and there were no changes to District boundaries during the current fiscal year.

The Board of Education and District Administrators for the fiscal year ended June 30, 2025, included the following members:

Governing Board

Member	Office	Term Expires
Roxanne McNally	President	2026
Nick Caston	Vice-President	2028
Jeremy De La Torre	Clerk	2028
Omar Medina	Trustee	2026
Mark Kirby	Trustee	2028
Sarah Jenkins	Trustee	2028
Donna Prak	Trustee	2026

District Administrators

Name	Position
Lisa August	Interim Superintendent
Melanie Martin	Executive Assistant
Dr. Vicki Zands	Assistant Superintendent, Human Resources
Dr. Roderick Castro	Assistant Superintendent, Educational Services
Luz Cazares	Chief Business Official
Joel Dontos	Executive Director, Fiscal Services

OTHER INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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, business-type activities, fiduciary 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 5, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. 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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002.

District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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

January 5, 2026
Morgan Hill, California

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL 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

Opinion on Each Major Federal Program

We have audited Santa Rosa City Schools's (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, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal 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's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

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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's compliance based on our audit. Reasonable assurance is a high level of assurance, but it 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's 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's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Santa Rosa City Schools's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Santa Rosa City Schools's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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

January 5, 2026
Morgan Hill, California

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Chavan and Associates, llp
Certified Public Accountants

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

Board of Education
Santa Rosa City Schools
Santa Rosa, California

Report on State Compliance

Qualified Opinion on State Compliance

We have audited the Santa Rosa City Schools (the District)'s compliance with the types of compliance requirements described in the *2024-25 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, 2025.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the District complied, in all material respects, with the laws and regulations of the State Programs noted in the table below for the fiscal year ended June 30, 2025.

Basis for Qualified 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 *2024-25 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's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on State Compliance

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001 and 2025-002. These findings relate to the District's deficit unassigned fund balance in the General Fund and noncompliance with requirements regarding Classroom Teacher Salaries. Compliance with these areas is necessary, in our opinion, for the District to comply with the requirements applicable to this matter.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's state programs.

Auditor's Responsibilities for the Audit of 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's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *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's compliance with the requirements of applicable state programs as a whole.

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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and

- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2024-25 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Material	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
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	Yes
District of Choice	N/A
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	N/A
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	N/A
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study for Districts	N/A
Determination of Funding for Nonclassroom - Based Instruction	Yes
Annual Instructional Minutes - Classroom Based	Yes
Charter School Facility Grant Program	N/A

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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.

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, as discussed below, we have identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questions Costs as items 2025-001 and 2025-002 to be significant deficiencies.

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.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Accordingly, this report is not suitable for any other purpose.

C & A LLP

January 5, 2026
Morgan Hill, California

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FINDINGS AND RECOMMENDATIONS

SANTA ROSA CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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:

Assistance Listing	Name of Federal Program
84.010	Elementary and Secondary Education Act of 1965 (ESEA)
10.555	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000
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?	__x__ Yes ____ None Reported
Type of auditor's report issued on compliance over state programs:	**Modified**

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - State Award Findings and Questioned Costs

Finding 2025-001: State Compliance – Recommended Minimum Reserve (40000)

Criteria or Specific Requirements: The state of California Department of Education recommends school districts maintain a minimum reserve for economic uncertainties equal to the percentage established by the State Superintendent of Public Instruction. For a district the size of Santa Rosa City Schools, the required reserve level is 3% of total General Fund expenditures, transfers out, and other uses ("total outgo"). Districts should adopt and maintain a budget that meets or exceeds this minimum reserve level for the fiscal year.

Condition: For the fiscal year ended June 30, 2025, the District's unassigned fund balance in the General Fund was a deficit $1,504,022, which was a negative 0.3% of total outgo and does not meet the State's 3% minimum reserve recommendation.

Questioned Costs: None.

Effect: Falling below the state recommended minimum reserve level increases the risk of fiscal distress, reduces the District's ability to respond to unexpected financial events, and hinders the District's ability to operate school programs. The deficit unrestricted fund balance means the District had consumed all available unassigned fund balance and utilized restricted resources for other purposes and had essentially borrowed from the subsequent year's funds, demanding immediate corrective action to realign its financial structure and ensure long-term solvency.

Cause: The District did not meet the recommended minimum reserves and its unrestricted fund balance in the General Fund was a deficit of $1,504,022, mostly because of declining enrollment, unanticipated operating expenditures in excess of budget, and the loss of one-time unrestricted funding. Budget assumptions and midyear adjustments were insufficient to meet minimum reserves.

Recommendation: The District should closely monitor its financial activity, evaluate budget assumptions regularly, and implement expenditure reductions and/or revenue strategies to restore reserves to the 3% level. The District should also update its multi year projections to reflect accurate trends and proactively address future shortfalls.

Corrective Action Plan: The District agrees with the auditor's recommendation. To address the reserve shortfall, the District has prepared a round 1 Budget Solutions, which includes approximately $1.9 million in ongoing reductions approved by the Board in December 2026, and is preparing a round 2 of Budget Solutions of approximately $14 million in ongoing solutions planned for Board discussion in January 2026 and action in February 2026. The District has also identified approximately $19 million of one-time budget solutions to restore the reserves. All Board approved solutions will be incorporated into the Second Interim Report. With these actions, the District will restore the minimum 3% reserve for economic uncertainties and improve its overall fiscal position.

Finding 2025-002: Classroom Teacher Salaries (61000)

Criteria or Specific Requirements: California Education Code Section 41372 requires the District to spend a certain percentage of their education expense after accounting for reductions towards classroom teacher salaries. The minimum percentage requirement is 60% for elementary school districts, 55% for unified school districts, and 50% for high school districts. The District is required to spend at least 55% of its total expense on classroom teacher compensation after subtracting their overrides from yearly current expense.

Condition: The District was required to spend at least 55% of total expense after subtracting overrides on classroom teacher salaries. However, the District incurred only 52.28% of their expenditures towards classroom teacher compensation, resulting in a deficiency of $5,885,227.

Questioned Costs: The District did not meet the minimum requirement by $5,885,227.

Effect: The District was not in compliance with Education Code Section 41372.

Cause: The deficiency is primarily attributed to the District’s strategic expansion of wraparound student services funded by the Local Control and Accountability Plan (LCAP) and specialized grants. To meet the diverse needs of the student population, the District utilized these dedicated financial resources to provide extensive services outside of the classroom—including mental health counseling, nursing, social-emotional support, and targeted intervention programs. While these services are critical for student success and are mandated by grant requirements, the Current Expense Formula excludes these non-classroom support positions from the numerator while including their costs in the denominator. Consequently, the District’s proactive investment in "whole-child" supports and grant-funded student enhancements naturally diluted the percentage of total expenditures allocated strictly to classroom salaries.

Recommendation: We recommend that the District continue to monitor the balance between classroom teacher compensation and essential support services. The District should perform a detailed analysis of how grant-funded non-classroom positions impact compliance and consider these factors during the annual budget-setting process.

Corrective Action Plan: The District agrees with the auditor’s recommendation. The District maintains that the current spending levels reflect a commitment to utilizing LCAP and grant funds for their intended purpose: providing robust, non-classroom support services for students. Because these vital services are not currently recognized in the 41372 calculation, the District is in the process of seeking a formal waiver from the County Superintendent of Schools.

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - State Award Findings and Questioned Costs

None

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APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF SANTA ROSA AND SONOMA COUNTY

*The following information concerning the City of Santa Rosa (the "**City**") and Sonoma County (the "**County**") is included only for the purpose of supplying general information regarding the area of Santa Rosa City Schools. The Bonds are not a debt of the City, the County, the State of California (the "**State**") or any of its political subdivisions (other than the District), and neither the City, the County, the State nor any of its political subdivisions (other than the District) is liable therefor.*

General

The City. The City is located in the central portion of the County, covers an area of about 35 square miles. The City is centered at the crossroads of U.S. Highway 101 and State Route 12. Incorporated in 1868, the City became a charter city in 1872. The City operates under the council-manager form of government, with a City Council comprised of seven members elected to serve overlapping four-year terms. On November 6, 2018, the City transitioned from at-large to district-based elections. The City Council, which acts as the City's legislative and policy-making body, also selects the City Manager. As the City's chief administrator, the City Manager is responsible for implementing the policies established by the City Council.

The County. One of the State's original 27 counties (incorporated in 1850), the County is the northernmost of the nine greater San Francisco Bay Area counties. 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.

Geographically, the County is divided almost equally into mountainous regions, rolling hills and valley land. Three narrow valleys, separated by mountains, run northwest to southeast. Elevations range from sea level to 4,262 feet at Mt. Saint Helena, where Sonoma, Napa, and Lake counties converge.

Population

The historic population estimates of the towns and cities that are in the County, as of January 1 of the past five years are shown in the following table:

COUNTY OF SONOMA
Population
2022 through 2026

Area	**2022**	**2023**	**2024**	**2025**	**2026**
Cloverdale	8,863	8,790	8,767	8,729	8,719
Cotati	7,405	7,362	7,348	7,325	7,264
Healdsburg	11,107	11,047	11,126	11,156	11,205
Petaluma	58,550	58,389	58,903	59,395	59,160
Rohnert Park	43,709	43,744	44,107	44,318	44,191
Santa Rosa	**175,731**	**175,257**	**176,940**	**178,786**	**179,798**
Sebastopol	7,426	7,348	7,339	7,407	7,350
Sonoma	10,732	10,618	10,606	10,575	10,528
Windsor	25,818	25,568	25,556	25,650	25,498
Unincorporated	131,273	130,750	131,268	131,423	130,309
County Total	**480,614**	**478,873**	**481,960**	**484,764**	**484,022**

Source: State Department of Finance estimates (as of January 1).

Employment and Industry

The District is included in the Santa Rosa-Petaluma Metropolitan Statistical Area ("**MSA**"), which consists of the County. The unemployment rate in the County was 4.2% in June 2026, up from a revised 3.7% in May 2026, and below the year-ago estimate of 4.5%. This compares with an unadjusted unemployment rate of 5.2% for the State and 4.4% for the nation during the same period.

The table below provides information about employment by industry type for the MSA for calendar years 2021 through 2025.

SANTA ROSA-PETALUMA MSA
(SONOMA COUNTY)
Annual Average Civilian Labor Force,
Unemployment and Employment by Industry
(March 2025 Benchmark)

	2021	**2022**	**2023**	**2024**	**2025**
Civilian Labor Force (1)	241,500	245,000	246,900	247,300	248,700
Employment	228,000	237,100	238,100	237,200	237,700
Unemployment	13,500	7,900	8,900	10,200	11,000
Unemployment Rate	5.6%	3.2%	3.6%	4.1%	4.4%
Wage and Salary Employment: (2)					
Agriculture	5,900	6,100	6,300	6,100	5,700
Mining, Logging, Construction	16,300	16,600	16,600	16,500	16,300
Manufacturing	22,900	23,600	22,700	21,100	19,900
Wholesale Trade	7,500	7,300	6,700	6,400	6,000
Retail Trade	23,100	23,100	23,000	22,500	22,100
Transportation, Warehousing and Utilities	4,400	4,600	4,400	4,500	4,500
Information	2,500	2,600	2,500	2,600	2,500
Financial Activities	7,600	7,800	7,100	6,800	6,800
Professional and Business Services	23,700	24,500	24,400	24,200	24,600
Educational and Health Services	34,000	35,000	36,400	37,900	40,200
Leisure and Hospitality	21,100	25,100	25,700	25,600	25,600
Other Services	6,400	7,200	7,600	7,900	7,900
Federal Government	1,300	1,200	1,300	1,400	1,300
State Government	2,900	3,000	3,000	3,000	2,700
Local Government	21,100	22,100	22,900	23,800	23,800
Total all Industries (3)	**200,500**	**209,800**	**210,600**	**210,100**	**209,800**

(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) Columns may not sum to totals due to rounding.
Source: State of California Employment Development Department.

Major Employers

The following table lists the major employers within the County as of August 2026.

SONOMA COUNTY
Major Employers
(Listed Alphabetically)

Employer Name	Location	Industry
Aabalat Fine & Rare Wines	Penngrove	Wines-Retail
Amy's Kitchen Inc	Santa Rosa	Frozen Food Processors (mfrs)
Amy's Kitchen Inc	Petaluma	Frozen Food Processors (mfrs)
Army National Guard Recruiter	Santa Rosa	Government Offices-State
Clover Sonoma	Petaluma	Dry Condensed/Evprtd Dairy Prod (mfrs)
COAST Guard Training Ctr	Petaluma	Federal Government-National Security
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	Road Building Contractors
H2Hotel	Healdsburg	Hotels & Motels
La Torilla Factory	Santa Rosa	Factory Outlets
Macy's	Santa Rosa	Department Stores
Medtronic	Santa Rosa	Physicians & Surgeons Equip & Supls-Mfrs
Petaluma Valley Hospital	Petaluma	Hospitals
Protransport-1	Rohnert Park	Transportation Services
Providence Santa Rosa Meml Hsp	Santa Rosa	Hospitals
Redwood Empire Recycling	Santa Rosa	Recycling Centers (whls)
Santa Rosa Police Dept	Santa Rosa	Police Departments
Sonoma County of Water Agency	Santa Rosa	Water Companies-Bottled/Bulk & Etc
Sonoma County Office of Edu	Santa Rosa	County Government-Education Programs
Sutter Santa Rosa Regl Hosp	Santa Rosa	Hospitals
Walmart	Windsor	Department Stores
Walmart	Rohnert Park	Department Stores

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2026 2nd edition.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the estimated total effective buying income and estimated median household income for the City, the County, the State and the United States for the period 2022 through 2026.

CITY OF SANTA ROSA, SONOMA COUNTY, THE STATE OF CALIFORNIA AND THE UNITED STATES
Estimated Effective Buying Income
Calendar Years 2022 through 2026

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2022	City of Santa Rosa	$6,684,891	$79,132
	Sonoma County	21,216,228	83,997
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Santa Rosa	$6,856,337	$80,795
	Sonoma County	20,942,065	84,761
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Santa Rosa	$7,023,193	$83,276
	Sonoma County	21,955,860	88,920
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	City of Santa Rosa	$6,974,055	$81,427
	Sonoma County	21,732,264	87,095
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687
2026	City of Santa Rosa	$8,230,581	$91,463
	Sonoma County	24,595,379	95,658
	California	1,730,654,738	90,403
	United States	13,932,177,817	75,433

Source: Claritas, LLC.

Commercial Activity

Summaries of historic taxable sales within the City and the County during the past five years in which data is available are shown in the following tables.

Total taxable sales during calendar year 2025 in the City were reported to be $3,748,091,696, a 2.13% decrease from the total taxable sales of $3,829,613,152 reported during calendar year 2024.

CITY OF SANTA ROSA
Taxable Transactions
(Dollars in Thousands)
Calendar Years 2021 through 2025

	Retail Stores		**Total All Outlets**	
	Numbers of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2021	3,340	$3,089,986	6,126	$3,759,439
2022	3,317	3,270,633	6,102	4,009,354
2023	3,213	3,177,697	5,940	3,921,999
2024	3,146	3,076,077	5,945	3,829,613
2025	3,122	3,027,825	5,857	3,748,092

Source: State Department of Tax and Fee Administration.

Total taxable sales during calendar year 2025 in the County were reported to be $11,611,381,900, a 0.50% decrease from the total taxable sales of $11,669,998,176 reported during calendar year 2024.

COUNTY OF SONOMA
Taxable Transactions
(Dollars in Thousands)
Calendar Years 2021 through 2025

	Retail Stores		**Total All Outlets**	
	Numbers of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2021	10,288	$8,032,232	20,305	$11,395,414
2022	10,094	8,448,454	20,216	12,277,868
2023	9,754	8,212,171	19,685	11,906,680
2024	9,658	8,032,047	19,714	11,669,998
2025	9,675	7,963,088	19,606	11,611,382

Source: State Department of Tax and Fee Administration.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF JONES HALL]

[Closing Date]

Board of Education
City of Santa Rosa High School District
110 Stony Point Road
Santa Rosa, California 95401

OPINION: $__________ City of Santa Rosa High School District
General Obligation Bonds, 2022 Election, 2026 Series C

Members of the Board of Education:

We have acted as bond counsel to the City of Santa Rosa High School District (the "District") in connection with the issuance by the District of the above-captioned bonds (the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Education of the District (the "Board") on August 12, 2026 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly established and validly existing as a school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution.

2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District, enforceable against the District in accordance with its terms.

3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the Board of Supervisors of the County of Sonoma is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$______________
CITY OF SANTA ROSA HIGH SCHOOL DISTRICT
(Sonoma County, California)
General Obligation Bonds,
2022 Election, 2026 Series C

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "**Disclosure Certificate**") is executed and delivered by the City of Santa Rosa High School District (the "**District**") in connection with the execution and delivery of the above-captioned bonds (the "**Bonds**"). The Bonds are being executed and delivered pursuant to a resolution adopted by the Board of Education of the District on August 12, 2026 (the "**Resolution**"). The Bank of New York Mellon Trust Company, N.A., is initially acting as paying agent for the Bonds (the "**Paying Agent**").

The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

"*Annual Report Date*" means the date not later than nine months after the end of each fiscal year of the District.

"*Dissemination Agent*" means, initially, Isom Advisors, a Division of Urban Futures, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

"*Paying Agent*" means The Bank of New York Mellon Trust Company, N.A., or any successor thereto.

"*Participating Underwriter*" means Raymond James & Associates, Inc., the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. <u>Provision of Annual Reports</u>.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2027, with the report for the 2025-26 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 business days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) notice to the MSRB in a timely manner, in an electronic format, as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. <u>Content of Annual Reports</u>. 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 5. Reporting of Significant Events.

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

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District.

(13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Isom Advisors, a Division of Urban Futures, Inc. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

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

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

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

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

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _______, 2026

CITY OF SANTA ROSA HIGH SCHOOL DISTRICT

By: ______________________________
Name:____________________________
Title:_____________________________

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APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

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

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

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

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

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APPENDIX G

SONOMA COUNTY INVESTMENT POLICY AND INVESTMENT REPORT

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COUNTY OF SONOMA

STATEMENT OF INVESTMENT POLICY

Effective 01-01-2026

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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 as per Gov Code Sections 27000.3 and 53600.3. These sections declare that each Treasurer or Governing body authorized to make investment decisions on behalf of local agencies, to be a fiduciary subject to the prudent investor standard.

The standard requires that "when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the County Treasurer or the Board of Supervisors, as applicable, shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the County and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the county and the other depositors. With the limitations of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law." This standard shall be applied in the context of managing the overall portfolio.

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.

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] **RATE OF RETURN** - As the third objective, the Pooled Investment Fund should be designed to attain a reasonable rate of return through budgetary and economic cycles, consistent within the context and principals [a] and [b] of this Section, Safety and Liquidity, and within appropriate risk limitations, diversification, 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 consideration 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. CASH FLOW ANALYSIS

In order to comply with the requirement to certify that the Pooled Investment Fund can meet expected cash disbursements for the ensuing six months in each Quarterly Report, the County Treasurer shall require Investment staff to prepare and maintain projections of estimated cash flows. Investment staff will use these projections as part of the analysis to determine the construction of the Pooled Investment Fund.

5. 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. The County Board of Supervisors shall approve this Policy and any changes to it. The County Treasurer shall provide this policy 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; diversification 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.

6. 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 Government Code

Section 53684, et seq. The agency must approve in writing the Pooled Investment Fund as an authorized investment and be provided with this Investment Policy.

7. 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 designated as the Chief Deputy Investment Officer. The Treasury Manager and the Investment and Debt Officer are also authorized to initiate investment transactions.

8. 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 may also be further limited by this Investment Policy. 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 stipulated in Government Code Section 53601, the maturity shall be measured as the time from the settlement date to final maturity, provided that the settlement date does not exceed 45 days from the trade or transaction date. As the California Government Code is amended, this Policy shall likewise become amended.

9. DIVERSIFICATION

The Pooled Investment Fund shall hold a diversified portfolio of securities. Diversification shall be across various investment categories, including but not limited to: security sector (type), issuer, maturity and credit rating. The purpose of diversification is to reduce portfolio risk arising from overconcentration in any category of investment. Given that the United States Treasury and Agency issuers are the largest issuers and holdings of the Investment Pool, diversification across these issuers should be considered to the extent possible within the context of the other degrees of diversification. The main Investment Pool Objectives of Safety and Liquidity will be considered superior to diversification of assets.

10. PROHIBITED INVESTMENTS

(1) No investments shall be made that are prohibited by law.

(2) No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. As per Government Code Section 53601.6 this 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 California Government Code 53601.1.

(3) Notwithstanding the prohibition in paragraph (2), 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, 2031, 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).

11. CREDIT RATINGS & DOWNGRADES

Minimum Credit Ratings for various investment types are listed in the table in Appendix 1. For clarity, when a minimum credit is listed, it includes all modifiers to the credit rating. For example, if a rating category is listed as "A", then any tier of that "A" rating, such as "A+", "A-", "A1", "A2", or "A3" would meet the criterion. The controlling credit rating is the highest credit rating issued by a National Recognized Statistic Rating Organization (NRSRO) at time of purchase (trade date) of the asset.

In the event of a downgrade of the credit-rating of a security held by the Investment Pool to a rating below the minimum criteria for purchase, Treasury staff will report the downgrade to the Auditor-Controller-Treasurer-Tax Collector promptly. Sale of the security is not mandatory, but an evaluation of the current situation of the issuer in the context of the market price, time to maturity and impact on the Pool will be considered in deciding whether to sell or hold the security. Any such security will be periodically re-evaluated, and as needed, as conditions change, until the security either matures or is sold.

12. TRADING OR EARLY SALE OF SECURITIES

It is expected that all securities purchased will be held to maturity. However, in an effort to minimize market or credit risks or to increase the total return of the portfolio, securities may be sold prior to maturity, with any gain or loss on sale being distributed to participants in the calendar quarter of the settlement of the transaction. All sales that will generate a realized loss will be discussed with the Auditor-Controller-Treasurer-Tax Collector prior to execution.

13. MAXIMUM MATURITY

The maximum maturities of permissible investments are described in Appendix A of this Investment Policy. In accordance with Government Code Section 53601, any maximum maturity limit in excess of five years needs to be approved by the County Board of Supervisors. The Sonoma County Board of Supervisors has approved investments in notes backed the Sonoma County Energy Independence Program (SCEIP) with maturities up to 20 years (Resolution 11-0137). SCEIP notes having maturities up to 20 years may be purchased for the County's Pooled Investment Fund and/or Sonoma County Water Agency.

14. 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.

15. REPURCHASE AND REVERSE REPURCHASE AGREEMENTS / SECURITIES LENDING AGREEMENTS

Under California Government Code Section 53601(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."

16. 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.

17. 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. Furthermore, the Treasurer is allowed to invest in an Investment Pool sponsored by a Joint Powers Agree as a participant, provided that the Investment Policy of such Investment Pool is consistent with or more restrictive than this Sonoma County Statement of Investment Policy, and complies with California Government Code.

18. 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%.

19. 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 (1) government security dealers reporting as Primary Dealers to the Market Reports Division of the Federal Reserve Bank of New York, (2) financial institutions that directly issue their own securities which have been placed on the Approved List of Broker/Dealers and (3) 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 shall have an investment grade rating from at least one national rating service, if applicable.

In compliance with Government Code Sections 27133(c) and (d), 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 shall 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 updated financial statements.

20. 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 Book 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, and any potential adverse effect on the interests of the other depositors in the Pooled Investment Fund. In no event will withdrawal requests be redeemed at greater than Book Value.

[b] **VOLUNTARY PARTICIPANTS -** For outside participants who utilize Government Code Section 53684, where the County Treasurer does not serve as the agency's treasurer, withdrawal requests for regular cash flow purposes, which are predictable redemptions that have been communicated to the Treasurer, will be paid at Book Value. For all other withdrawal requests, the participant shall submit the request for withdrawal to the County Treasurer. These requests are subject to the County Treasurer's consideration of the stability and predictability of the Pooled Investment Fund, and any potential adverse effect on the interests of other depositors in the Pooled Investment Fund. In no event will withdrawal requests be redeemed at greater than Book Value. If the Treasurer deems appropriate, the deposits may be returned at any time.

21. 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.

22. APPORTIONMENT OF INTEREST & COSTS

Earnings, consisting of interest, amortization, accretion, gains, losses or other income attributed to the Investment Pool 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 earnings apportioned shall be determined using the accrual method of accounting, whereby earnings will be apportioned for the quarter in which it was actually earned. The Treasurer shall deduct from the gross earnings those administrative costs relating to the investing, depositing, and handling of funds, 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.

23 TREASURY OVERSIGHT COMMITTEE

In accordance with Government Code Section 27131, the Board of Supervisors has established a Treasury Oversight Committee. The Treasury Oversight Committee will render unbiased and objective opinons on matters involving the Treasurer's investment of public funds. Specifically, the law requires that the Treasury Oversight Committee meet to: (1) Review the Investment Policy Statement and proposed changes prior to submission to the Board of Supervisors for adoption; (2) Review the Treasurer's investment portfolio reports and the compliance of the portfolio with law and this Investment Policy; and (3) cause an annual audit to be conducted of the Treasury in accordance with Government Code Section 27134.

All meetings of the Treasury Oversight Committee are to be open to the public and subject to the Ralph M. Brown Act.

By law, the Treasury Oversight Committee is not allowed to direct individual investment decisions, nor select individual investment advisors, brokers or dealers, or impinge on the day-to-day operations of the County Treasury.

24. REVIEW, MONITORING AND REPORTING OF THE PORTFOLIO

Quarterly, the County Treasurer will provide the Board of Supervisors 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 credit rating. 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. The Quarterly Report is provided to the Treasury Oversight Committee at regularly scheduled meetings and is also made available on the County's Treasury Division webpage for any local agency participant or any member of the public.

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.

25. 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 Treasury 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.

26. 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.

27. EXCEPTION TO POLICY

The County Treasurer, except as prohibited by state law, can make exceptions to the investment purchasing limits when deemed to be 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.

28. 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.

29. 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 Auditor-Controller-Treasurer-Tax Collector (Chief Deputy Investment Officer), 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.

Appendix A: Investment Criteria Table

Investment Type	Maximum Maturity*	Maximum % of Pool	Minimum Rating	Code Section
U.S Treasury Securities	5 years	100	--	§53601(b)
U.S Agency Securities	5 years	100	--	§53601(f)
Obligations Issued or Unconditionally Guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank	5 years	30	AA	§53601(q)
Bonds and Notes issued by the State of California	5 years	100	--	§53601(c)
Bonds and Notes issued by Sonoma County or Sonoma County agencies, departments, boards, authorities or districts	5 years	100	--	§53601(a)
Bonds and Notes issued by California agencies, departments, boards, authorities or districts outside of Sonoma County	5 years	100	--	§53601(e)
Bonds and Notes issued by any other State of the United States, including those issued by said State's agencies, departments, boards or authorities	5 years	100	--	§53601(d)
Commercial Paper (See Section 14)	397 days	40	A-1/F-1 /P-1	§53601(h) §53635(a)
Negotiable Certificates of Deposit	5 years	30	--	§53601(i)
Repurchase Agreements (See Section 15)	1 year	100	--	§53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements (See Section 15)	92 days	20	--	§53601(j)
Medium Term Corporate Notes	5 years	30	A	§53601(k)
Mutual Funds & Money Market Mutual Funds (See Section 16)	--	20	Aaa & AAAm	§53601(l)
Mortgage Pass-Through Securities, Collateralized Mortgage Obligations, and Asset Backed Securities	5 years	20	AA	§53601(o)
Joint Powers Agreement (See Section 17)	--	100	--	§6509.7 §53601(p)
Local Agency Investment Fund (LAIF)	--	As limited by LAIF	--	§16429.1
Collateralized Time Deposits	5 years	N/A	--	§53649 et seq.

*The Maximum Maturity for all investments is 5 years unless further restricted by this table, or explicitly allowed to exceed 5 years.

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.

AGENCY ISSUES
Securities Issued by federal agencies, those chartered by the federal government or government sponsored enterprises, that are considered to be backed by the federal government.

ASSET BACKED SECURITIES
A financial security backed by a loan, lease or receivables against asset other than real estate or mortgaged backed securities.

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. Sonoma County uses accrual cost-basis to determine book value.

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.

CERTIFICATE OF DEPOSIT
An instrument representing a receipt from a bank for a deposit at a specified rate of interest for specified period of time.

COLLATERALIZATION
Process by which a borrower pledges securities, property or other deposits for the purpose securing the repayment of a loan and/or security.

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.

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.

CUSIPS
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.

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, SOFR, etc.).

GOVERNMENT OBLIGATIONS
Securities issued by the U.S. Treasury and Federal Agencies. U.S. Treasuries are direct obligations of the Federal Government. Agencies are not direct obligations, but involve Federal sponsorship or guarantees.

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.

LOCAL AGENCY OBLIGATION
An indebtedness issued by a local agency, department, board or authority within the State of California.

MARKET VALUE
The price at which a security is trading and could presumably be purchased or sold. Sonoma County expresses the Market Value of the Pooled Investment Fund as a percentage of the Book Value (where 100% would indicate that the Book and Market Values are equal).

MATURITY
The date upon which the principal of a security becomes due and payable to the holder.

MEDIUM TERM NOTE
Notes and bonds that are debt obligations of corporations. This is a California Code designation that is not equivalent to financial market usage.

MONEY MARKET MUTUAL FUND
A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

NATIONAL RECOGNIZED STATISTICAL RATING ORGANIZATION
A category of credit rating agencies, called nationally recognized statistical rating organizations (NRSROs) was created by the Securities and Exchange Commission (SEC) in the mid-1970s when it was decided to use their credit ratings to assess the riskiness of securities for regulatory purposes. The SEC maintains a list of NRSROs at the following website:

https://www.sec.gov/about/divisions-offices/office-credit-ratings/current-nrsros

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.

REPURCHASE AGREEMENT 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 Repo is that which the dealer pays the investor for the use of his funds. Reverse repurchase agreements are the mirror image of the Repos when the bank or dealer purchases securities from the investor under an agreement to sell them back to the investor.

Sonoma County Energy Independence Program (SCEIP)
SCEIP offers financing to Sonoma County property owners, through the issuance of bonds, for property assessed clean energy (PACE), waster conservation, wildfire safety, and seismic improvements. SCEIP bonds are backed by property assessment liens and the Sonoma County Investment Pool and Sonoma County Water Agency are authorized by the Board of Supervisors to purchase SCEIP bonds, which have maturities of up to 20 years.

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.

VOLUNTARY PARTICIPANT
Local agencies that are not required to deposit their funds with the County Treasurer.

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 June 30, 2026

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 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 anticipated expenditure requirements for the next six months.

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Erick Roeser
Treasurer
County of Sonoma

Section 1: Sonoma County Pooled Investment Fund Summary Statistics

Investment Pool as of:	Jun 30, 2026	Mar 31, 2026
Book Value	$3,566,909,526	$3,507,202,429
Market Value	$3,549,757,499	$3,502,702,209
Market Value/Book Value	99.52%	99.87%
Weighted Avg Maturity	841 Days	807 Days
Quarterly Return (gross)	4.219%	4.214%
Apportionment Rate (net)	4.115%	4.087%
Earnings Apportioned	$38,006,010	$36,332,244
Average Daily Book Value	$3,693,867,783	$3,555,615,630
Other Funds		
Tobacco Endowment	$4,956,455	$5,190,727
Water Agency - Book	$34,683,462	$33,989,042
Water Agency - Market	$34,683,462	$33,989,042
Water Agency - Mkt/Book	100.00%	100.00%
Water Agency - WAM	2312 Days	2273 Days
Total All Funds - Book	$3,606,549,443	$3,546,382,199

Figure 1: Key Metrics

The Sonoma County Investment Pool returned 4.219% (annualized) before expenses, which is a increase of 0.5 bps from the prior quarter. The Pool increased by approximately $60 million, as measured by book value, primarily due the receipt of Property Taxes. The ratio of the market value to book value declined below to 99.5%, continuing to reflect the increase in yields as a result of higher oil prices caused by the conflict in the Middle East. The weighted average maturity of investments increased by 34 days reflecting a change in the Pool's composition as Pool inflows were invested in longer maturity securities to take advantage of increased yields. The amount of earnings apportioned to participants increased by $1.7 million to approximately $38.0 million, which primarily reflects the Pool's larger average asset base during the quarter, as the impact of higher market yields during the quarter has yet to be felt.

Other funds overseen by the Sonoma County Treasurer's Office increased by approximately $0.5 million, as measured by book value, primarily as a result of retained earnings.

Market prices are from US Bank, the custodian for the assets held in the Sonoma County Investment Pool.

Section 2: Certification of Pool's Ability to Meet Expenditures over the Next Six Months

It is projected that approximately $2.4 billion of expenditures will be funded over the next six months. The Sonoma County Investment Pool has $710 million of securities maturing over the next six months. These, along with projected receipts from all sources of approximately $1.83 billion, and an initial cash balance of approximately $96 million, are projected to be sufficient to meet anticipated expenditures. The month-by-month expected Expenditures, Receipts, and Maturities along with the projected running free cash balance are shown in Figure 2, while the maturity profile, and cumulative maturities are shown below in Figure 3:

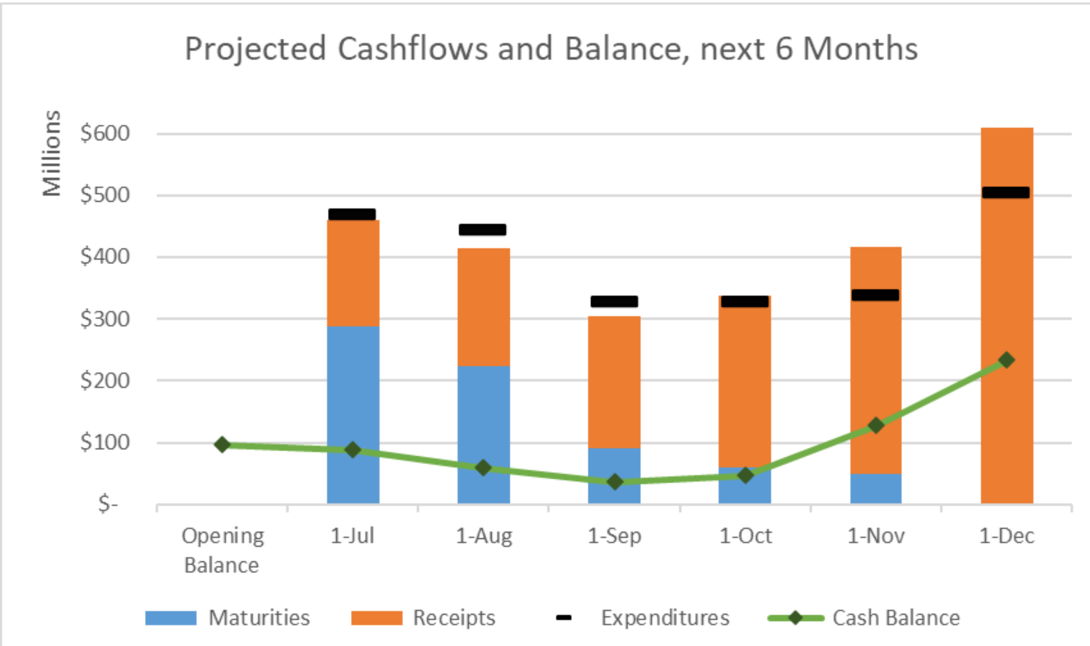


Figure 2: Projected Cashflows and Cash Balances.

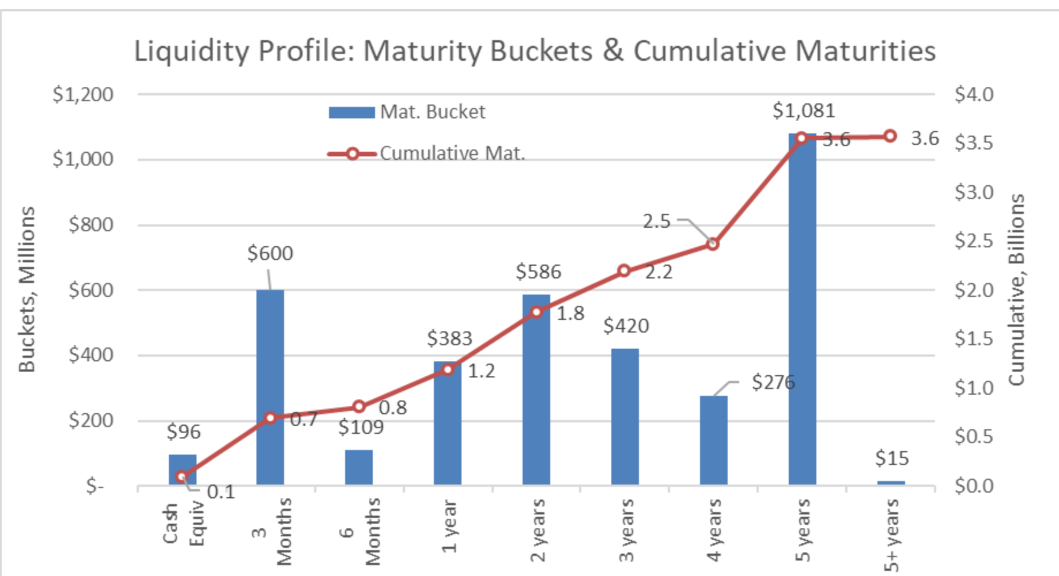


Figure 3: Liquidity & Maturity Profile

Section 3: Investment Pool Characteristics

The current quarter-end characteristics of the Pool are shown in Figure 4. This information is also shown graphically in Section 6, Figure 8.

Investment Type	Book Value	Market Value	% Pool	Limit	WAM	Yield
US Treasury Securities	$379,382,407	$377,631,588	10.6%	--	2.34	4.00%
US Agency Bonds	$1,328,659,555	$1,315,441,761	37.2%	--	3.73	4.07%
Supranational Bonds	$233,351,764	$231,946,294	6.5%	30%	1.15	3.81%
Corporate Bonds	$984,043,889	$983,486,575	27.6%	30%	1.70	4.66%
Certificates of Deposit	$378,200,000	$378,108,525	10.6%	30%	0.21	4.22%
Commercial Paper	$37,981,730	$37,948,096	1.1%	40%	0.28	3.78%
Municipal Bonds	$110,974,569	$110,879,047	3.1%	--	0.79	3.65%
LAIF	$15,000,012	$15,000,012	0.4%	*	0.74	3.83%
JPA Funds	$44,231,168	$44,231,168	1.2%	20%	0.00	3.77%
Money Market Funds	$503	$503	0.0%	20%	0.00	3.52%
CASH	$37,032,634	$37,032,634	1.0%	--	0.00	0.00%
SCEIP Notes	$18,051,296	$18,051,296	0.5%	--	12.89	3.08%
Pool Totals (Wtd Avg)	**$3,566,909,526**	**$3,549,757,499**			**2.30**	**4.15%**

*Limits are as established by LAIF; currently $75 million.

Figure 4: Book & Market Value, Weighted Average Maturity (WAM) in years and Yield.

The concentrations of the 20 largest issuers in the Pool are shown in Figure 5. Approximately 76% of portfolio holdings are held by the 20 largest issuers. US Treasuries and securities issued by US Agencies comprise approximately 48% of the Pool's investments.

Top 10 Issuers	%	Issuers 11-20	%
U.S. TREASURY	10.6%	EQUITABLE FINANCIAL LIFE	2.4%
FEDERAL NATIONAL MTG ASSN	9.3%	INTL BANK RECON & DEV	2.3%
FEDERAL HOME LOAN BANK	8.4%	FEDERAL AG MTG ACCEPT CORP	2.2%
FEDERAL FARM CREDIT BANK	8.1%	GUARDIAN LIFE	2.1%
FEDERAL HOME LOAN MTG CORP	7.8%	NEW YORK LIFE	2.0%
NATIXIS BANK NY	2.8%	STANDARD CHARTERED BANK NY	2.0%
BANCO SANTANDER NY	2.7%	PRINCIPAL LIFE	1.8%
CREDIT AGRICOLE NY	2.6%	INTL FINANCE CORP	1.7%
INTER AMERICAN DEV BANK	2.5%	BMW CAPITAL USA	1.1%
METLIFE INC	2.5%	COREBRIDGE FUNDING	1.1%

Figure 5: Largest Holdings by Issuer

Section 4: Impact Investments

To the extent possible, within the State's Government Code Section 53601, the Pool will invest in assets that fund activities that improve the Environment, advance Social and Educational goals, and support our local community, provided that such investments are compliant with State Statute and the adopted Investment Policy, as well as meet the three primary goals of the Pool: 1. Safety of Principal, 2. Provide Liquidity to our Participants, and 3. Achieve a reasonable return consistent with a prudent application of these criteria.

Currently, the Pool will consider investments in 1. Climate-friendly bonds (aka Green or Sustainable bonds), 2. Bonds that have a stated use that seeks to advance social goals, 3. Bonds that support education, 4. Bonds that are issued by Development Banks, and 5. Bonds issued by local, Sonoma County issuers. Currently, approximately 10% of the Pool meets these criteria. The full breakdown is presented in Figure 6:

ESG Holdings	Amount	Percent
Designated Green Bonds	$44,408,755	1.3%
Designated Social Bonds	$221,069,889	6.3%
Development Bonds	$68,397,821	1.9%
Education Bonds	$23,671,667	0.7%
TOTAL	**$357,548,132**	**10.2%**
Locally Focused Bonds	(included above)	
Total	$23,455,069	0.7%
Local Green	$19,152,235	0.5%
Local Schools	$4,302,834	0.1%

Figure 6: Classification of Impact Investments

Additionally, the Pool does not invest in Fossil Fuel Producers.

Third party measurement of the Environmental, Social & Governance scores of our corporate holdings by MSCI, CSR Hub, and S&P/Robeco show the following averages for our holdings:

MSCI ranking	**A**
CSR average	**91/100**
S&P Robeco	**80/100**

Section 5: Pool Participants

Pool participants are grouped below by type of entity, with the largest group of Pool Participants being Other Government Funds (36.7%) followed by School Districts (37.3%). The County's General Fund reflects approximately 10.1% of the Pool:

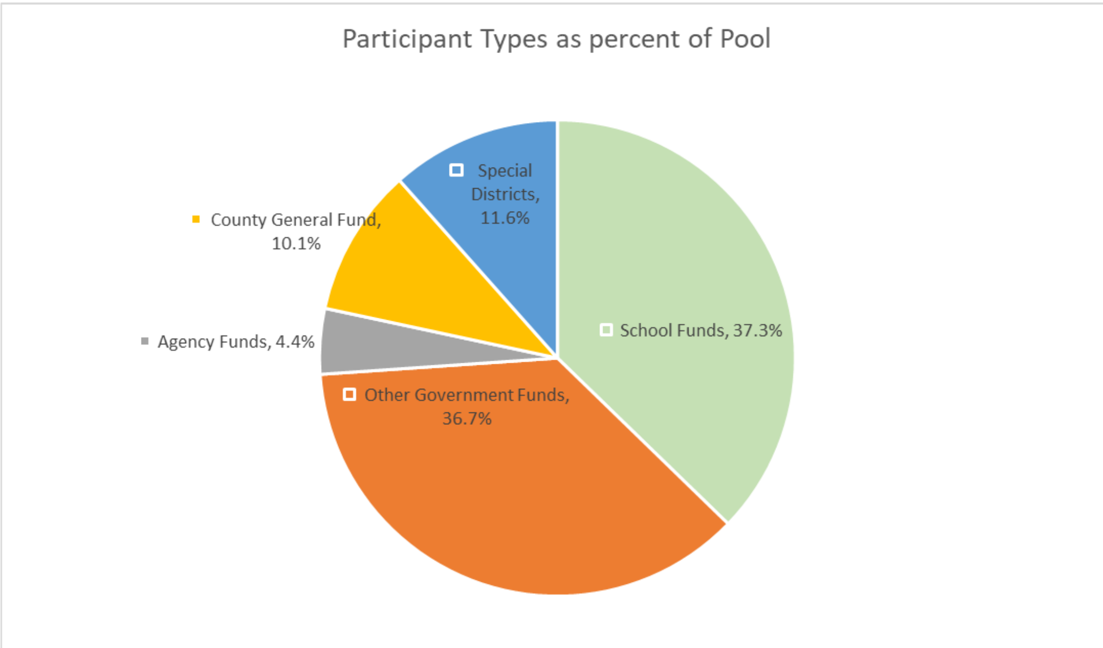


Figure 7: Breakdown of Pool participants by type of entity

Sonoma County Quarterly Report & Certification of Investments

Sonoma County Quarterly Report & Certification of Investments

Section 6: Detailed Charts

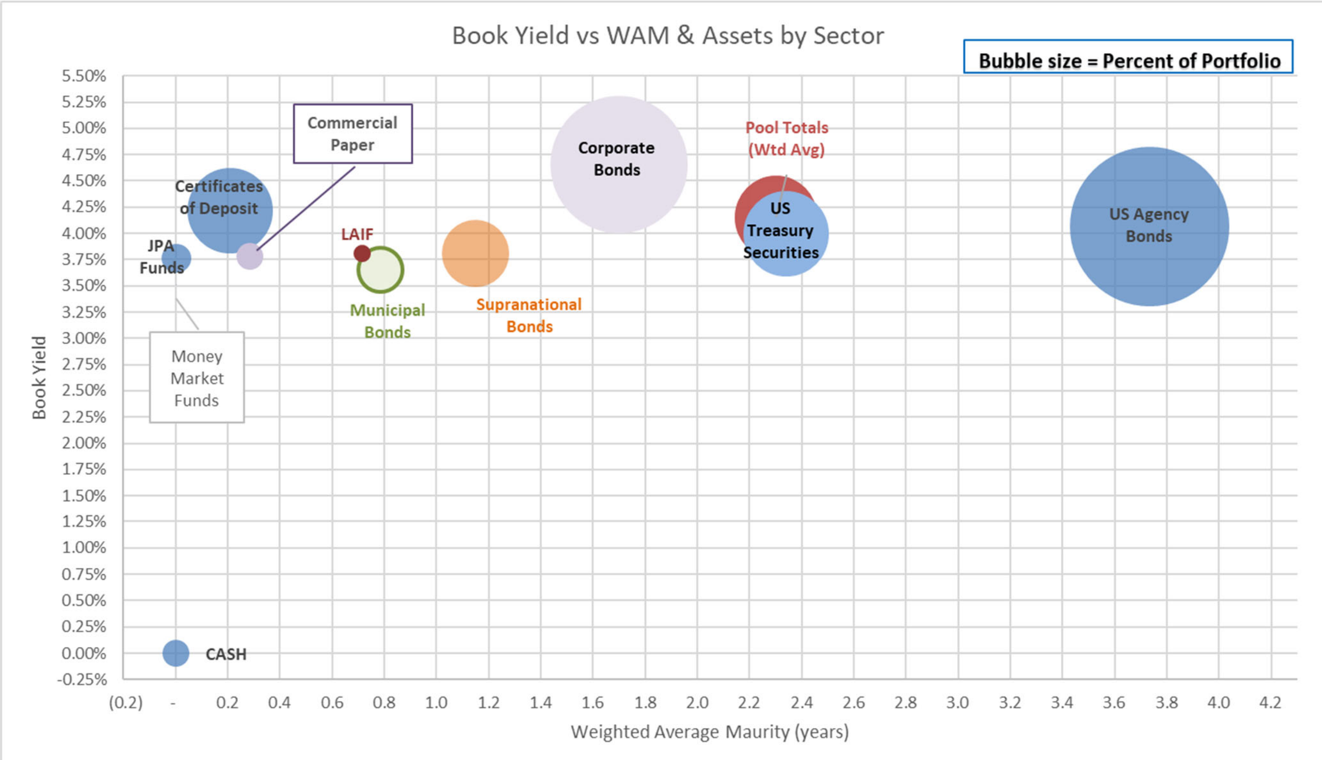
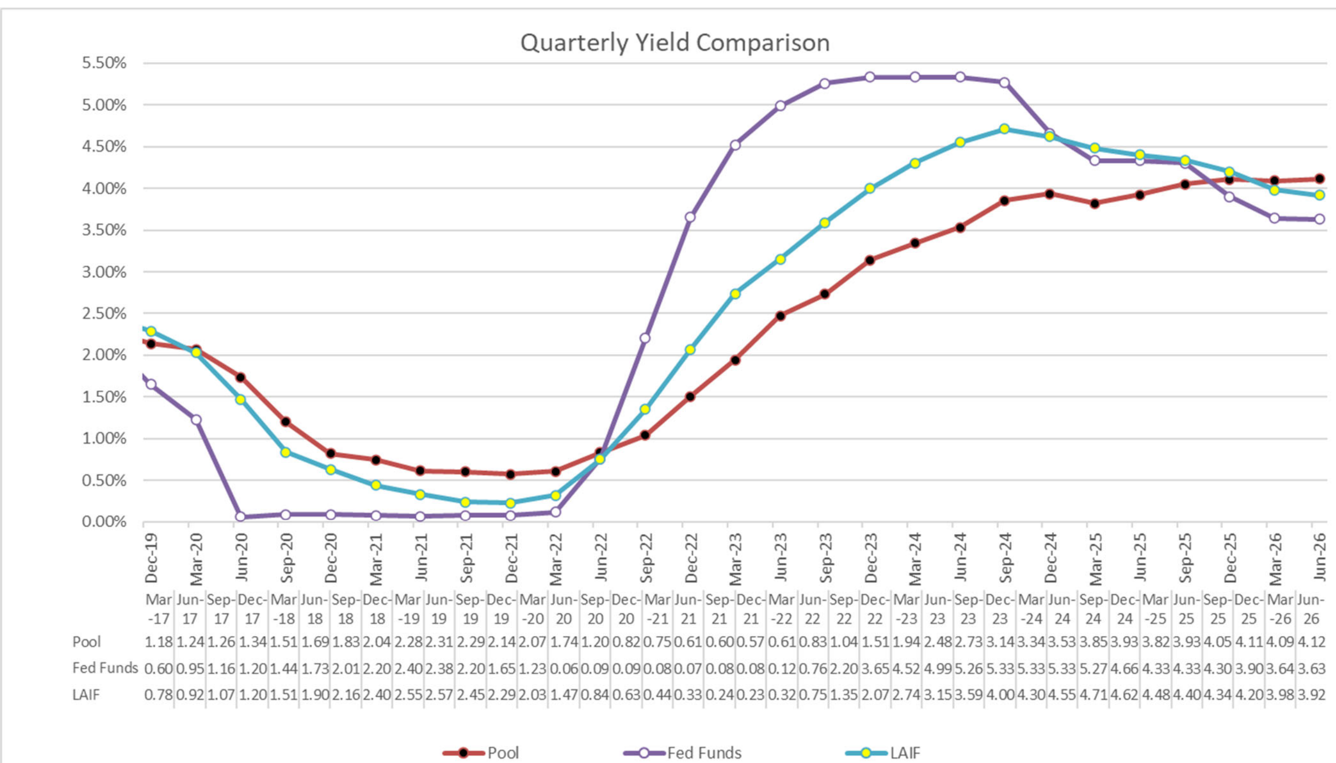


Figure 8: Book yield vs Weighted Average Maturity by Sector (except SCEIP: 12.9yrs, 3.08%)



	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
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
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
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

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
Pool	0.57	0.61	0.83	1.04	1.51	1.94	2.48	2.73	3.14	3.34	3.53	3.85	3.93	3.82	3.93	4.05	4.11	4.09	4.12
Fed Funds	0.08	0.12	0.76	2.20	3.65	4.52	4.99	5.26	5.33	5.33	5.33	5.27	4.66	4.33	4.33	4.30	3.90	3.64	3.63
LAIF	0.23	0.32	0.75	1.35	2.07	2.74	3.15	3.59	4.00	4.30	4.55	4.71	4.62	4.48	4.40	4.34	4.20	3.98	3.92

Figure 9: Historical yield

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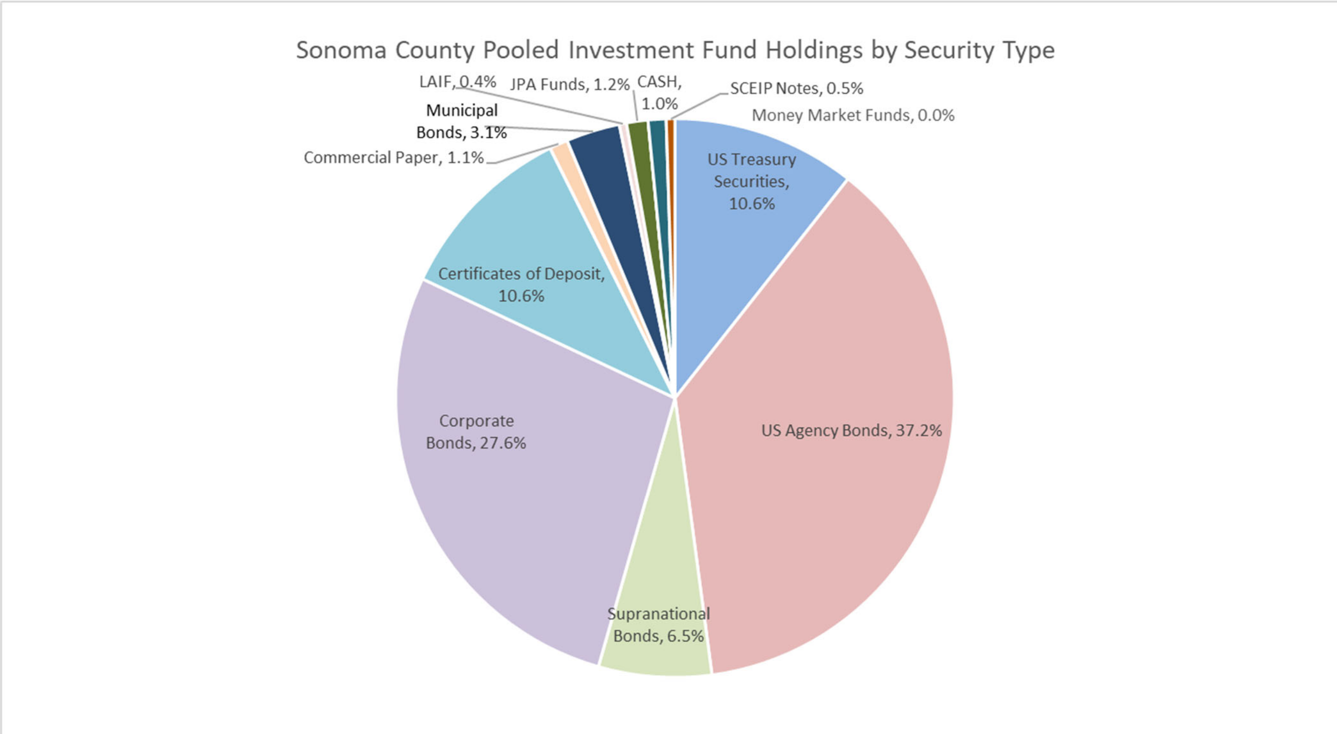

Figure 10: Holdings by Investment Sector

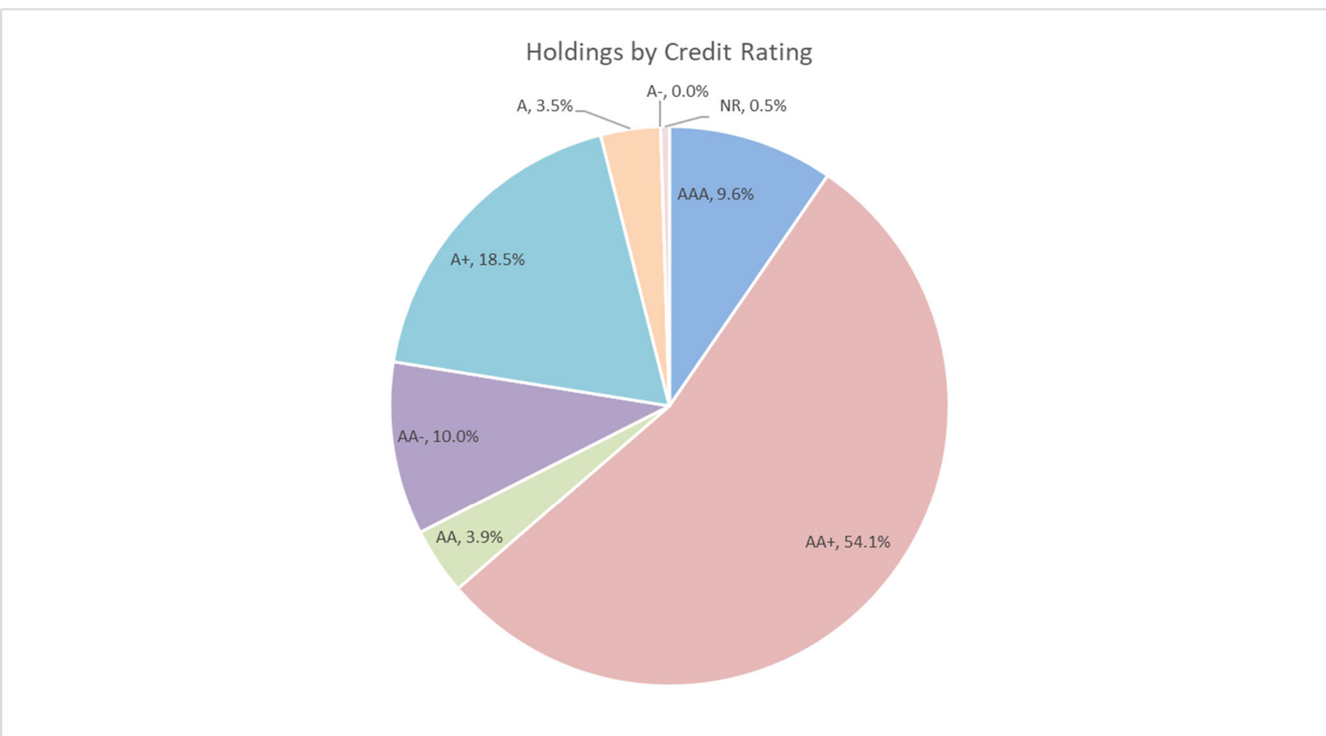

Figure 11: Holdings by Credit Rating

Section 7: Interest Rate Changes

US Treasury interest rates rose during the quarter as the Fed held the target federal funds range at 3.50%-3.75% during the quarter. The conflict with Iran cooled to a cease-fire, although sporadic hostilities continues, and shipping traffic from the Persian Gulf continued to be mostly blocked by Iran. Commodity prices have come off their highs, but US Treasury interest rates continue to be elevated. Rates rose as the market has started to price in hikes by the Fed. Rates were roughly 30 basis points higher from the 6-month point out the curve. Figure 12 compares where interest rates ended the current quarter with the previous quarter and one-year earlier.

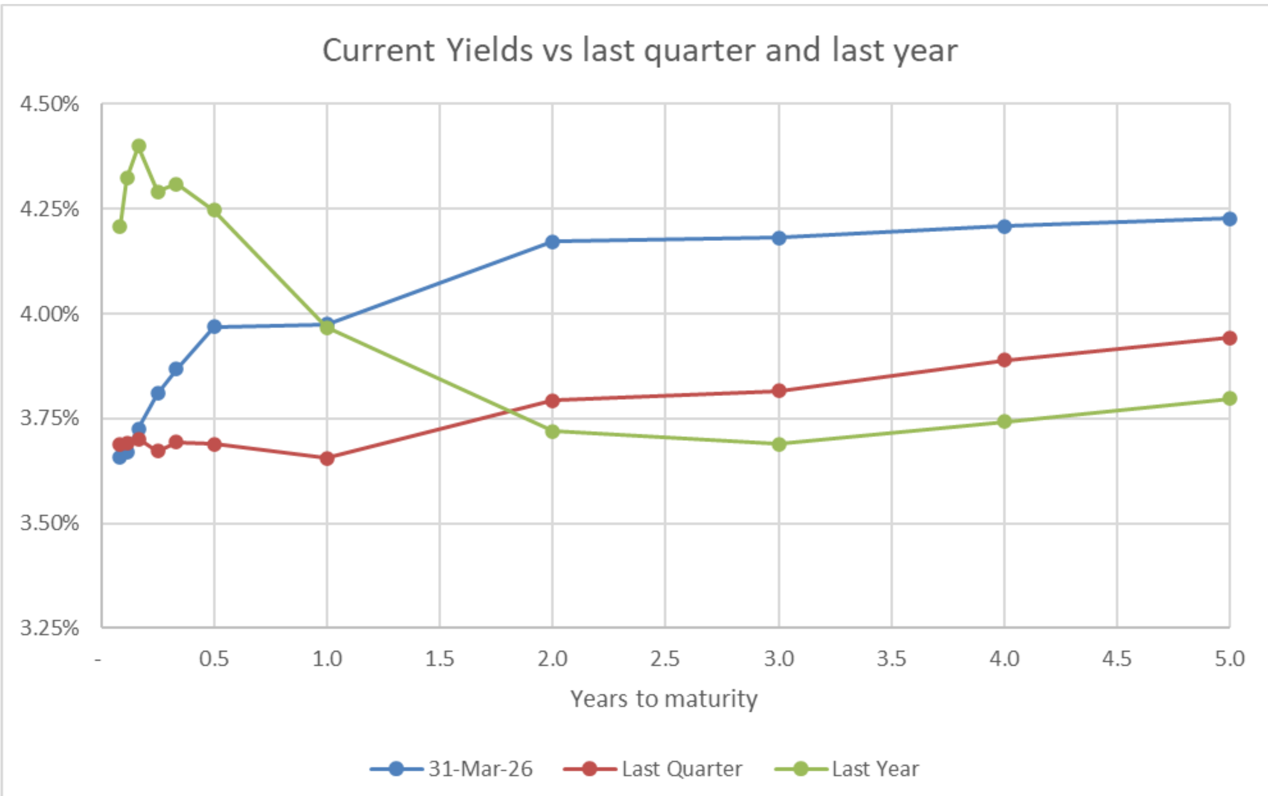

Figure 12: Interest rate history

Section 8: Compliance with State Statutes and Sonoma County Investment Policy
Figure 13 below shows that the Investment Pool complies with the Sonoma County Investment Policy and State Statute. Additionally, the following statements apply:

Prohibited Investments: There are no investments in (1) securities that have a zero or negative yield to maturity or (2) inverse floaters, range notes or mortgage-backed interest only strips

Reverse Repurchase Agreements: The pool has no reverse repurchase agreements.

Investment Type	Max. Maturity	Max. % of Pool	Min. Rating	Code Section	Comp.
U.S Treasury Securities	5 years	100	--	§53601(b)	Yes
U.S Agency Securities	5 years	100	--	§53601(f)	Yes
Obligations Issued or Unconditionally Guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank	5 years	30	AA	§53601(q)	Yes
Bonds and Notes issued by the State of California	5 years	100	--	§53601(c)	Yes
Bonds and Notes issued by Sonoma County or Sonoma County agencies, departments, boards, authorities or districts	5 years	100	--	§53601(a)	Yes
Bonds and Notes issued by California agencies, departments, boards, authorities or districts outside of Sonoma County	5 years	100	--	§53601(e)	Yes
Bonds and Notes issued by any other State of the United States, including those issued by said State's agencies, departments, boards or authorities	5 years	100	--	§53601(d)	Yes
Commercial Paper (See Section 14)	270 days	40	A-1/F-1/P-1	§53601(h) §53635(a)	Yes
Negotiable Certificates of Deposit	5 years	30	--	§53601(i)	Yes
Repurchase Agreements (See Section 15)	1 year	100	--	§53601(j)	Yes
Reverse Repurchase Agreements and Securities Lending Agreements (See Section 15)	92 days	20	--	§53601(j)	Yes
Medium Term Corporate Notes	5 years	30	A	§53601(k)	Yes
Mutual Funds & Money Market Mutual Funds (See Section 16)	--	20	Aaa & AAAm	§53601(l)	Yes
Mortgage Pass-Through Securities, Collateralized Mortgage Obligations, and Asset Backed Securities	5 years	20	AA	§53601(o)	Yes
Joint Powers Agreement (See Section 17)	--	20	--	§6509.7 §53601(p)	Yes
Local Agency Investment Fund (LAIF)	--	As limited by LAIF	--	§16429.1	Yes
Collateralized Time Deposits	5 years	N/A	--	§53649 et seq.	Yes

Appendix A:
A detailed listing of all investments in the Pooled Investment Fund.

Description	Coupon Rate	Maturity Date (WAM)	Purchase Date (% Pool)	Book Yield	Current Par / Shares	Current Book / Shares	Market Value	S&P Rating	Moody's Rating
TOTAL				4.15%	3,631,508,613	$ 3,566,909,526	$ 3,549,757,499		
CASH IN BANK					39,814,354	$ 39,814,354	$ 39,814,354	AAA	Aaa
BANK ITEMS IN TRANSIT					(2,846,231)	$ (2,846,231)	$ (2,846,231)	AAA	Aaa
CASH IN VAULT					64,511	$ 64,511	$ 64,511	AAA	Aaa
Sub Total Cash Items		1	1.04%	0.00%	37,032,634	$ 37,032,634	$ 37,032,634		
LOCAL AGENCY INVEST FUND				3.830	15,000,012	$ 15,000,012	$ 15,000,012	NR	NR
Sub Total LAIF		269	0.42%	3.83%	15,000,012	$ 15,000,012	$ 15,000,012		
CAMP JPA FUND				3.770	20,132,923	$ 20,132,923	$ 20,132,923	AAA	Aaa
CAL TRUST JPA				3.748	14,064,789	$ 14,064,789	$ 14,064,789	AAA	Aaa
CALFIT JPA FUND				3.780	10,033,456	$ 10,033,456	$ 10,033,456	AAA	NR
Sub Total JPA Funds		1	1.24%	3.77%	44,231,168	$ 44,231,168	$ 44,231,168		
Dreyfus Treasury Securities				3.516	503	$ 503	$ 503	NR	Aaa
Sub Total Money Market Funds		1	0.00%	3.52%	503	$ 503	$ 503		
BANCO SANTANDER NY	4.240%	7/2/2026	7/1/2025	4.240	25,000,000	$ 25,000,000	$ 25,000,500	A+	A1
BANCO SANTANDER NY	4.260%	8/4/2026	7/3/2025	4.260	25,000,000	$ 25,000,000	$ 25,008,250	A+	A1
BANCO SANTANDER NY	4.310%	8/5/2026	7/8/2025	4.310	25,000,000	$ 25,000,000	$ 25,009,750	A+	A1
BANCO SANTANDER NY	4.110%	5/4/2027	4/15/2026	4.110	20,000,000	$ 20,000,000	$ 19,971,800	A+	A1
BEYERISHCE LANDESBANK NY	4.330%	7/1/2026	6/25/2025	4.330	25,000,000	$ 25,000,000	$ 25,000,250	NR	Aa2
BEYERISHCE LANDESBANK NY	3.990%	2/5/2027	5/12/2026	3.990	8,100,000	$ 8,100,000	$ 8,091,333	NR	Aa2
CREDIT AGRICOLE NY	4.370%	7/1/2026	5/29/2025	4.370	25,000,000	$ 25,000,000	$ 25,000,500	A+	A1
CREDIT AGRICOLE NY	4.200%	7/8/2026	7/1/2025	4.200	25,000,000	$ 25,000,000	$ 25,002,250	A+	A1
CREDIT AGRICOLE NY	4.190%	8/3/2026	7/2/2025	4.190	23,000,000	$ 23,000,000	$ 23,008,740	A+	A1
CREDIT AGRICOLE NY	4.040%	5/5/2027	4/16/2026	4.040	20,000,000	$ 20,000,000	$ 19,957,200	A+	Aa3
NATIXIS BANK NY	4.290%	7/9/2026	7/7/2025	4.290	10,000,000	$ 10,000,000	$ 10,001,200	A+	A1
NATIXIS BANK NY	3.940%	8/6/2026	10/10/2025	3.940	19,800,000	$ 19,800,000	$ 19,801,782	A+	A1
NATIXIS BANK NY	4.090%	5/3/2027	4/9/2026	4.090	20,000,000	$ 20,000,000	$ 19,962,800	A+	A1
NATIXIS BANK NY	4.110%	5/6/2027	5/15/2026	4.110	12,300,000	$ 12,300,000	$ 12,280,320	A+	A1
SOCIETE GENERALE	4.260%	7/7/2026	6/24/2025	4.260	25,000,000	$ 25,000,000	$ 25,002,250	A	A1
STANDARD CHARTERED BANK NY	4.310%	7/2/2026	6/13/2025	4.310	25,000,000	$ 25,000,000	$ 25,000,750	A+	A1
STANDARD CHARTERED BANK NY	4.350%	7/6/2026	6/23/2025	4.350	25,000,000	$ 25,000,000	$ 25,002,250	A+	A1
STANDARD CHARTERED BANK NY	4.260%	9/1/2026	7/30/2025	4.260	20,000,000	$ 20,000,000	$ 20,006,600	A+	A1
Sub Total Certificates of Deposit		77	10.60%	4.22%	378,200,000	$ 378,200,000	$ 378,108,525		
JACKSON NATIONAL LIFE		2/3/2027	5/8/2026	4.205	260,000	$ 253,684	$ 253,495	A	A3
JACKSON NATIONAL LIFE		2/3/2027	6/18/2026	4.072	1,030,000	$ 1,005,662	$ 1,004,229	A	A3
NATIXIS BANK NY		9/4/2026	1/8/2026	3.786	10,100,000	$ 10,033,073	$ 10,029,401	A+	A1
NATIXIS BANK NY		10/2/2026	1/8/2026	3.797	8,900,000	$ 8,815,621	$ 8,809,665	A+	A1
NATIXIS BANK NY		11/2/2026	2/6/2026	3.755	18,100,000	$ 17,873,690	$ 17,851,306	A+	A1
Sub Total Commercial Paper		104	1.06%	3.78%	38,390,000	37,981,730	37,948,096		
FEDERAL AG MTG ACCEPT CORP	1.700%	2/9/2027	9/2/2025	3.836	2,000,000	$ 1,974,447	$ 1,970,740	AA+	Aa1
FEDERAL AG MTG ACCEPT CORP	4.240%	9/4/2030	9/5/2025	4.187	2,250,000	$ 2,250,000	$ 2,225,003	AA+	Aa1
FEDERAL AG MTG ACCEPT CORP	4.120%	10/15/2030	10/15/2025	4.064	2,000,000	$ 2,000,000	$ 1,973,000	AA+	Aa1
FEDERAL AG MTG ACCEPT CORP	3.940%	10/15/2030	10/17/2025	3.888	3,850,000	$ 3,850,000	$ 3,775,503	AA+	Aa1
FEDERAL AG MTG ACCEPT CORP	3.900%	11/12/2030	11/12/2025	3.852	16,000,000	$ 15,997,272	$ 15,725,440	AA+	Aa1
FEDERAL AG MTG ACCEPT CORP	3.875%	10/16/2028	11/13/2025	3.848	3,740,000	$ 3,740,000	$ 3,712,474	AA+	Aa1
FEDERAL AG MTG ACCEPT CORP	3.850%	11/13/2028	11/19/2025	3.841	1,900,000	$ 1,899,114	$ 1,879,442	AA+	Aa2
FEDERAL AG MTG ACCEPT CORP	3.900%	11/26/2030	11/26/2025	3.847	10,000,000	$ 10,000,000	$ 9,753,960	AA+	Aa2
FEDERAL AG MTG ACCEPT CORP	1.200%	8/10/2028	11/24/2025	3.609	4,350,000	$ 4,137,118	$ 4,085,216	AA+	Aa2
FEDERAL AG MTG ACCEPT CORP	1.250%	8/28/2028	11/24/2025	3.609	3,000,000	$ 2,852,894	$ 2,816,040	AA+	Aa2
FEDERAL AG MTG ACCEPT CORP	4.130%	11/25/2030	11/25/2025	4.073	10,000,000	$ 10,000,000	$ 9,981,400	AA+	Aa2
FEDERAL AG MTG ACCEPT CORP	3.930%	12/23/2030	12/23/2025	3.876	7,500,000	$ 7,500,000	$ 7,422,150	AA+	Aa1
FEDERAL AG MTG ACCEPT CORP	4.080%	1/13/2031	1/14/2026	4.044	2,000,000	$ 1,999,264	$ 1,974,940	AA+	Aa1
FEDERAL AG MTG ACCEPT CORP	4.070%	2/4/2031	2/9/2026	4.036	4,000,000	$ 4,001,507	$ 3,948,720	AA+	Aa1
FEDERAL AG MTG ACCEPT CORP	1.400%	9/29/2028	5/12/2026	3.907	2,000,000	$ 1,894,637	$ 1,880,180	AA+	Aa1
FEDERAL AG MTG ACCEPT CORP	1.320%	6/28/2028	5/21/2026	4.225	1,667,000	$ 1,573,844	$ 1,573,481	AA+	Aa1
FEDERAL AG MTG ACCEPT CORP	1.940%	6/24/2031	6/24/2026	4.193	3,400,000	$ 3,050,755	$ 3,025,932	AA+	Aa1
FEDERAL FARM CREDIT BANK	4.430%	5/6/2030	5/6/2025	4.441	2,050,000	$ 2,050,000	$ 2,042,087	AA+	Aa1
FEDERAL FARM CREDIT BANK	4.210%	8/27/2029	9/4/2025	4.159	10,000,000	$ 10,000,000	$ 9,945,100	AA+	Aa1
FEDERAL FARM CREDIT BANK	4.210%	8/27/2029	9/4/2025	4.160	4,300,000	$ 4,300,000	$ 4,276,393	AA+	Aa1
FEDERAL FARM CREDIT BANK	4.120%	10/21/2030	10/22/2025	4.080	10,000,000	$ 10,000,000	$ 9,896,400	AA+	Aa1
FEDERAL FARM CREDIT BANK	4.140%	10/9/2029	11/5/2025	4.110	25,862,000	$ 25,862,000	$ 25,653,811	AA+	Aa1
FEDERAL FARM CREDIT BANK	0.900%	8/19/2027	11/4/2025	3.618	1,300,000	$ 1,260,866	$ 1,252,433	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.120%	6/15/2027	11/6/2025	3.630	10,000,000	$ 9,764,488	$ 9,728,300	AA+	Aa1
FEDERAL FARM CREDIT BANK	4.120%	10/21/2030	11/6/2025	4.117	15,000,000	$ 15,000,000	$ 14,844,600	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.150%	8/12/2030	11/10/2025	3.769	14,400,000	$ 12,965,326	$ 12,655,584	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.510%	5/24/2029	11/12/2025	3.685	10,000,000	$ 9,400,931	$ 9,265,900	AA+	Aa1
FEDERAL FARM CREDIT BANK	3.980%	2/5/2029	11/21/2025	3.976	10,000,000	$ 10,000,000	$ 9,925,700	AA+	Aa1
FEDERAL FARM CREDIT BANK	3.950%	10/29/2030	11/21/2025	3.984	10,000,000	$ 9,986,036	$ 9,880,100	AA+	Aa1
FEDERAL FARM CREDIT BANK	4.230%	11/13/2030	11/24/2025	4.214	10,005,000	$ 10,005,000	$ 9,896,746	AA+	Aa1
FEDERAL FARM CREDIT BANK	4.180%	2/12/2030	11/25/2025	4.155	10,000,000	$ 10,000,000	$ 9,967,500	AA+	Aa1
FEDERAL FARM CREDIT BANK	3.990%	11/6/2029	11/26/2025	3.976	10,000,000	$ 10,000,000	$ 9,900,600	AA+	Aa1
FEDERAL FARM CREDIT BANK	4.180%	11/13/2029	11/26/2025	4.136	10,000,000	$ 10,000,000	$ 9,912,300	AA+	Aa1
FEDERAL FARM CREDIT BANK	4.200%	11/26/2029	11/26/2025	4.142	10,000,000	$ 10,000,000	$ 9,885,400	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.500%	3/23/2028	12/1/2025	3.509	1,000,000	$ 966,149	$ 954,450	AA+	Aa1
FEDERAL FARM CREDIT BANK	3.910%	12/10/2029	12/10/2025	3.856	10,000,000	$ 10,000,000	$ 9,907,300	AA+	Aa1
FEDERAL FARM CREDIT BANK	0.800%	11/4/2027	12/9/2025	3.545	5,000,000	$ 4,820,338	$ 4,785,700	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.050%	6/22/2028	12/9/2025	3.565	1,950,000	$ 1,856,426	$ 1,835,379	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.120%	9/1/2028	12/9/2025	3.560	1,000,000	$ 949,054	$ 933,130	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.140%	8/20/2029	12/9/2025	3.619	1,237,000	$ 1,145,997	$ 1,121,427	AA+	Aa1

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)**	**4.15%**	**3,631,508,613**	**$ 3,566,909,526**	**$ 3,549,757,499**		
FEDERAL FARM CREDIT BANK	3.500%	10/15/2027	12/11/2025	3.568	2,925,000	$ 2,925,000	$ 2,903,560	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.180%	5/10/2028	12/11/2025	3.663	4,000,000	$ 3,821,395	$ 3,784,840	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.200%	3/1/2029	12/15/2025	3.663	2,000,000	$ 1,874,667	$ 1,847,760	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.550%	3/15/2029	12/15/2025	3.673	2,000,000	$ 1,890,113	$ 1,865,780	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.490%	6/21/2029	12/15/2025	3.683	2,000,000	$ 1,876,063	$ 1,847,140	AA+	Aa1
FEDERAL FARM CREDIT BANK	4.260%	12/12/2030	12/12/2025	4.202	10,000,000	$ 10,000,000	$ 9,927,400	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.240%	5/19/2027	1/22/2026	3.595	3,000,000	$ 2,938,300	$ 2,925,390	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.640%	5/24/2027	1/28/2026	3.582	9,920,000	$ 9,748,349	$ 9,706,918	AA+	Aa1
FEDERAL FARM CREDIT BANK	2.450%	2/23/2028	2/9/2026	3.576	1,405,000	$ 1,379,039	$ 1,363,876	AA+	Aa1
FEDERAL FARM CREDIT BANK	0.790%	6/21/2027	2/17/2026	3.511	2,000,000	$ 1,947,847	$ 1,937,120	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.150%	3/2/2027	3/6/2026	3.593	3,175,000	$ 3,123,821	$ 3,114,612	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.600%	5/11/2029	3/6/2026	3.543	1,434,000	$ 1,357,376	$ 1,328,544	AA+	Aa1
FEDERAL FARM CREDIT BANK	2.000%	5/23/2030	3/6/2026	3.628	1,189,000	$ 1,117,574	$ 1,093,928	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.040%	1/25/2029	3/26/2026	3.914	1,195,000	$ 1,112,911	$ 1,102,901	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.780%	2/22/2028	3/30/2026	3.885	3,500,000	$ 3,388,138	$ 3,362,380	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.740%	11/1/2028	4/6/2026	3.820	1,534,000	$ 1,461,980	$ 1,450,520	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.850%	3/28/2030	4/9/2026	3.950	4,155,000	$ 3,850,485	$ 3,799,914	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.625%	3/17/2031	4/13/2026	3.896	1,607,000	$ 1,450,335	$ 1,428,044	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.980%	3/24/2031	4/21/2026	3.925	1,326,000	$ 1,215,060	$ 1,198,147	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.670%	3/3/2031	4/28/2026	3.923	16,507,000	$ 14,944,805	$ 14,629,329	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.625%	3/17/2031	5/1/2026	3.991	18,816,000	$ 16,922,480	$ 16,720,650	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.400%	5/28/2030	5/13/2026	3.986	3,500,000	$ 3,169,669	$ 3,145,625	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.120%	9/1/2028	5/22/2026	4.172	1,000,000	$ 938,901	$ 933,130	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.850%	3/28/2030	5/27/2026	4.160	1,095,000	$ 1,009,587	$ 1,001,421	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.230%	7/29/2030	5/29/2026	4.173	1,171,000	$ 1,045,671	$ 1,039,274	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.625%	11/1/2028	6/1/2026	4.049	1,000,000	$ 946,783	$ 942,290	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.060%	5/26/2028	6/18/2026	4.078	1,000,000	$ 944,974	$ 943,100	AA+	Aa1
FEDERAL FARM CREDIT BANK	1.330%	9/1/2028	6/18/2026	4.114	1,000,000	$ 945,704	$ 940,510	AA+	Aa1
FEDERAL HOME LOAN BANK	5.050%	7/2/2029	7/2/2024	5.428	10,000,000	$ 10,000,000	$ 10,000,300	AA+	Aa1
FEDERAL HOME LOAN BANK	1.110%	7/27/2026	5/20/2025	4.084	5,000,000	$ 4,989,423	$ 4,990,100	AA+	Aa1
FEDERAL HOME LOAN BANK	1.000%	7/27/2026	5/21/2025	4.084	4,000,000	$ 3,991,231	$ 3,991,600	AA+	Aa1
FEDERAL HOME LOAN BANK	3.000%	9/11/2026	7/22/2025	4.041	9,000,000	$ 8,981,377	$ 8,983,170	AA+	Aa1
FEDERAL HOME LOAN BANK	2.750%	3/8/2027	9/2/2025	3.807	5,000,000	$ 4,963,357	$ 4,950,900	AA+	Aa1
FEDERAL HOME LOAN BANK	2.010%	2/17/2027	9/10/2025	3.582	13,960,000	$ 13,822,695	$ 13,782,848	AA+	Aa1
FEDERAL HOME LOAN BANK	4.250%	9/23/2030	9/23/2025	4.192	10,000,000	$ 10,000,000	$ 9,877,600	AA+	Aa1
FEDERAL HOME LOAN BANK	4.000%	9/3/2030	9/17/2025	3.945	1,850,000	$ 1,850,000	$ 1,825,710	AA+	Aa1
FEDERAL HOME LOAN BANK	4.050%	9/23/2030	9/23/2025	3.995	9,100,000	$ 9,100,000	$ 8,960,497	AA+	Aa1
FEDERAL HOME LOAN BANK	4.180%	9/24/2030	9/24/2025	4.123	10,000,000	$ 10,000,000	$ 9,870,800	AA+	Aa1
FEDERAL HOME LOAN BANK	4.100%	9/30/2030	10/2/2025	4.049	5,930,000	$ 5,930,000	$ 5,872,953	AA+	Aa1
FEDERAL HOME LOAN BANK	4.125%	10/21/2030	10/21/2025	4.080	3,000,000	$ 3,000,000	$ 2,970,420	AA+	Aa1
FEDERAL HOME LOAN BANK	4.175%	10/9/2030	10/16/2025	4.129	2,450,000	$ 2,450,000	$ 2,437,971	AA+	Aa1
FEDERAL HOME LOAN BANK	1.020%	2/24/2027	10/27/2025	3.546	2,800,000	$ 2,754,811	$ 2,745,960	AA+	Aa1
FEDERAL HOME LOAN BANK	0.920%	2/26/2027	10/27/2025	3.539	1,750,000	$ 1,720,491	$ 1,714,563	AA+	Aa1
FEDERAL HOME LOAN BANK	4.320%	10/15/2030	10/24/2025	4.263	13,325,000	$ 13,325,000	$ 13,237,855	AA+	Aa1
FEDERAL HOME LOAN BANK	1.250%	5/26/2027	11/24/2025	3.626	2,000,000	$ 1,957,762	$ 1,950,560	AA+	Aa1
FEDERAL HOME LOAN BANK	4.300%	12/5/2030	12/5/2025	4.241	10,000,000	$ 10,000,000	$ 9,883,100	AA+	Aa1
FEDERAL HOME LOAN BANK	4.000%	11/12/2030	12/1/2025	3.969	10,000,000	$ 10,000,000	$ 9,882,100	AA+	Aa1
FEDERAL HOME LOAN BANK	4.090%	11/25/2030	12/8/2025	4.034	12,250,000	$ 12,250,000	$ 12,128,358	AA+	Aa1
FEDERAL HOME LOAN BANK	1.000%	8/16/2028	12/11/2025	3.559	5,000,000	$ 4,736,214	$ 4,674,050	AA+	Aa1
FEDERAL HOME LOAN BANK	1.350%	5/24/2028	12/15/2025	3.631	2,000,000	$ 1,916,113	$ 1,897,700	AA+	Aa1
FEDERAL HOME LOAN BANK	1.370%	6/7/2028	12/15/2025	3.636	2,000,000	$ 1,915,138	$ 1,896,200	AA+	Aa1
FEDERAL HOME LOAN BANK	1.500%	11/17/2028	12/15/2025	3.649	1,970,000	$ 1,873,181	$ 1,844,452	AA+	Aa1
FEDERAL HOME LOAN BANK	4.250%	12/18/2030	12/18/2025	4.197	3,505,000	$ 3,504,594	$ 3,467,742	AA+	Aa1
FEDERAL HOME LOAN BANK	1.250%	9/29/2028	12/18/2025	3.579	2,000,000	$ 1,899,262	$ 1,873,920	AA+	Aa1
FEDERAL HOME LOAN BANK	1.000%	7/28/2028	12/17/2025	3.516	3,000,000	$ 2,848,798	$ 2,811,270	AA+	Aa1
FEDERAL HOME LOAN BANK	4.090%	11/13/2029	1/14/2026	4.040	1,200,000	$ 1,200,000	$ 1,191,876	AA+	Aa1
FEDERAL HOME LOAN BANK	4.200%	11/5/2030	1/14/2026	4.153	1,300,000	$ 1,300,000	$ 1,288,820	AA+	Aa1
FEDERAL HOME LOAN BANK	4.300%	2/12/2031	2/26/2026	4.241	10,000,000	$ 10,000,000	$ 9,792,000	AA+	Aa1
FEDERAL HOME LOAN BANK	4.140%	1/30/2031	2/4/2026	4.105	1,690,000	$ 1,690,499	$ 1,675,922	AA+	Aa1
FEDERAL HOME LOAN BANK	4.050%	1/22/2031	2/4/2026	4.001	5,285,000	$ 5,287,775	$ 5,221,686	AA+	Aa1
FEDERAL HOME LOAN BANK	4.250%	2/27/2031	2/27/2026	4.192	10,000,000	$ 10,000,000	$ 9,790,600	AA+	Aa1
FEDERAL HOME LOAN BANK	1.000%	2/23/2028	2/9/2026	3.572	1,200,000	$ 1,150,562	$ 1,140,288	AA+	Aa1
FEDERAL HOME LOAN BANK	4.070%	2/5/2031	2/6/2026	4.014	5,000,000	$ 5,000,565	$ 4,933,350	AA+	Aa1
FEDERAL HOME LOAN BANK	4.300%	2/12/2031	2/26/2026	4.241	3,685,000	$ 3,685,000	$ 3,608,352	AA+	Aa1
FEDERAL HOME LOAN BANK	4.125%	3/12/2031	3/12/2026	4.073	4,200,000	$ 4,199,669	$ 4,182,360	AA+	Aa1
FEDERAL HOME LOAN BANK	4.100%	3/12/2031	3/12/2026	4.055	6,850,000	$ 6,848,649	$ 6,822,943	AA+	Aa1
FEDERAL HOME LOAN BANK	4.000%	3/17/2031	3/17/2026	3.973	7,500,000	$ 7,496,042	$ 7,376,550	AA+	Aa1
FEDERAL HOME LOAN BANK	3.500%	3/3/2028	3/5/2026	3.497	10,000,000	$ 9,996,942	$ 9,898,400	AA+	Aa1
FEDERAL HOME LOAN BANK	4.000%	3/11/2031	3/11/2026	4.022	2,870,000	$ 2,864,559	$ 2,854,818	AA+	Aa1
FEDERAL HOME LOAN BANK	4.350%	3/17/2031	3/30/2026	4.302	8,980,000	$ 8,977,584	$ 8,929,622	AA+	Aa1
FEDERAL HOME LOAN BANK	4.500%	3/24/2031	3/30/2026	4.490	5,050,000	$ 5,044,450	$ 5,030,608	AA+	Aa1
FEDERAL HOME LOAN BANK	2.750%	3/25/2027	3/26/2026	3.811	1,350,000	$ 1,339,381	$ 1,337,216	AA+	Aa1
FEDERAL HOME LOAN BANK	1.000%	7/28/2028	3/30/2026	3.889	4,480,000	$ 4,228,737	$ 4,198,163	AA+	Aa1
FEDERAL HOME LOAN BANK	2.750%	3/25/2027	3/26/2026	3.793	4,530,000	$ 4,494,968	$ 4,487,101	AA+	Aa1
FEDERAL HOME LOAN BANK	4.650%	4/14/2031	4/14/2026	4.586	3,185,000	$ 3,185,000	$ 3,156,462	AA+	Aa1
FEDERAL HOME LOAN BANK	4.500%	4/8/2031	4/8/2026	4.438	5,000,000	$ 5,000,000	$ 4,950,000	AA+	Aa1
FEDERAL HOME LOAN BANK	4.650%	3/25/2031	4/6/2026	4.586	1,415,000	$ 1,416,097	$ 1,409,680	AA+	Aa1

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)**	**4.15%**	**3,631,508,613**	**$ 3,566,909,526**	**$ 3,549,757,499**		
FEDERAL HOME LOAN BANK	4.600%	4/14/2031	4/14/2026	4.537	10,000,000	$ 10,000,000	$ 9,934,600	AA+	Aa1
FEDERAL HOME LOAN BANK	4.650%	4/15/2031	4/15/2026	4.593	4,190,000	$ 4,189,243	$ 4,169,720	AA+	Aa1
FEDERAL HOME LOAN BANK	4.700%	4/14/2031	4/14/2026	4.636	7,000,000	$ 7,000,000	$ 6,965,770	AA+	Aa1
FEDERAL HOME LOAN BANK	4.700%	4/14/2031	4/14/2026	4.636	2,990,000	$ 2,990,000	$ 2,975,379	AA+	Aa1
FEDERAL HOME LOAN BANK	2.000%	11/16/2028	5/7/2026	3.997	700,000	$ 680,296	$ 677,901	AA+	Aa1
FEDERAL HOME LOAN BANK	2.050%	2/24/2027	5/11/2026	3.750	1,005,000	$ 993,788	$ 992,257	AA+	Aa1
FEDERAL HOME LOAN BANK	1.500%	2/18/2031	5/13/2026	4.026	1,300,000	$ 1,164,646	$ 1,150,721	AA+	Aa1
FEDERAL HOME LOAN BANK	1.650%	11/24/2028	6/18/2026	4.114	1,000,000	$ 944,177	$ 941,620	AA+	Aa1
FEDERAL HOME LOAN BANK	1.150%	8/17/2029	6/18/2026	4.107	3,000,000	$ 2,735,550	$ 2,731,410	AA+	Aa1
FEDERAL HOME LOAN BANK	1.750%	7/26/2029	6/22/2026	4.180	5,000,000	$ 4,759,236	$ 4,728,350	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.300%	9/5/2030	9/5/2025	4.241	10,000,000	$ 10,000,000	$ 9,920,400	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.150%	9/17/2030	9/17/2025	4.093	10,000,000	$ 10,000,000	$ 9,907,000	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.250%	9/23/2030	9/23/2025	4.192	10,000,000	$ 10,000,000	$ 9,929,900	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.085%	9/18/2030	9/26/2025	4.038	10,000,000	$ 10,000,000	$ 9,903,400	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.300%	9/26/2030	10/15/2025	4.241	10,000,000	$ 10,000,000	$ 9,940,200	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.150%	10/10/2030	10/15/2025	4.099	10,000,000	$ 10,000,000	$ 9,913,000	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.200%	10/17/2030	10/17/2025	4.142	10,000,000	$ 10,000,000	$ 9,891,300	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.050%	9/3/2030	10/22/2025	3.999	3,800,000	$ 3,800,000	$ 3,750,752	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.200%	10/17/2030	10/22/2025	4.145	3,500,000	$ 3,500,000	$ 3,461,955	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.150%	10/10/2030	10/29/2025	4.100	9,260,000	$ 9,259,884	$ 9,179,438	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.150%	9/17/2030	10/29/2025	4.105	9,000,000	$ 9,000,000	$ 8,916,300	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.300%	9/5/2030	11/12/2025	4.240	5,884,000	$ 5,884,000	$ 5,837,163	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.200%	10/17/2030	11/24/2025	4.157	3,425,000	$ 3,425,000	$ 3,387,770	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.220%	11/12/2030	11/25/2025	4.162	10,000,000	$ 10,000,000	$ 9,892,600	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.000%	11/20/2030	12/1/2025	3.962	4,510,000	$ 4,510,000	$ 4,451,956	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.300%	12/2/2030	12/10/2025	4.241	10,000,000	$ 10,000,000	$ 9,936,500	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.050%	7/21/2028	12/11/2025	3.631	1,000,000	$ 948,877	$ 936,980	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.175%	12/23/2030	12/23/2025	4.118	10,000,000	$ 10,000,000	$ 9,875,600	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.200%	12/11/2030	12/12/2025	4.142	10,000,000	$ 10,000,000	$ 9,877,500	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.250%	12/2/2030	12/15/2025	4.198	3,338,000	$ 3,338,000	$ 3,294,873	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.200%	12/11/2030	12/15/2025	4.142	2,990,000	$ 2,990,000	$ 2,948,768	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.270%	12/5/2030	12/15/2025	4.217	3,200,000	$ 3,200,000	$ 3,159,200	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.125%	7/27/2028	12/23/2025	3.523	2,500,000	$ 2,379,953	$ 2,348,700	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.000%	7/27/2027	1/22/2026	3.597	840,000	$ 817,006	$ 813,036	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.200%	2/6/2031	2/6/2026	4.142	10,000,000	$ 10,000,000	$ 9,934,800	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.125%	1/21/2031	2/4/2026	4.079	10,000,000	$ 10,014,297	$ 9,869,500	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.150%	1/28/2031	2/4/2026	4.095	10,000,000	$ 10,006,762	$ 9,882,500	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.000%	2/11/2028	2/9/2026	3.615	1,525,000	$ 1,462,423	$ 1,449,650	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.050%	7/21/2028	2/17/2026	3.541	1,000,000	$ 951,177	$ 936,980	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.200%	2/6/2031	2/18/2026	4.142	3,327,000	$ 3,331,658	$ 3,305,308	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.300%	7/22/2030	2/20/2026	3.609	1,000,000	$ 913,342	$ 890,920	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.000%	8/10/2029	2/20/2026	3.538	1,000,000	$ 924,714	$ 906,220	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.150%	2/13/2031	2/19/2026	4.097	1,454,000	$ 1,454,935	$ 1,438,239	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.320%	5/20/2030	2/23/2026	3.616	1,000,000	$ 916,262	$ 892,070	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.400%	5/21/2030	2/23/2026	3.609	2,000,000	$ 1,838,560	$ 1,784,040	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.050%	2/26/2031	2/26/2026	3.995	5,850,000	$ 5,850,000	$ 5,719,779	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.200%	2/6/2031	3/2/2026	4.142	10,000,000	$ 10,030,333	$ 9,934,800	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.000%	9/28/2029	3/9/2026	3.592	1,020,000	$ 938,742	$ 921,111	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.550%	3/17/2031	3/30/2026	4.488	4,000,000	$ 4,000,000	$ 3,996,840	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.000%	9/28/2029	3/26/2026	3.956	5,000,000	$ 4,548,967	$ 4,515,250	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.500%	3/17/2031	4/10/2026	4.477	10,000,000	$ 10,020,279	$ 9,949,800	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	4.310%	4/28/2031	4/28/2026	4.258	10,000,000	$ 9,996,719	$ 9,868,200	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.250%	7/29/2030	5/13/2026	3.996	1,475,000	$ 1,326,813	$ 1,311,305	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.250%	9/23/2030	6/1/2026	4.155	1,855,000	$ 1,648,869	$ 1,636,462	AA+	Aa1
FEDERAL HOME LOAN MTG CORP	1.050%	7/21/2028	6/24/2026	4.064	1,000,000	$ 944,559	$ 936,720	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.370%	6/26/2029	6/26/2025	4.310	8,000,000	$ 8,000,000	$ 7,980,160	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	1.875%	9/24/2026	7/16/2025	4.058	10,000,000	$ 9,950,064	$ 9,953,000	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.250%	7/15/2030	7/18/2025	4.308	6,330,000	$ 6,330,000	$ 6,289,615	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.050%	8/12/2030	8/12/2025	4.103	10,000,000	$ 9,965,473	$ 9,907,300	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.400%	8/13/2030	8/13/2025	4.340	10,000,000	$ 10,000,000	$ 9,921,800	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.400%	8/27/2030	8/27/2025	4.340	10,000,000	$ 10,000,000	$ 9,943,000	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.260%	9/3/2030	9/3/2025	4.201	3,285,000	$ 3,285,000	$ 3,250,113	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	3.500%	9/11/2030	9/15/2025	3.670	11,900,000	$ 11,828,467	$ 11,641,056	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	3.900%	9/23/2030	9/23/2025	3.889	10,000,000	$ 9,995,579	$ 9,892,700	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.000%	10/21/2030	10/21/2025	3.973	10,000,000	$ 9,999,074	$ 9,922,700	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.000%	10/28/2030	10/28/2025	3.973	10,000,000	$ 10,000,000	$ 9,918,500	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.000%	10/23/2030	10/23/2025	3.951	9,850,000	$ 9,849,799	$ 9,712,888	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.000%	10/15/2030	10/24/2025	3.948	6,000,000	$ 5,999,822	$ 5,930,520	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.125%	10/24/2030	10/24/2025	4.074	10,000,000	$ 10,000,000	$ 9,900,800	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.060%	10/24/2030	10/24/2025	4.007	1,000,000	$ 999,991	$ 986,430	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.150%	10/29/2030	10/29/2025	4.099	1,000,000	$ 1,000,000	$ 988,690	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.170%	11/4/2030	11/4/2025	4.113	10,000,000	$ 10,000,000	$ 9,893,900	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.000%	10/21/2030	11/3/2025	3.978	9,200,000	$ 9,200,000	$ 9,128,884	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.250%	11/5/2030	11/5/2025	4.192	7,575,000	$ 7,575,000	$ 7,523,717	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.080%	5/6/2030	11/6/2025	4.054	1,940,000	$ 1,940,000	$ 1,930,746	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	6.090%	9/27/2027	11/6/2025	3.598	800,000	$ 823,158	$ 818,872	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.070%	10/30/2030	11/6/2025	4.042	7,150,000	$ 7,146,996	$ 7,073,710	AA+	Aa1

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)**	**4.15%**	**3,631,508,613**	**$ 3,566,909,526**	**$ 3,549,757,499**		
FEDERAL NATIONAL MTG ASSN	4.125%	11/6/2030	11/17/2025	4.068	12,000,000	$ 12,000,000	$ 11,865,600	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.250%	11/5/2030	11/24/2025	4.197	1,450,000	$ 1,450,000	$ 1,440,851	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	0.750%	9/22/2027	12/9/2025	3.546	2,750,000	$ 2,657,940	$ 2,641,238	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.350%	12/12/2030	12/12/2025	4.290	10,000,000	$ 10,000,000	$ 9,924,800	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.150%	12/9/2030	12/15/2025	4.093	8,350,000	$ 8,350,000	$ 8,265,415	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.250%	2/11/2031	2/11/2026	4.192	10,000,000	$ 10,000,000	$ 9,913,100	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.150%	2/19/2031	2/19/2026	4.104	9,750,000	$ 9,748,700	$ 9,634,853	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.050%	2/24/2031	2/24/2026	4.028	10,000,000	$ 9,995,583	$ 9,789,500	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.150%	2/27/2031	2/27/2026	4.104	3,440,000	$ 3,439,465	$ 3,367,794	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.200%	1/27/2031	2/18/2026	4.142	2,725,000	$ 2,731,676	$ 2,695,352	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.150%	2/27/2031	2/27/2026	4.095	5,667,000	$ 5,666,824	$ 5,548,050	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.250%	3/3/2031	3/3/2026	4.192	6,000,000	$ 6,000,000	$ 5,874,180	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.050%	2/24/2031	2/24/2026	4.028	3,315,000	$ 3,313,536	$ 3,245,219	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.150%	3/10/2031	3/10/2026	4.137	1,665,000	$ 1,663,724	$ 1,651,147	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.625%	4/7/2031	4/7/2026	4.562	10,218,000	$ 10,218,000	$ 10,124,097	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.500%	7/8/2030	4/8/2026	4.440	10,000,000	$ 10,000,000	$ 9,919,000	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.650%	4/7/2031	4/7/2026	4.586	10,000,000	$ 10,000,000	$ 10,001,400	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.500%	3/30/2029	4/13/2026	4.438	6,394,000	$ 6,404,390	$ 6,389,780	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	4.750%	5/27/2031	5/27/2026	4.685	10,000,000	$ 10,000,000	$ 9,971,500	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	0.810%	9/25/2028	5/13/2026	4.021	621,000	$ 578,892	$ 576,294	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	1.020%	1/19/2028	5/27/2026	4.077	2,000,000	$ 1,914,844	$ 1,906,500	AA+	Aa1
FEDERAL NATIONAL MTG ASSN	1.280%	8/26/2030	6/1/2026	4.172	5,000,000	$ 4,461,288	$ 4,439,000	AA+	Aa1
PRIVATE EXPORT FUNDING CORP	4.500%	2/7/2027	2/7/2025	4.389	10,000,000	$ 10,000,633	$ 10,005,200	AA+	Aa2
PRIVATE EXPORT FUNDING CORP	3.900%	10/15/2027	11/20/2025	3.635	1,558,000	$ 1,562,095	$ 1,551,223	AA+	Aa1
PRIVATE EXPORT FUNDING CORP	3.900%	10/15/2027	12/19/2025	3.511	1,205,000	$ 1,210,037	$ 1,199,758	AA+	Aa1
PRIVATE EXPORT FUNDING CORP	3.850%	1/27/2028	1/27/2026	3.820	5,000,000	$ 4,999,682	$ 4,961,050	AA+	Aa2
PRIVATE EXPORT FUNDING CORP	3.900%	10/15/2027	3/9/2026	3.557	4,067,000	$ 4,081,743	$ 4,049,309	AA+	Aa1
PRIVATE EXPORT FUNDING CORP	3.850%	1/27/2028	4/28/2026	3.934	5,380,000	$ 5,426,164	$ 5,338,090	AA+	Aa2
Sub Total Federal Agency Securities		1365	35.10%	4.07%	1,266,398,000	$ 1,251,979,122	$ 1,239,894,485		
FEDERAL HOME LOAN MTG CORP		9/15/2029	10/24/2025	3.593	14,097,000	$ 12,593,318	$ 12,314,293	AA+	Aa1
FEDERAL HOME LOAN MTG CORP		3/15/2031	4/13/2026	4.010	10,000,000	$ 8,303,224	$ 8,185,100	AA+	Aa1
FEDERAL HOME LOAN MTG CORP		3/15/2031	6/1/2026	4.212	5,078,000	$ 4,174,956	$ 4,156,394	AA+	Aa1
FEDERAL NATIONAL MTG ASSN		10/8/2027	10/21/2025	3.611	1,000,000	$ 956,072	$ 949,020	AA+	Aa1
FEDERAL NATIONAL MTG ASSN		5/15/2030	10/24/2025	3.700	12,000,000	$ 10,430,052	$ 10,171,920	AA+	Aa1
FEDERAL NATIONAL MTG ASSN		11/15/2030	11/17/2025	3.836	15,000,000	$ 12,728,632	$ 12,446,100	AA+	Aa1
FEDERAL NATIONAL MTG ASSN		10/8/2027	5/27/2026	4.062	1,929,000	$ 1,833,127	$ 1,830,660	AA+	Aa1
RESOLUTION FUNDING CORP		10/15/2028	4/15/2025	4.162	1,200,000	$ 1,093,220	$ 1,091,424	AA+	Aa1
RESOLUTION FUNDING CORP		10/15/2029	4/15/2025	4.244	1,900,000	$ 1,657,788	$ 1,644,944	AA+	Aa1
RESOLUTION FUNDING CORP		1/15/2030	4/17/2025	4.220	20,000,000	$ 17,316,480	$ 17,194,000	AA+	Aa1
RESOLUTION FUNDING CORP		10/15/2028	6/1/2026	4.009	3,228,000	$ 2,944,354	$ 2,935,931	AA+	Aa1
RESOLUTION FUNDING CORP		7/15/2029	6/1/2026	4.141	3,000,000	$ 2,649,211	$ 2,627,490	AA+	Aa1
Sub Total Agency Zero Coupon Bonds		1347	2.15%	3.94%	88,432,000	$ 76,680,433	$ 75,547,275		
U.S. TREASURY	4.625%	6/15/2027	9/29/2025	3.635	10,000,000	$ 10,086,079	$ 10,048,100	AA+	Aa1
U.S. TREASURY	4.375%	7/15/2027	12/12/2025	3.555	50,000,000	$ 50,385,432	$ 50,125,000	AA+	Aa1
U.S. TREASURY	4.625%	6/15/2027	12/16/2025	3.543	10,000,000	$ 10,095,380	$ 10,048,100	AA+	Aa1
U.S. TREASURY	2.250%	8/15/2027	1/14/2026	3.439	20,000,000	$ 19,731,226	$ 19,586,000	AA+	Aa1
U.S. TREASURY	4.250%	2/15/2028	1/16/2026	3.520	10,000,000	$ 10,105,635	$ 10,011,300	AA+	Aa1
U.S. TREASURY	2.875%	5/15/2028	1/23/2026	3.567	10,000,000	$ 9,867,516	$ 9,769,100	AA+	Aa1
U.S. TREASURY	3.500%	10/15/2028	5/7/2026	3.926	10,000,000	$ 9,916,941	$ 9,854,300	AA+	Aa1
U.S. TREASURY	3.375%	9/15/2028	5/15/2026	3.954	15,000,000	$ 14,885,142	$ 14,750,400	AA+	Aa1
Sub Total US Treasury Notes		498	3.79%	3.61%	135,000,000	$ 135,073,350	$ 134,192,300		
U.S. TREASURY		5/15/2029	11/4/2024	4.192	20,000,000	$ 17,798,433	$ 17,735,600	AA+	Aa1
U.S. TREASURY		8/15/2029	11/4/2024	4.221	15,000,000	$ 13,202,680	$ 13,158,150	AA+	Aa1
U.S. TREASURY		2/15/2029	11/6/2024	4.264	20,000,000	$ 17,946,264	$ 17,928,600	AA+	Aa1
U.S. TREASURY		11/15/2028	11/13/2024	4.360	20,000,000	$ 18,093,841	$ 18,128,800	AA+	Aa1
U.S. TREASURY		11/15/2029	11/21/2024	4.377	20,000,000	$ 17,337,804	$ 17,364,400	AA+	Aa1
U.S. TREASURY		8/15/2028	11/25/2024	4.266	20,000,000	$ 18,318,381	$ 18,315,000	AA+	Aa1
U.S. TREASURY		11/15/2027	11/25/2024	4.284	20,000,000	$ 18,890,511	$ 18,911,200	AA+	Aa1
U.S. TREASURY		5/15/2028	11/27/2024	4.315	20,000,000	$ 18,493,253	$ 18,506,800	AA+	Aa1
U.S. TREASURY		2/15/2028	12/26/2024	4.396	15,000,000	$ 13,995,409	$ 14,026,800	AA+	Aa1
U.S. TREASURY		8/15/2027	1/13/2025	4.453	14,900,000	$ 14,193,388	$ 14,238,738	AA+	Aa1
U.S. TREASURY		2/15/2030	2/19/2025	4.443	15,000,000	$ 12,826,060	$ 12,878,400	AA+	Aa1
U.S. TREASURY		8/15/2030	11/10/2025	3.797	15,000,000	$ 12,842,168	$ 12,601,050	AA+	Aa1
U.S. TREASURY		11/15/2030	11/19/2025	3.773	10,000,000	$ 8,489,355	$ 8,310,600	AA+	Aa2
U.S. TREASURY		5/15/2030	11/20/2025	3.733	15,000,000	$ 12,993,925	$ 12,741,900	AA+	Aa2
U.S. TREASURY		2/15/2031	4/24/2026	3.891	15,000,000	$ 12,528,591	$ 12,332,850	AA+	Aa1
U.S. TREASURY		5/15/2031	5/15/2026	4.123	20,000,000	$ 16,358,993	$ 16,260,400	AA+	Aa1
Sub Total US Treasury STRIPS		1052	6.85%	4.21%	274,900,000	$ 244,309,056	$ 243,439,288		
INTER AMERICAN DEV BANK	6.950%	8/1/2026	11/8/2024	4.453	1,000,000	$ 1,001,926	$ 1,001,720	AAA	Aaa
INTER AMERICAN DEV BANK	0.625%	9/16/2027	9/25/2025	3.590	9,885,000	$ 9,540,518	$ 9,474,575	AAA	Aaa
INTER AMERICAN DEV BANK	4.850%	7/19/2027	9/29/2025	3.645	5,000,000	$ 5,057,937	$ 5,012,450	AAA	Aaa
INTER AMERICAN DEV BANK	2.375%	7/7/2027	9/29/2025	3.673	10,000,000	$ 9,868,343	$ 9,824,300	AAA	Aaa
INTER AMERICAN DEV BANK	4.375%	2/1/2027	10/27/2025	3.556	21,750,000	$ 21,844,167	$ 21,788,498	AAA	Aaa
INTER AMERICAN DEV BANK	2.375%	7/7/2027	10/27/2025	3.480	10,000,000	$ 9,887,020	$ 9,824,300	AAA	Aaa
INTER AMERICAN DEV BANK	6.750%	7/15/2027	10/27/2025	3.600	700,000	$ 721,626	$ 715,414	AAA	Aaa
INTER AMERICAN DEV BANK	3.950%	5/2/2030	11/3/2025	3.733	3,250,000	$ 3,268,740	$ 3,168,718	AAA	Aaa
INTER AMERICAN DEV BANK	6.750%	7/15/2027	12/4/2025	3.644	8,920,000	$ 9,192,112	$ 9,116,418	AAA	Aaa

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)	4.15%	3,631,508,613	$ 3,566,909,526	$ 3,549,757,499		
INTER AMERICAN DEV BANK	4.000%	1/12/2028	12/9/2025	3.620	4,775,000	$ 4,797,921	$ 4,762,299	AAA	Aaa
INTER AMERICAN DEV BANK	4.125%	1/29/2029	1/12/2026	3.600	4,125,000	$ 4,172,388	$ 4,075,088	AAA	Aaa
INTER AMERICAN DEV BANK	2.000%	7/23/2026	1/23/2026	3.620	1,000,000	$ 998,998	$ 998,890	AAA	Aaa
INTER AMERICAN DEV BANK	4.050%	4/10/2031	4/10/2026	3.995	10,000,000	$ 10,000,000	$ 9,882,650	AAA	Aaa
INTL BANK RECON & DEV	0.876%	7/15/2026	12/11/2024	4.157	20,000,000	$ 19,975,127	$ 19,976,000	AAA	Aaa
INTL BANK RECON & DEV	3.500%	7/12/2028	12/24/2024	4.305	7,330,000	$ 7,211,893	$ 7,235,296	AAA	Aaa
INTL BANK RECON & DEV	4.000%	8/27/2026	12/26/2024	4.338	8,782,000	$ 8,776,771	$ 8,781,737	AAA	Aaa
INTL BANK RECON & DEV	4.000%	8/27/2026	4/15/2025	4.016	18,000,000	$ 18,000,000	$ 17,999,460	AAA	Aaa
INTL BANK RECON & DEV	0.850%	2/10/2027	10/14/2025	3.756	4,730,000	$ 4,647,718	$ 4,632,562	AAA	Aaa
INTL BANK RECON & DEV	0.850%	2/10/2027	10/30/2025	3.603	7,603,000	$ 7,477,397	$ 7,446,378	AAA	Aaa
INTL BANK RECON & DEV	1.750%	10/23/2029	10/30/2025	3.551	1,000,000	$ 943,401	$ 924,910	AAA	Aaa
INTL BANK RECON & DEV	1.200%	5/14/2030	2/25/2026	3.682	10,000,000	$ 9,100,740	$ 8,794,100	AAA	Aaa
INTL BANK RECON & DEV	0.850%	2/10/2027	3/26/2026	3.979	3,856,000	$ 3,787,494	$ 3,776,566	AAA	Aaa
INTL BANK RECON & DEV	3.625%	2/3/2028	6/2/2026	4.020	1,790,000	$ 1,800,049	$ 1,762,058	AAA	Aaa
INTL FINANCE CORP	0.750%	10/8/2026	8/1/2025	4.033	22,000,000	$ 21,808,640	$ 21,809,700	AAA	Aaa
INTL FINANCE CORP	4.376%	1/15/2027	12/4/2025	3.625	8,750,000	$ 8,781,876	$ 8,779,750	AAA	Aaa
INTL FINANCE CORP	4.430%	2/22/2027	12/9/2025	3.662	10,000,000	$ 10,044,365	$ 9,978,500	AAA	Aaa
INTL FINANCE CORP	4.050%	3/21/2028	12/9/2025	3.639	520,000	$ 523,051	$ 518,658	AAA	Aaa
INTL FINANCE CORP	4.500%	1/21/2028	12/11/2025	3.608	10,000,000	$ 10,124,674	$ 10,047,400	AAA	Aaa
INTL FINANCE CORP	3.500%	1/22/2029	1/22/2026	3.546	10,000,000	$ 9,996,873	$ 9,837,900	AAA	Aaa
Sub Total Supranational Securities		420	6.54%	3.81%	234,766,000	$ 233,351,764	$ 231,946,294		
ABBOTT LABORATORIES	3.700%	3/9/2029	3/9/2026	3.694	5,000,000	$ 4,997,601	$ 4,904,250	A+	Aa3
ADVANCED MICRO DEVICES	4.212%	9/24/2026	3/24/2025	4.154	5,000,000	$ 5,000,000	$ 5,001,500	A	A1
BMW CAPITAL USA	5.050%	8/11/2028	8/11/2023	4.988	10,000,000	$ 9,998,691	$ 10,076,300	A	A2
BMW CAPITAL USA	1.250%	8/12/2026	4/21/2025	4.499	3,680,000	$ 3,666,671	$ 3,667,046	A	A2
BMW CAPITAL USA	4.150%	8/11/2027	1/22/2026	3.885	4,600,000	$ 4,610,303	$ 4,586,200	A	A2
BMW CAPITAL USA	4.300%	3/17/2028	3/19/2026	4.266	10,000,000	$ 9,997,993	$ 9,952,400	A	A2
BMW CAPITAL USA	4.400%	3/19/2029	3/19/2026	4.375	10,000,000	$ 9,995,667	$ 9,938,900	A	A2
CATERPILLAR FINANCIAL	4.450%	10/16/2026	7/11/2025	4.113	10,113,000	$ 10,113,000	$ 10,124,529	A	A2
CITIBANK	4.929%	8/6/2026	4/14/2025	4.435	17,000,000	$ 17,006,782	$ 17,002,210	A+	Aa3
CITIBANK	4.929%	8/6/2026	4/15/2025	4.526	5,764,000	$ 5,765,803	$ 5,764,749	A+	Aa3
COLGATE-PALMOLIVE	3.100%	8/15/2027	1/15/2026	3.639	4,357,000	$ 4,329,207	$ 4,309,291	A+	Aa3
COREBRIDGE FUNDING	5.200%	6/24/2029	3/4/2025	4.573	10,000,000	$ 10,150,151	$ 10,095,300	A+	A2
COREBRIDGE FUNDING	4.250%	8/21/2028	8/21/2025	4.255	5,000,000	$ 5,000,000	$ 4,950,400	A+	A2
COREBRIDGE FUNDING	4.450%	10/2/2030	10/2/2025	4.413	10,000,000	$ 10,000,000	$ 9,818,500	A+	A2
COREBRIDGE FUNDING	4.650%	8/20/2027	4/13/2026	4.295	4,584,000	$ 4,629,972	$ 4,588,951	A+	A2
COREBRIDGE FUNDING	4.800%	5/29/2029	5/29/2026	4.769	8,000,000	$ 7,993,620	$ 7,986,400	A+	A2
JOHN DEERE & CO	4.850%	3/5/2027	3/7/2024	4.817	10,000,000	$ 9,997,895	$ 10,044,000	A	A1
DEPOSITORY TRUST CORP	4.300%	3/27/2029	3/27/2026	4.283	4,000,000	$ 3,997,764	$ 3,979,680	AA+	Aa1
DEPOSITORY TRUST CORP	4.550%	3/27/2031	3/27/2026	4.506	3,000,000	$ 2,998,796	$ 2,982,480	AA+	Aa1
EQUITABLE FINANCIAL LIFE	1.300%	7/12/2026	1/25/2023	4.795	19,454,000	$ 19,434,729	$ 19,434,351	A+	A1
EQUITABLE FINANCIAL LIFE	1.800%	3/8/2028	4/21/2023	5.213	4,190,000	$ 3,975,402	$ 3,991,143	A+	A1
EQUITABLE FINANCIAL LIFE	1.300%	7/12/2026	7/12/2023	5.935	2,119,000	$ 2,116,243	$ 2,116,860	A+	A1
EQUITABLE FINANCIAL LIFE	1.800%	3/8/2028	10/17/2023	6.066	1,810,000	$ 1,695,171	$ 1,724,097	A+	A1
EQUITABLE FINANCIAL LIFE	1.800%	3/8/2028	11/9/2023	6.039	15,415,000	$ 14,440,778	$ 14,683,404	A+	A1
EQUITABLE FINANCIAL LIFE	1.700%	11/12/2026	2/21/2024	5.343	6,000,000	$ 5,925,454	$ 5,942,880	A+	A1
EQUITABLE FINANCIAL LIFE	1.300%	7/12/2026	4/11/2025	4.480	5,035,000	$ 5,030,202	$ 5,029,915	A+	A1
EQUITABLE FINANCIAL LIFE	3.950%	9/15/2027	9/15/2025	3.995	2,000,000	$ 1,998,831	$ 1,982,520	A+	A1
EQUITABLE FINANCIAL LIFE	4.875%	11/19/2027	10/15/2025	3.997	10,000,000	$ 10,107,764	$ 10,029,200	A+	A1
EQUITABLE FINANCIAL LIFE	4.300%	12/15/2028	12/15/2025	4.256	3,000,000	$ 3,000,000	$ 2,968,740	A+	A1
EQUITABLE FINANCIAL LIFE	1.400%	8/27/2027	1/9/2026	3.898	7,000,000	$ 6,801,905	$ 6,747,160	A+	A1
EQUITABLE FINANCIAL LIFE	5.125%	6/15/2031	6/15/2026	5.063	10,000,000	$ 9,996,811	$ 10,035,200	A+	A1
GLOBAL ATLANTIC FUNDING	4.500%	9/18/2030	9/18/2025	4.442	7,000,000	$ 7,000,000	$ 6,782,930	A	A2
GOLDMAN SACHS	5.000%	4/2/2030	4/2/2025	4.954	10,000,000	$ 10,000,000	$ 10,009,110	A+	A1
GOLDMAN SACHS	4.150%	3/5/2031	3/5/2026	4.137	10,000,000	$ 9,992,889	$ 9,815,180	A+	A1
GUARDIAN LIFE	5.550%	10/28/2027	12/6/2022	5.474	12,070,000	$ 12,178,841	$ 12,238,618	AA+	Aa1
GUARDIAN LIFE	1.400%	7/6/2027	2/8/2023	4.548	7,825,000	$ 7,596,834	$ 7,603,318	AA+	Aa1
GUARDIAN LIFE	3.246%	3/29/2027	5/19/2023	4.747	1,850,000	$ 1,830,503	$ 1,835,718	AA+	Aa1
GUARDIAN LIFE	1.400%	7/6/2027	5/19/2023	4.679	5,508,000	$ 5,340,204	$ 5,351,958	AA+	Aa1
GUARDIAN LIFE	5.550%	10/28/2027	5/19/2023	4.738	2,190,000	$ 2,209,279	$ 2,220,594	AA+	Aa1
GUARDIAN LIFE	1.250%	11/19/2027	6/12/2023	4.957	1,500,000	$ 1,430,539	$ 1,438,200	AA+	Aa1
GUARDIAN LIFE	3.246%	3/29/2027	7/5/2023	5.184	2,800,000	$ 2,762,374	$ 2,778,384	AA+	Aa1
GUARDIAN LIFE	5.550%	10/28/2027	7/7/2023	5.131	11,350,000	$ 11,396,041	$ 11,508,560	AA+	Aa1
GUARDIAN LIFE	1.400%	7/6/2027	4/10/2024	5.027	1,189,000	$ 1,148,382	$ 1,155,316	AA+	Aa1
GUARDIAN LIFE	4.066%	9/5/2028	9/5/2025	4.010	10,000,000	$ 10,000,000	$ 9,896,000	AA+	Aa1
GUARDIAN LIFE	4.327%	10/6/2030	10/6/2025	4.268	10,000,000	$ 10,000,000	$ 9,836,600	AA+	Aa1
GUARDIAN LIFE	4.402%	12/11/2030	12/11/2025	4.342	8,000,000	$ 8,000,000	$ 7,894,320	AA+	Aa1
GUARDIAN LIFE	1.400%	7/6/2027	1/16/2026	3.831	1,750,000	$ 1,708,234	$ 1,700,423	AA+	Aa1
HOME DEPOT	2.125%	9/15/2026	7/10/2025	4.118	2,886,000	$ 2,886,000	$ 2,875,033	A	A2
HERSHEY COMPANY	4.550%	2/24/2028	2/24/2025	4.512	5,000,000	$ 5,000,000	$ 5,015,800	A	A1
JACKSON NATIONAL LIFE	4.900%	1/13/2027	1/13/2025	4.853	5,000,000	$ 5,000,000	$ 5,008,950	A	A3
JACKSON NATIONAL LIFE	5.350%	1/13/2030	1/13/2025	5.298	3,000,000	$ 3,000,000	$ 3,020,250	A	A3
JACKSON NATIONAL LIFE	5.550%	7/2/2027	4/3/2025	4.566	2,750,000	$ 2,773,745	$ 2,774,558	A	A3
JACKSON NATIONAL LIFE	4.900%	1/13/2027	8/11/2025	4.316	10,000,000	$ 10,026,663	$ 10,017,900	A	A3
JACKSON NATIONAL LIFE	4.550%	9/9/2030	9/9/2025	4.533	7,000,000	$ 7,000,000	$ 6,861,820	A	A3
KAISER FOUNDATION	3.150%	5/1/2027	12/12/2022	4.357	9,005,000	$ 8,919,336	$ 8,926,386	AA-	A2
ELI LILLY & CO	4.550%	2/12/2028	4/1/2025	4.212	10,000,000	$ 10,041,701	$ 10,042,000	A+	Aa3

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)**	**4.15%**	**3,631,508,613**	**$ 3,566,909,526**	**$ 3,549,757,499**		
LINCOLN FINANCIAL	4.625%	5/28/2028	5/28/2025	4.572	5,000,000	$ 5,000,000	$ 4,996,550	A+	A2
LINCOLN FINANCIAL	4.200%	1/12/2029	1/12/2026	4.184	1,000,000	$ 999,929	$ 986,050	A+	A2
MASTERCARD INC	4.550%	3/15/2028	2/27/2025	4.513	3,000,000	$ 3,000,000	$ 3,009,240	A+	Aa3
MASTERCARD INC	4.325%	6/8/2028	6/8/2026	4.270	10,000,000	$ 9,999,302	$ 10,000,300	A+	Aa3
MASTERCARD INC	4.425%	6/8/2029	6/8/2026	4.371	10,000,000	$ 9,998,343	$ 9,986,600	A+	Aa3
MARS INC	4.450%	3/1/2027	9/2/2025	3.946	9,000,000	$ 9,025,928	$ 9,015,030	A	A2
MASSACHUSETTS MUTUAL	1.200%	7/16/2026	2/10/2023	4.537	3,703,000	$ 3,698,198	$ 3,698,742	AA+	Aa3
MASSACHUSETTS MUTUAL	5.050%	6/14/2028	6/14/2023	4.383	3,000,000	$ 3,002,564	$ 3,030,870	AA+	Aa3
MASSACHUSETTS MUTUAL	5.150%	5/30/2029	5/30/2024	5.098	2,000,000	$ 2,000,000	$ 2,025,300	AA+	Aa3
MASSACHUSETTS MUTUAL	4.000%	1/22/2029	1/22/2026	3.990	2,000,000	$ 1,999,706	$ 1,970,620	AA+	Aa3
MERCEDES BENZ NA	5.200%	8/3/2026	4/23/2025	4.531	15,000,000	$ 15,007,690	$ 15,014,250	A	A2
MERCEDES BENZ NA	4.250%	3/10/2029	3/10/2026	4.207	10,000,000	$ 9,998,390	$ 9,877,400	A	A2
METLIFE INC	3.000%	9/19/2027	5/18/2023	4.719	15,262,000	$ 14,965,832	$ 15,005,598	AA-	Aa3
METLIFE INC	3.000%	9/19/2027	5/26/2023	4.930	7,000,000	$ 6,848,536	$ 6,882,400	AA-	Aa3
METLIFE INC	4.400%	6/30/2027	6/12/2023	5.036	4,790,000	$ 4,759,842	$ 4,799,820	AA-	Aa3
METLIFE INC	3.000%	9/19/2027	6/12/2023	5.036	3,670,000	$ 3,586,406	$ 3,608,344	AA-	Aa3
METLIFE INC	1.875%	1/11/2027	7/5/2023	5.194	1,940,000	$ 1,908,678	$ 1,916,487	AA-	Aa3
METLIFE INC	1.875%	1/11/2027	7/11/2023	5.379	3,825,000	$ 3,760,025	$ 3,778,641	AA-	Aa3
METLIFE INC	1.875%	1/11/2027	10/27/2023	5.869	3,096,000	$ 3,036,162	$ 3,058,476	AA-	Aa3
METLIFE INC	1.875%	1/11/2027	12/11/2023	5.226	7,480,000	$ 7,356,765	$ 7,389,342	AA-	Aa3
METLIFE INC	1.875%	1/11/2027	1/11/2024	4.993	1,238,000	$ 1,218,899	$ 1,222,995	AA-	Aa3
METLIFE INC	5.050%	6/11/2027	6/11/2024	5.025	8,000,000	$ 7,996,877	$ 8,058,640	AA-	Aa3
METLIFE INC	3.000%	9/19/2027	3/21/2025	4.509	10,000,000	$ 9,821,239	$ 9,832,000	AA-	Aa3
METLIFE INC	1.875%	1/11/2027	4/22/2025	4.343	4,000,000	$ 3,949,096	$ 3,951,520	AA-	Aa3
METLIFE INC	4.850%	1/16/2027	8/8/2025	4.069	8,186,000	$ 8,216,816	$ 8,210,722	AA-	Aa3
METLIFE INC	4.150%	8/25/2028	8/25/2025	4.096	5,000,000	$ 5,000,000	$ 4,960,850	AA-	Aa3
METLIFE INC	4.350%	1/12/2031	1/12/2026	4.301	5,000,000	$ 4,999,850	$ 4,921,950	AA-	Aa3
MORGAN STANLEY	3.125%	7/27/2026	12/28/2023	4.857	8,500,000	$ 8,489,737	$ 8,496,940	A-	A1
MORGAN STANLEY	3.125%	7/27/2026	1/23/2024	4.932	2,765,000	$ 2,761,520	$ 2,764,005	A-	A1
MORGAN STANLEY	3.125%	7/27/2026	4/2/2025	4.349	8,553,000	$ 8,545,355	$ 8,549,921	A-	A1
MORGAN STANLEY	6.250%	8/9/2026	4/21/2025	4.444	4,356,000	$ 4,363,675	$ 4,362,926	A-	A1
MUTUAL OF OMAHA	5.800%	7/27/2026	10/17/2023	5.869	3,769,000	$ 3,768,618	$ 3,773,221	A+	A1
MUTUAL OF OMAHA	5.800%	7/27/2026	12/11/2023	5.196	10,500,000	$ 10,503,700	$ 10,511,760	A+	A1
MUTUAL OF OMAHA	5.450%	12/12/2028	12/12/2023	5.259	10,000,000	$ 10,025,011	$ 10,164,800	A+	A1
MUTUAL OF OMAHA	4.514%	6/9/2028	9/15/2025	3.985	10,000,000	$ 10,085,760	$ 9,948,900	A+	A1
MUTUAL OF OMAHA	4.546%	1/13/2031	1/13/2026	4.484	1,500,000	$ 1,500,000	$ 1,480,155	A+	A1
NATIONAL AUSTRALIA BANK NY	4.944%	1/12/2028	1/12/2023	4.876	10,000,000	$ 10,000,000	$ 10,103,600	AA-	Aa2
NATL SECURITIES CLEARING CORP	4.350%	5/20/2027	5/20/2025	4.337	5,000,000	$ 5,000,000	$ 5,005,700	AA+	Aa1
NATL SECURITIES CLEARING CORP	4.350%	6/9/2028	6/9/2026	4.323	5,000,000	$ 4,997,235	$ 4,995,200	AA	Aa1
NATL SECURITIES CLEARING CORP	4.700%	6/9/2031	6/9/2026	4.643	3,000,000	$ 2,999,184	$ 2,999,610	AA	Aa1
NORTHERN TRUST	4.150%	11/19/2030	11/19/2025	4.104	5,000,000	$ 5,000,000	$ 4,927,750	A+	A2
NORTHWESTERN MUTUAL LIFE	4.900%	6/12/2028	6/12/2023	4.888	5,000,000	$ 4,995,229	$ 5,033,400	AA+	Aa1
NORTHWESTERN MUTUAL LIFE	1.750%	1/11/2027	7/11/2023	5.182	5,000,000	$ 4,916,528	$ 4,934,800	AA+	Aa1
NORTHWESTERN MUTUAL LIFE	4.900%	6/12/2028	8/21/2023	5.223	4,000,000	$ 3,972,964	$ 4,026,720	AA+	Aa1
NORTHWESTERN MUTUAL LIFE	1.700%	6/1/2028	2/23/2026	3.804	3,470,000	$ 3,333,864	$ 3,291,052	AA+	Aa1
NORTHWESTERN MUTUAL LIFE	4.350%	9/15/2027	3/2/2026	3.714	10,000,000	$ 10,067,729	$ 9,996,400	AA+	Aa1
NEW YORK LIFE	4.700%	1/29/2029	1/29/2024	4.676	15,000,000	$ 14,986,003	$ 15,027,900	AA+	Aa1
NEW YORK LIFE	4.850%	1/9/2028	4/12/2024	5.000	7,500,000	$ 7,477,238	$ 7,540,050	AA+	Aa1
NEW YORK LIFE	5.450%	9/18/2026	4/14/2025	4.365	7,363,000	$ 7,378,431	$ 7,383,985	AA+	Aa1
NEW YORK LIFE	5.450%	9/18/2026	7/8/2025	4.207	11,635,000	$ 11,663,314	$ 11,668,160	AA+	Aa1
NEW YORK LIFE	4.250%	1/9/2031	1/9/2026	4.227	10,000,000	$ 9,999,289	$ 9,836,800	AA+	Aa1
NEW YORK LIFE	4.050%	2/2/2029	2/2/2026	3.996	10,000,000	$ 9,999,948	$ 9,868,800	AA+	Aa1
NEW YORK LIFE	4.690%	7/16/2030	6/16/2026	4.627	10,000,000	$ 10,000,000	$ 9,990,750	AA+	Aa1
PACIFIC LIFE	1.450%	1/20/2028	7/10/2023	5.572	1,152,000	$ 1,086,529	$ 1,099,158	AA-	Aa3
PACIFIC LIFE	5.500%	8/28/2026	8/30/2023	5.437	7,000,000	$ 6,999,870	$ 7,014,700	AA-	Aa3
PACIFIC LIFE	1.600%	9/21/2028	12/7/2023	5.221	2,375,000	$ 2,204,771	$ 2,222,145	AA-	Aa3
PACIFIC LIFE	5.500%	7/18/2028	4/2/2024	4.956	1,355,000	$ 1,366,659	$ 1,378,713	AA-	Aa3
PACIFIC LIFE	5.500%	8/28/2026	4/12/2024	5.207	5,265,000	$ 5,266,686	$ 5,276,057	AA-	Aa3
PACIFIC LIFE	5.500%	8/28/2026	4/14/2025	4.412	1,675,000	$ 1,677,601	$ 1,678,518	AA-	Aa3
PACIFIC LIFE	5.500%	7/18/2028	4/23/2025	4.468	3,700,000	$ 3,767,482	$ 3,764,750	AA-	Aa3
PACIFIC LIFE	4.375%	2/3/2031	2/3/2026	4.338	10,000,000	$ 9,998,187	$ 9,871,600	AA-	Aa3
PRINCIPAL LIFE	1.250%	8/16/2026	7/28/2023	5.489	1,115,000	$ 1,109,537	$ 1,110,919	A+	A1
PRINCIPAL LIFE	5.500%	6/28/2028	11/13/2023	5.881	2,380,000	$ 2,361,019	$ 2,415,153	A+	A1
PRINCIPAL LIFE	1.500%	11/17/2026	12/7/2023	5.191	15,000,000	$ 14,804,795	$ 14,847,600	A+	A1
PRINCIPAL LIFE	5.000%	1/16/2027	1/16/2024	4.945	5,000,000	$ 4,999,648	$ 5,017,750	A+	A1
PRINCIPAL LIFE	5.100%	1/25/2029	2/21/2024	5.181	8,885,000	$ 8,854,410	$ 8,968,519	A+	A1
PRINCIPAL LIFE	1.250%	8/16/2026	10/28/2024	4.424	8,710,000	$ 8,676,509	$ 8,678,121	A+	A1
PRINCIPAL LIFE	1.250%	8/16/2026	4/7/2025	4.289	6,848,000	$ 6,822,503	$ 6,822,936	A+	A1
PRINCIPAL LIFE	4.250%	8/18/2028	8/18/2025	4.211	3,000,000	$ 3,000,000	$ 2,973,870	A+	A1
PRINCIPAL LIFE	4.600%	8/19/2027	1/15/2026	3.918	4,820,000	$ 4,852,787	$ 4,830,749	A+	A1
PRINCIPAL LIFE	4.650%	5/18/2029	5/18/2026	4.615	7,000,000	$ 6,995,738	$ 6,979,350	A+	A1
PROGRESSIVE CORP	4.600%	3/26/2031	3/26/2026	4.540	2,000,000	$ 1,999,877	$ 1,993,300	A	A2
PROTECTIVE LIFE	1.900%	7/6/2028	7/14/2023	5.330	4,250,000	$ 3,990,071	$ 4,020,075	AA-	A1
PROTECTIVE LIFE	4.714%	7/6/2027	12/7/2023	5.173	9,440,000	$ 9,394,076	$ 9,466,432	AA-	A1
PROTECTIVE LIFE	4.992%	1/12/2027	1/12/2024	4.924	10,000,000	$ 10,000,000	$ 10,039,400	AA-	A1
PROTECTIVE LIFE	4.714%	7/6/2027	2/26/2024	4.959	1,644,000	$ 1,639,219	$ 1,648,603	AA-	A1
PROTECTIVE LIFE	4.803%	6/5/2030	6/5/2025	4.737	5,000,000	$ 5,000,000	$ 4,991,050	AA-	A1

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)	4.15%	3,631,508,613	$ 3,566,909,526	$ 3,549,757,499		
PROTECTIVE LIFE	4.161%	1/15/2029	12/10/2025	4.106	7,000,000	$ 6,999,977	$ 6,903,890	AA-	A1
PRUDENTIAL FINANCIAL	5.100%	5/30/2028	5/30/2023	5.034	7,000,000	$ 6,999,518	$ 7,064,470	AA-	Aa3
PRUDENTIAL FINANCIAL	5.100%	5/30/2028	6/14/2023	5.093	7,000,000	$ 6,992,439	$ 7,064,470	AA-	Aa3
PRUDENTIAL FINANCIAL	5.550%	8/28/2026	8/28/2023	5.510	3,000,000	$ 2,999,840	$ 3,006,330	AA-	Aa3
PRUDENTIAL FINANCIAL	4.700%	5/28/2030	5/28/2025	4.652	3,000,000	$ 3,000,000	$ 2,995,770	AA-	Aa3
PRUDENTIAL FINANCIAL	4.350%	11/25/2030	11/25/2025	4.309	10,000,000	$ 10,000,000	$ 9,832,900	AA-	Aa3
RABOBANK NY	5.500%	10/5/2026	10/5/2023	5.527	8,000,000	$ 7,998,023	$ 8,030,400	A+	Aa2
RABOBANK NY	5.041%	3/5/2027	3/5/2024	4.972	10,000,000	$ 10,000,000	$ 10,053,300	A+	Aa2
REINSURANCE GROUP OF AMERICA	2.000%	11/30/2026	1/18/2023	4.697	6,250,000	$ 6,185,428	$ 6,189,000	AA-	A1
REINSURANCE GROUP OF AMERICA	2.000%	11/30/2026	5/25/2023	5.357	1,000,000	$ 987,228	$ 990,240	AA-	A1
REINSURANCE GROUP OF AMERICA	2.000%	11/30/2026	11/20/2023	5.924	2,730,000	$ 2,689,163	$ 2,703,355	AA-	A1
REINSURANCE GROUP OF AMERICA	6.000%	11/21/2028	11/21/2023	5.948	10,000,000	$ 9,993,693	$ 10,263,200	AA-	A1
REINSURANCE GROUP OF AMERICA	5.250%	1/9/2030	1/9/2025	5.195	5,000,000	$ 5,000,000	$ 5,059,200	AA-	A1
REINSURANCE GROUP OF AMERICA	4.350%	8/25/2028	8/25/2025	4.317	7,000,000	$ 7,000,000	$ 6,941,970	AA-	A1
STATE STREET CORP	4.993%	3/18/2027	3/20/2024	4.986	10,992,000	$ 10,987,519	$ 11,046,960	A	Aa3
USAA CAPTIAL CORP	5.250%	6/1/2027	6/3/2024	5.283	10,000,000	$ 9,991,153	$ 10,091,300	AA-	Aa2
USAA CAPTIAL CORP	4.375%	6/1/2028	6/2/2025	4.382	5,000,000	$ 5,000,000	$ 4,989,150	AA-	Aa2
WESTERN SOUTHERN LIFE	4.500%	7/16/2028	8/11/2025	4.149	7,205,000	$ 7,245,056	$ 7,168,615	AA-	Aa3
WESTERN SOUTHERN LIFE	4.500%	7/16/2028	8/7/2025	4.157	2,096,000	$ 2,107,332	$ 2,085,415	AA-	Aa3
WESTERN SOUTHERN LIFE	4.250%	1/29/2029	1/29/2026	4.220	5,000,000	$ 4,999,370	$ 4,938,650	AA-	Aa3
Sub Total Corporate Bonds		621	27.59%	4.66%	987,782,000	$ 984,043,889	$ 983,486,575		
CALIFORNIA DEVL AUTHORITY		6/1/2027	12/9/2022	4.992	1,720,000	$ 1,650,183	$ 1,648,672	AA	Aa3
FRESNO COUNTY		8/15/2027	7/5/2023	5.073	3,700,000	$ 3,511,910	$ 3,524,583	AA	A1
FRESNO COUNTY		8/15/2028	5/29/2025	4.494	15,000,000	$ 13,679,742	$ 13,675,950	AA	NR
KERN COUNTY CA		8/15/2026	4/10/2023	4.895	10,000,000	$ 9,944,955	$ 9,946,200	AA-	A1
SANTA CLARA COUNTY		8/1/2028	12/13/2024	4.454	1,000,000	$ 913,946	$ 912,380	AAA	Aa1
Sub Total Municipal Zero Coupon Bonds		463	0.83%	4.72%	31,420,000	$ 29,700,737	$ 29,707,785		
-- No Holdings --									
Sub Total Municipal Notes		0	0.00%	0.00%	-	$ -	$ -		
ALAMEDA COUNTY	3.410%	8/1/2026	8/24/2022	3.364	1,150,000	$ 1,150,000	$ 1,149,368	AAA	Aaa
ALAMEDA COUNTY	3.460%	8/1/2027	8/24/2022	3.413	1,150,000	$ 1,150,000	$ 1,143,043	AAA	Aaa
ALAMEDA COUNTY	3.460%	8/1/2027	11/9/2022	4.883	1,500,000	$ 1,478,624	$ 1,490,925	AAA	Aaa
ANAHEIM CA	1.186%	7/1/2026	7/13/2021	1.085	660,000	$ 660,000	$ 660,000	AA	A1
CA STATE GO	2.375%	10/1/2026	10/1/2021	0.971	11,000,000	$ 11,037,224	$ 10,952,370	AA-	Aa2
CALIFORNIA DEVL AUTHORITY	1.212%	2/1/2027	11/21/2022	4.963	1,000,000	$ 980,132	$ 982,230	A+	A1
CALIFORNIA DEVL AUTHORITY	1.462%	2/1/2028	10/4/2023	5.563	580,000	$ 546,365	$ 553,946	A+	A1
CAL STATE UNIVERSITY	1.338%	11/1/2027	6/3/2026	4.025	1,920,000	$ 1,854,706	$ 1,851,187	AA-	Aa2
CAL STATE HEALTH FACILITY	2.484%	6/1/2027	12/13/2022	4.609	1,365,000	$ 1,340,531	$ 1,342,464	AA-	Aa3
CAL STATE HEALTH FACILITY	1.368%	6/1/2027	12/13/2022	4.609	1,000,000	$ 972,937	$ 973,570	AA-	Aa3
LITTLE LAKE CITY SCHOOLS	5.964%	7/1/2026	12/23/2022	4.606	1,000,000	$ 1,000,000	$ 1,000,000	AA-	Aa3
LOS ANGELES CITY CA	5.000%	9/1/2027	11/1/2022	4.650	2,225,000	$ 2,231,284	$ 2,245,225	AA-	Aa2
LA UNIFIED SCHOOLS	1.455%	7/1/2026	5/18/2022	3.511	2,500,000	$ 2,500,000	$ 2,500,000	NR	Aa2
MORGAN HILL CA	1.200%	9/1/2026	12/5/2022	4.705	2,640,000	$ 2,625,765	$ 2,626,747	AA	Aa1
MARIN CA COMM COLL DIST	0.893%	8/1/2026	9/14/2021	0.881	1,000,000	$ 1,000,000	$ 997,380	NR	Aaa
NAPA VALLEY UNIFIED SCHOOLS	1.094%	8/1/2026	8/17/2021	1.006	765,000	$ 765,046	$ 763,034	AA-	Aa3
POWAY CA UNIFIED SCHOOLS	1.358%	9/1/2026	3/1/2022	2.298	415,000	$ 414,365	$ 412,987	AA+	Aaa
RIVERSIDE COUNTY FACILITIES	1.474%	11/1/2026	11/1/2021	1.351	1,000,000	$ 1,000,333	$ 991,110	AA-	Aaa
SACRAMENTO WATER DISTRICT	1.953%	9/1/2026	12/10/2021	1.438	1,750,000	$ 1,751,390	$ 1,743,648	AA	Aa2
SACRAMENTO WATER DISTRICT	2.103%	9/1/2027	1/12/2023	4.335	2,000,000	$ 1,952,066	$ 1,955,380	AA	Aa2
SANTA CLARITA COMM COLL DIST	1.146%	8/1/2026	2/10/2022	2.055	1,250,000	$ 1,249,072	$ 1,246,788	AA	A1
SAN DIEGO UNIFIED SCHOOLS	1.201%	7/1/2026	1/12/2022	1.601	500,000	$ 500,000	$ 500,000	AA+	Aa2
SAN FRANCISCO BAY AREA RAPID T	2.338%	7/1/2026	1/26/2022	1.657	1,000,000	$ 1,000,000	$ 1,000,000	AA+	A1
SAN FRANCISCO BAY AREA RAPID T	1.102%	3/1/2027	4/8/2022	3.234	1,300,000	$ 1,282,698	$ 1,273,376	AA-	Aa3
SAN FRANCISCO BAY AREA RAPID T	2.338%	7/1/2026	8/4/2022	3.235	1,320,000	$ 1,320,000	$ 1,320,000	AA+	A1
SAN FRANCISCO BAY AREA RAPID T	1.102%	3/1/2027	12/20/2023	4.672	1,775,000	$ 1,735,509	$ 1,738,648	AA-	Aa3
SAN FRANCISCO BAY AREA RAPID T	1.687%	3/1/2030	3/3/2025	4.715	2,375,000	$ 2,137,870	$ 2,152,558	AA-	Aa3
SAN FRANCISCO DEV AGENCY	2.071%	8/1/2027	12/5/2022	4.951	1,685,000	$ 1,637,510	$ 1,646,481	AA	Aaa
SAN FRANCISCO UTILITY DIST 1	4.655%	10/1/2027	11/15/2024	4.322	8,010,000	$ 8,034,278	$ 8,048,608	NR	Aa2
SAN FRANCISCO UTILITY DIST 1	4.655%	10/1/2027	5/15/2026	4.040	2,130,000	$ 2,156,361	$ 2,140,267	NR	Aa2
SAN JOSE CITY	2.500%	9/1/2026	4/26/2022	3.205	9,245,000	$ 9,234,296	$ 9,219,391	AA+	Aa1
SANTA MONICA MALIBU SCHOOLS	0.989%	7/1/2026	12/12/2022	4.323	1,100,000	$ 1,100,000	$ 1,100,000	NR	Aa1
SONOMA MARIN AREA RAIL	2.018%	3/1/2028	3/14/2023	4.868	1,150,000	$ 1,100,939	$ 1,108,830	AA	A1
SANTA ROSA JR COLL	2.447%	8/1/2026	2/22/2022	2.140	150,000	$ 150,033	$ 149,799	AA	Aa2
SANTA ROSA JR COLL	2.447%	8/1/2026	4/20/2022	3.058	1,075,000	$ 1,074,455	$ 1,073,560	AA	Aa2
SANTA ROSA JR COLL	2.447%	8/1/2026	11/9/2022	4.981	765,000	$ 763,504	$ 763,975	AA	Aa2
SANTA ROSA JR COLL	2.447%	8/1/2026	1/3/2023	4.586	1,085,000	$ 1,083,184	$ 1,083,546	AA	Aa2
SANTA ROSA SCHOOL DIST	1.263%	8/1/2026	11/9/2022	5.030	500,000	$ 498,560	$ 498,765	AA	A1
SANTA ROSA SCHOOL DIST	1.213%	8/1/2026	3/17/2023	4.537	735,000	$ 733,098	$ 733,185	AA	Aa3
TAMALPAIS UNION HS DIST	2.265%	8/1/2026	2/11/2022	1.915	3,320,000	$ 3,320,852	$ 3,314,920	AA	Aaa
UNIV CALIFORNIA	1.316%	5/15/2027	5/16/2022	3.413	3,815,000	$ 3,749,997	$ 3,725,843	AA	Aa2
WEST CONTRA COSTA SCHOOLS	2.077%	8/1/2026	9/28/2021	1.016	1,000,000	$ 1,000,849	$ 998,110	A+	A1
Sub Total Municipal Bonds		223	2.28%	3.26%	81,905,000	$ 81,273,832	$ 81,171,263		
SCEIP	3.000%	9/2/2029	6/1/2009	2.958	23,526	$ 23,526	$ 23,526	NR	NR
SCEIP	3.000%	9/2/2029	8/3/2009	2.959	45,694	$ 45,694	$ 45,694	NR	NR
SCEIP	3.000%	9/2/2029	9/1/2009	2.959	745,515	$ 745,515	$ 745,515	NR	NR
SCEIP	3.000%	9/2/2029	10/1/2009	2.959	94,702	$ 94,702	$ 94,702	NR	NR
SCEIP	3.000%	9/2/2030	11/2/2009	2.958	79,519	$ 79,519	$ 79,519	NR	NR

Sonoma County Quarterly Report & Certification of Investments

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)	4.15%	3,631,508,613	$ 3,566,909,526	$ 3,549,757,499		
SCEIP	3.000%	9/2/2030	12/1/2009	2.958	272,721	$ 272,721	$ 272,721	NR	NR
SCEIP	3.000%	9/2/2030	1/4/2010	2.959	243,180	$ 243,180	$ 243,180	NR	NR
SCEIP	3.000%	9/2/2030	2/1/2010	2.959	270,285	$ 270,285	$ 270,285	NR	NR
SCEIP	3.000%	9/2/2030	3/1/2010	2.959	116,751	$ 116,751	$ 116,751	NR	NR
SCEIP	3.000%	9/2/2030	4/1/2010	2.959	106,672	$ 106,672	$ 106,672	NR	NR
SCEIP	3.000%	9/2/2030	5/3/2010	2.959	75,103	$ 75,103	$ 75,103	NR	NR
SCEIP	3.000%	9/2/2030	6/1/2010	2.959	198,411	$ 198,411	$ 198,411	NR	NR
SCEIP	3.000%	9/2/2030	6/30/2010	2.959	146,863	$ 146,863	$ 146,863	NR	NR
SCEIP	3.000%	9/2/2030	8/2/2010	2.959	73,296	$ 73,296	$ 73,296	NR	NR
SCEIP	3.000%	9/2/2030	9/1/2010	2.959	62,645	$ 62,645	$ 62,645	NR	NR
SCEIP	3.000%	9/2/2031	10/1/2010	2.958	97,122	$ 97,122	$ 97,122	NR	NR
SCEIP	3.000%	9/2/2031	11/1/2010	2.958	70,047	$ 70,047	$ 70,047	NR	NR
SCEIP	3.000%	9/2/2031	12/1/2010	2.958	123,621	$ 123,621	$ 123,621	NR	NR
SCEIP	3.000%	9/2/2031	1/3/2011	2.959	95,737	$ 95,737	$ 95,737	NR	NR
SCEIP	3.000%	9/2/2031	2/1/2011	2.959	220,904	$ 220,904	$ 220,904	NR	NR
SCEIP	3.000%	9/2/2031	3/1/2011	2.959	54,469	$ 54,469	$ 54,469	NR	NR
SCEIP	3.000%	9/2/2031	4/1/2011	2.959	83,599	$ 83,599	$ 83,599	NR	NR
SCEIP	3.000%	9/2/2031	5/2/2011	2.959	61,215	$ 61,215	$ 61,215	NR	NR
SCEIP	3.000%	9/2/2031	6/1/2011	2.959	108,680	$ 108,680	$ 108,680	NR	NR
SCEIP	3.000%	9/2/2031	6/30/2011	2.959	111,731	$ 111,731	$ 111,731	NR	NR
SCEIP	3.000%	9/2/2034	6/2/2014	2.959	26,834	$ 26,834	$ 26,834	NR	NR
SCEIP	3.000%	9/2/2034	6/30/2014	2.959	54,322	$ 54,322	$ 54,322	NR	NR
SCEIP	3.000%	9/2/2034	8/1/2014	2.959	21,027	$ 21,027	$ 21,027	NR	NR
SCEIP	3.000%	9/2/2034	9/2/2014	2.959	10,186	$ 10,186	$ 10,186	NR	NR
SCEIP	3.000%	9/2/2035	11/3/2014	2.958	24,989	$ 24,989	$ 24,989	NR	NR
SCEIP	3.000%	9/2/2035	12/1/2014	2.958	11,847	$ 11,847	$ 11,847	NR	NR
SCEIP	3.000%	9/2/2035	1/5/2015	2.959	54,862	$ 54,862	$ 54,862	NR	NR
SCEIP	3.000%	9/2/2035	2/2/2015	2.959	54,169	$ 54,169	$ 54,169	NR	NR
SCEIP	3.000%	9/2/2035	3/2/2015	2.959	66,977	$ 66,977	$ 66,977	NR	NR
SCEIP	3.000%	9/2/2035	4/1/2015	2.959	47,838	$ 47,838	$ 47,838	NR	NR
SCEIP	3.000%	9/2/2035	6/1/2015	2.959	24,305	$ 24,305	$ 24,305	NR	NR
SCEIP	3.000%	9/2/2026	10/1/2015	2.957	1,447	$ 1,447	$ 1,447	NR	NR
SCEIP	3.000%	9/2/2026	9/2/2016	2.959	2,732	$ 2,732	$ 2,732	NR	NR
SCEIP	3.000%	9/2/2027	2/1/2017	2.959	11,822	$ 11,822	$ 11,822	NR	NR
SCEIP	3.000%	9/2/2027	6/1/2017	2.959	2,102	$ 2,102	$ 2,102	NR	NR
SCEIP	3.000%	9/2/2028	12/1/2017	2.958	12,738	$ 12,738	$ 12,738	NR	NR
SCEIP	3.000%	9/2/2028	3/2/2018	2.959	4,848	$ 4,848	$ 4,848	NR	NR
SCEIP	3.000%	9/2/2028	6/29/2018	2.959	17,446	$ 17,446	$ 17,446	NR	NR
SCEIP	3.000%	9/2/2029	10/1/2018	2.957	48,601	$ 48,601	$ 48,601	NR	NR
SCEIP	3.000%	9/2/2029	11/1/2018	2.958	18,623	$ 18,623	$ 18,623	NR	NR
SCEIP	3.000%	9/2/2029	6/28/2019	2.959	4,799	$ 4,799	$ 4,799	NR	NR
SCEIP	3.000%	9/2/2030	1/2/2020	2.958	8,689	$ 8,689	$ 8,689	NR	NR
SCEIP	3.000%	9/2/2030	2/3/2020	2.959	6,901	$ 6,901	$ 6,901	NR	NR
SCEIP	3.000%	9/2/2030	4/1/2020	2.959	14,070	$ 14,070	$ 14,070	NR	NR
SCEIP	3.000%	9/2/2030	6/1/2020	2.959	9,388	$ 9,388	$ 9,388	NR	NR
SCEIP	1.990%	9/2/2031	10/1/2020	1.963	47,284	$ 47,284	$ 47,284	NR	NR
SCEIP	1.990%	9/2/2031	11/2/2020	1.963	8,848	$ 8,848	$ 8,848	NR	NR
SCEIP	1.990%	9/2/2031	1/4/2021	1.963	11,920	$ 11,920	$ 11,920	NR	NR
SCEIP	1.990%	9/2/2031	2/1/2021	1.963	70,517	$ 70,517	$ 70,517	NR	NR
SCEIP	1.990%	9/2/2031	3/1/2021	1.963	1,776	$ 1,776	$ 1,776	NR	NR
SCEIP	1.990%	9/2/2031	4/1/2021	1.963	22,310	$ 22,310	$ 22,310	NR	NR
SCEIP	1.990%	9/2/2031	5/3/2021	1.963	50,997	$ 50,997	$ 50,997	NR	NR
SCEIP	1.990%	9/2/2031	6/1/2021	1.963	36,936	$ 36,936	$ 36,936	NR	NR
SCEIP	1.990%	9/2/2031	6/30/2021	1.963	158,727	$ 158,727	$ 158,727	NR	NR
SCEIP	1.990%	9/2/2031	9/2/2021	1.963	18,654	$ 18,654	$ 18,654	NR	NR
SCEIP	1.990%	9/2/2032	10/1/2021	1.962	216,130	$ 216,130	$ 216,130	NR	NR
SCEIP	1.990%	9/2/2032	11/1/2021	1.962	19,514	$ 19,514	$ 19,514	NR	NR
SCEIP	1.990%	9/2/2032	12/1/2021	1.962	56,928	$ 56,928	$ 56,928	NR	NR
SCEIP	1.990%	9/2/2032	1/3/2022	1.963	25,791	$ 25,791	$ 25,791	NR	NR
SCEIP	1.990%	9/2/2032	2/1/2022	1.963	58,264	$ 58,264	$ 58,264	NR	NR
SCEIP	1.990%	9/2/2032	4/1/2022	1.963	47,879	$ 47,879	$ 47,879	NR	NR
SCEIP	1.990%	9/2/2032	5/2/2022	1.963	55,913	$ 55,913	$ 55,913	NR	NR
SCEIP	1.990%	9/2/2032	6/1/2022	1.963	193,009	$ 193,009	$ 193,009	NR	NR
SCEIP	1.990%	9/2/2032	9/2/2022	1.963	139,736	$ 139,736	$ 139,736	NR	NR
SCEIP	1.990%	9/2/2033	10/3/2022	1.962	84,347	$ 84,347	$ 84,347	NR	NR
SCEIP	1.990%	9/2/2033	11/1/2022	1.962	106,590	$ 106,590	$ 106,590	NR	NR
SCEIP	1.990%	9/2/2033	12/1/2022	1.962	13,020	$ 13,020	$ 13,020	NR	NR
SCEIP	2.990%	9/2/2033	12/1/2022	2.948	61,058	$ 61,058	$ 61,058	NR	NR
SCEIP	1.990%	9/2/2033	1/3/2023	1.963	42,068	$ 42,068	$ 42,068	NR	NR
SCEIP	2.990%	9/2/2033	2/1/2023	2.949	21,739	$ 21,739	$ 21,739	NR	NR
SCEIP	2.990%	9/2/2033	3/1/2023	2.949	12,227	$ 12,227	$ 12,227	NR	NR
SCEIP	1.990%	9/2/2043	3/1/2023	1.963	553,171	$ 553,171	$ 553,171	NR	NR
SCEIP	2.990%	9/2/2043	3/1/2023	2.949	139,085	$ 139,085	$ 139,085	NR	NR
SCEIP	2.990%	9/2/2033	4/3/2023	2.949	13,381	$ 13,381	$ 13,381	NR	NR
SCEIP	1.990%	9/2/2043	4/3/2023	1.963	44,942	$ 44,942	$ 44,942	NR	NR
SCEIP	2.990%	9/2/2043	4/3/2023	2.949	316,108	$ 316,108	$ 316,108	NR	NR
SCEIP	2.990%	9/2/2033	5/1/2023	2.949	80,485	$ 80,485	$ 80,485	NR	NR

Description	Coupon Rate	Maturity Date (WAM)	Purchase Date (% Pool)	Book Yield	Current Par / Shares	Current Book / Shares	Market Value	S&P Rating	Moody's Rating
TOTAL				**4.15%**	**3,631,508,613**	**$ 3,566,909,526**	**$ 3,549,757,499**		
SCEIP	2.990%	9/2/2043	5/1/2023	2.949	326,658	$ 326,658	$ 326,658	NR	NR
SCEIP	2.990%	9/2/2033	6/1/2023	2.949	36,888	$ 36,888	$ 36,888	NR	NR
SCEIP	2.990%	9/2/2043	6/1/2023	2.949	243,262	$ 243,262	$ 243,262	NR	NR
SCEIP	2.990%	9/2/2033	6/30/2023	2.949	123,757	$ 123,757	$ 123,757	NR	NR
SCEIP	2.990%	9/2/2043	6/30/2023	2.949	190,187	$ 190,187	$ 190,187	NR	NR
SCEIP	2.990%	9/2/2033	8/1/2023	2.949	87,960	$ 87,960	$ 87,960	NR	NR
SCEIP	1.990%	9/2/2043	8/1/2023	1.963	1,134,164	$ 1,134,164	$ 1,134,164	NR	NR
SCEIP	2.990%	9/2/2043	8/1/2023	2.949	474,037	$ 474,037	$ 474,037	NR	NR
SCEIP	2.990%	9/2/2033	9/2/2023	2.949	49,590	$ 49,590	$ 49,590	NR	NR
SCEIP	2.990%	9/2/2043	9/2/2023	2.949	516,408	$ 516,408	$ 516,408	NR	NR
SCEIP	2.990%	9/2/2034	10/2/2023	2.947	101,081	$ 101,081	$ 101,081	NR	NR
SCEIP	2.990%	9/2/2044	10/2/2023	2.948	321,759	$ 321,759	$ 321,759	NR	NR
SCEIP	3.490%	9/2/2044	10/2/2023	3.441	170,310	$ 170,310	$ 170,310	NR	NR
SCEIP	3.490%	9/2/2034	11/1/2023	3.440	14,337	$ 14,337	$ 14,337	NR	NR
SCEIP	2.990%	9/2/2034	12/1/2023	2.948	25,855	$ 25,855	$ 25,855	NR	NR
SCEIP	3.490%	9/2/2034	12/1/2023	3.441	9,901	$ 9,901	$ 9,901	NR	NR
SCEIP	3.490%	9/2/2034	1/2/2024	3.441	26,596	$ 26,596	$ 26,596	NR	NR
SCEIP	2.990%	9/2/2044	1/2/2024	2.949	66,140	$ 66,140	$ 66,140	NR	NR
SCEIP	3.490%	9/2/2044	1/2/2024	3.442	237,054	$ 237,054	$ 237,054	NR	NR
SCEIP	3.490%	9/2/2034	2/1/2024	3.442	46,950	$ 46,950	$ 46,950	NR	NR
SCEIP	3.490%	9/2/2034	3/1/2024	3.442	57,717	$ 57,717	$ 57,717	NR	NR
SCEIP	3.490%	9/2/2034	4/1/2024	3.442	145,036	$ 145,036	$ 145,036	NR	NR
SCEIP	3.490%	9/2/2034	5/1/2024	3.443	104,250	$ 104,250	$ 104,250	NR	NR
SCEIP	3.490%	9/2/2034	6/3/2024	3.443	26,123	$ 26,123	$ 26,123	NR	NR
SCEIP	3.490%	9/2/2044	6/3/2024	3.442	734,724	$ 734,724	$ 734,724	NR	NR
SCEIP	3.490%	9/2/2034	6/28/2024	3.443	14,460	$ 14,460	$ 14,460	NR	NR
SCEIP	3.490%	9/2/2044	6/28/2024	3.442	866,787	$ 866,787	$ 866,787	NR	NR
SCEIP	3.490%	9/2/2034	8/1/2024	3.442	17,384	$ 17,384	$ 17,384	NR	NR
SCEIP	3.490%	9/2/2044	8/1/2024	3.442	239,784	$ 239,784	$ 239,784	NR	NR
SCEIP	3.490%	9/2/2044	9/2/2024	3.442	733,137	$ 733,137	$ 733,137	NR	NR
SCEIP	3.490%	9/2/2035	10/1/2024	3.440	20,351	$ 20,351	$ 20,351	NR	NR
SCEIP	3.990%	9/2/2035	11/1/2024	3.933	34,950	$ 34,950	$ 34,950	NR	NR
SCEIP	3.490%	9/2/2035	12/2/2024	3.441	42,677	$ 42,677	$ 42,677	NR	NR
SCEIP	3.490%	9/2/2035	1/2/2025	3.441	11,962	$ 11,962	$ 11,962	NR	NR
SCEIP	3.990%	9/2/2035	1/2/2025	3.934	127,459	$ 127,459	$ 127,459	NR	NR
SCEIP	3.990%	9/2/2045	1/2/2025	3.935	157,037	$ 157,037	$ 157,037	NR	NR
SCEIP	3.990%	9/2/2035	2/3/2025	3.935	48,556	$ 48,556	$ 48,556	NR	NR
SCEIP	3.990%	9/2/2045	2/3/2025	3.935	94,738	$ 94,738	$ 94,738	NR	NR
SCEIP	3.990%	9/2/2035	5/1/2025	3.936	72,984	$ 72,984	$ 72,984	NR	NR
SCEIP	3.490%	9/2/2045	5/1/2025	3.442	139,179	$ 139,179	$ 139,179	NR	NR
SCEIP	3.990%	9/2/2045	5/1/2025	3.936	335,993	$ 335,993	$ 335,993	NR	NR
SCEIP	3.990%	9/2/2035	6/2/2025	3.936	66,407	$ 66,407	$ 66,407	NR	NR
SCEIP	3.990%	9/2/2035	6/27/2025	3.936	75,704	$ 75,704	$ 75,704	NR	NR
SCEIP	3.990%	9/2/2035	8/1/2025	3.936	36,625	$ 36,625	$ 36,625	NR	NR
SCEIP	3.990%	9/2/2035	9/2/2025	3.935	253,468	$ 253,468	$ 253,468	NR	NR
SCEIP	3.990%	9/2/2036	10/1/2025	3.932	101,758	$ 101,758	$ 101,758	NR	NR
SCEIP	3.990%	9/2/2036	11/3/2025	3.933	47,190	$ 47,190	$ 47,190	NR	NR
SCEIP	3.990%	9/2/2046	11/3/2025	3.934	154,475	$ 154,475	$ 154,475	NR	NR
SCEIP	3.990%	9/2/2036	12/1/2025	3.934	55,051	$ 55,051	$ 55,051	NR	NR
SCEIP	3.990%	9/2/2046	12/1/2025	3.934	400,073	$ 400,073	$ 400,073	NR	NR
SCEIP	3.990%	9/2/2036	1/2/2026	3.934	107,200	$ 107,200	$ 107,200	NR	NR
SCEIP	3.990%	9/2/2046	1/2/2026	3.935	511,648	$ 511,648	$ 511,648	NR	NR
SCEIP	3.990%	9/2/2046	2/2/2026	3.935	1,001,494	$ 1,001,494	$ 1,001,494	NR	NR
SCEIP	3.990%	9/2/2036	2/2/2026	3.935	133,863	$ 133,863	$ 133,863	NR	NR
SCEIP	3.990%	9/2/2036	6/26/2026	3.936	5,241	$ 5,241	$ 5,241	NR	NR
Sub Total SCEIP Notes		4709	0.51%	3.08%	18,051,296	$ 18,051,296	$ 18,051,296		

Appendix B:
A detailed listing of all transactions in the Pooled Investment Fund for the quarter.

Sonoma County Inv Pool Selected Funds
Purchases Report
Sorted by Security Type - Issuer
April 1, 2026 - June 30, 2026

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment	Principal Purchase	Accrued at Purchase	Rate at Purchas	Maturity Date	YTM	Ending Book Value
Negotiable CDs													
05973RLH3	32321	104	NCB	BANSDA	20,000,000.00	04/15/2026	05/04 - At Maturity	20,000,000.00		4.110	05/04/2027	4.110	20,000,000.00
0727MDHV0	32344	104	NCB	BYLNNY	8,100,000.00	05/12/2026	02/05 - At Maturity	8,100,000.00		3.990	02/05/2027	3.990	8,100,000.00
22536XES9	32322	104	NCB	CANYCD	20,000,000.00	04/16/2026	05/05 - At Maturity	20,000,000.00		4.040	05/05/2027	4.040	20,000,000.00
63873TLW6	32315	104	NCB	NATXNY	20,000,000.00	04/09/2026	05/03 - At Maturity	20,000,000.00		4.090	05/03/2027	4.090	20,000,000.00
63873TMY1	32346	104	NCB	NATXNY	12,300,000.00	05/15/2026	05/06 - At Maturity	12,300,000.00		4.110	05/06/2027	4.110	12,300,000.00
				Subtotal	**80,400,000.00**			**80,400,000.00**	**0.00**				**80,400,000.00**
SCEIP Notes													
SYS32384	32384	300	MTN	SCEIP	5,240.66	06/26/2026	09/02 - 03/02	5,240.66		3.990	09/02/2036	3.991	5,240.66
				Subtotal	**5,240.66**			**5,240.66**	**0.00**				**5,240.66**
Commercial Paper Disc. -Amortizing													
46850CP35	32338	104	ACP	JXN	260,000.00	05/08/2026	02/03 - At Maturity	252,112.39		4.030	02/03/2027	4.205	253,684.09
46850CP35	32382	104	ACP	JXN	1,030,000.00	06/18/2026	02/03 - At Maturity	1,004,204.22		3.920	02/03/2027	4.072	1,005,662.24
				Subtotal	**1,290,000.00**			**1,256,316.61**	**0.00**				**1,259,346.33**
Federal Agency Coupon Securities													
31422XNE8	32340	104	FAC	FAMCA	2,000,000.00	05/12/2026	09/29 - 03/29	1,884,700.00	3,344.44	1.400	09/29/2028	3.961	1,894,636.86
31422XJG8	32351	104	FAC	FAMCA	1,667,000.00	05/21/2026	06/28 - 12/28	1,568,647.00	Received	1.320	06/28/2028	4.283	1,573,843.99
31422XHW5	32359	104	FAC	FAMCA	3,400,000.00	06/24/2026	12/24 - 06/24	3,049,392.00		1.940	06/24/2031	4.251	3,050,755.48
3133ENDA5	32306	104	FAC	FFCB	1,534,000.00	04/06/2026	05/01 - 11/01	1,454,692.20	Received	1.740	11/01/2028	3.873	1,461,979.94
3133EMM41	32311	104	FAC	FFCB	4,155,000.00	04/09/2026	09/28 - 03/28	3,829,455.75	2,348.73	1.850	03/28/2030	4.004	3,850,485.12
3133EM5M0	32319	104	FAC	FFCB	1,607,000.00	04/13/2026	09/17 - 03/17	1,441,157.60	1,885.99	1.625	03/17/2031	3.950	1,450,335.42
3133EMUG5	32323	104	FAC	FFCB	1,326,000.00	04/21/2026	09/24 - 03/24	1,208,450.10	1,969.11	1.980	03/24/2031	3.980	1,215,060.21
3133EMSA1	32331	104	FAC	FFCB	16,507,000.00	04/28/2026	09/03 - 03/03	14,842,599.19	42,115.78	1.670	03/03/2031	3.977	14,944,805.09
3133EM5M0	32332	104	FAC	FFCB	18,816,000.00	05/01/2026	09/17 - 03/17	16,816,800.00	37,370.67	1.625	03/17/2031	4.047	16,922,480.46
3133ELB86	32341	104	FAC	FFCB	3,500,000.00	05/13/2026	05/28 - 11/28	3,158,400.00	Received	1.400	05/28/2030	4.042	3,169,669.28
3133EL5U4	32352	104	FAC	FFCB	1,000,000.00	05/22/2026	09/01 - 03/01	933,200.00	2,520.00	1.120	09/01/2028	4.230	938,900.95
3133EMM41	32355	104	FAC	FFCB	1,095,000.00	05/27/2026	09/28 - 03/28	1,004,027.40	3,319.98	1.850	03/28/2030	4.218	1,009,587.11
3133EL2C7	32357	104	FAC	FFCB	1,171,000.00	05/29/2026	07/29 - 01/29	1,038,032.95	4,801.10	1.230	07/29/2030	4.231	1,045,670.68
3133ENCU2	32360	104	FAC	FFCB	1,000,000.00	06/01/2026	11/01 - 05/01	943,480.00	1,354.17	1.625	11/01/2028	4.105	946,783.14
3133ELA20	32376	104	FAC	FFCB	1,000,000.00	06/18/2026	11/26 - 05/26	943,270.00	647.78	1.060	05/26/2028	4.135	944,974.36
3133EM4C3	32377	104	FAC	FFCB	1,000,000.00	06/18/2026	09/01 - 03/01	940,780.00	3,953.06	1.330	09/01/2028	4.171	945,703.88
3130BA2L0	32307	104	FAC	FHLB	1,415,000.00	04/06/2026	09/25 - 03/25	1,415,000.00	1,096.63	4.650	03/25/2031	4.650	1,416,096.63
3130BA6C6	32303	104	FAC	FHLB	5,000,000.00	04/08/2026	10/08 - 04/08	5,000,000.00		4.500	04/08/2031	4.500	5,000,000.00

Received = Accrued Interest at Purchase was received by report ending date.

Sonoma County Inv Pool Selected Funds
Purchases Report
April 1, 2026 - June 30, 2026

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment	Principal Purchase	Accrued at Purchase	Rate at Purchas	Maturity Date	YTM	Ending Book Value
Federal Agency Coupon Securities													
3130BA5Y9	32301	104	FAC	FHLB	3,185,000.00	04/14/2026	10/14 - 04/14	3,185,000.00		4.650	04/14/2031	4.650	3,185,000.00
3130BAAF4	32309	104	FAC	FHLB	10,000,000.00	04/14/2026	10/14 - 04/14	10,000,000.00		4.600	04/14/2031	4.600	10,000,000.00
3130BAAR8	32313	104	FAC	FHLB	7,000,000.00	04/14/2026	10/14 - 04/14	7,000,000.00		4.700	04/14/2031	4.700	7,000,000.00
3130BAAR8	32314	104	FAC	FHLB	2,990,000.00	04/14/2026	10/14 - 04/14	2,990,000.00		4.700	04/14/2031	4.700	2,990,000.00
3130BA7E1	32310	104	FAC	FHLB	4,190,000.00	04/15/2026	10/15 - 04/15	4,188,690.63		4.650	04/15/2031	4.657	4,189,243.48
3130BA2W6	32293	104	FAC	FHLB	10,000,000.00	04/20/2026	05/07 - Final Pmt.	9,999,500.00		5.000	04/07/2031	5.002	0.00
3130BA2W6	32300	104	FAC	FHLB	2,115,000.00	04/20/2026	05/07 - Final Pmt.	2,115,000.00		5.000	04/07/2031	5.000	0.00
3130APLH6	32335	104	FAC	FHLB	700,000.00	05/07/2026	05/16 - 11/16	678,720.00	Received	2.000	11/16/2028	4.052	680,296.30
3130AQWA7	32339	104	FAC	FHLB	1,005,000.00	05/11/2026	05/24 -	991,382.25	Received	2.050	02/24/2027	3.802	993,788.21
3130AKZZ2	32343	104	FAC	FHLB	1,300,000.00	05/13/2026	08/18 - 02/18	1,156,012.00	4,604.17	1.500	02/18/2031	4.081	1,164,646.15
3130BAN45	32337	104	FAC	FHLB	10,000,000.00	05/29/2026	06/15 - Final Pmt.	10,000,000.00		5.000	05/15/2031	5.000	0.00
3130APTF2	32378	104	FAC	FHLB	1,000,000.00	06/18/2026	11/24 - 05/24	942,220.00	1,100.00	1.650	11/24/2028	4.171	944,177.47
3130AL2F0	32379	104	FAC	FHLB	3,000,000.00	06/18/2026	07/17 -	2,732,400.00	95.83	1.150	08/17/2029	4.164	2,735,550.09
3130ANAP5	32383	104	FAC	FHLB	5,000,000.00	06/22/2026	07/26 - 01/26	4,721,500.00	35,486.11	1.750	07/26/2029	4.238	4,759,236.11
3134HCZS1	32312	104	FAC	FHLMC	10,000,000.00	04/10/2026	09/17 - 03/17	9,982,500.00	28,750.00	4.500	03/17/2031	4.539	10,020,278.66
3134HCJ75	32320	104	FAC	FHLMC	10,000,000.00	04/28/2026	10/28 - 04/28	9,996,600.00		4.310	04/28/2031	4.318	9,996,719.00
3134GWGD2	32342	104	FAC	FHLMC	1,475,000.00	05/13/2026	07/29 - 01/29	1,316,467.00	5,326.39	1.250	07/29/2030	4.052	1,326,812.90
3134GWQ41	32361	104	FAC	FHLMC	1,855,000.00	06/01/2026	09/23 - 03/23	1,640,339.40	4,379.86	1.250	09/23/2030	4.213	1,648,868.63
3134GV7D4	32381	104	FAC	FHLMC	1,000,000.00	06/24/2026	07/21 - 01/21	939,530.00	4,462.50	1.050	07/21/2028	4.120	944,559.15
3136GCWW1	32299	104	FAC	FNMA	10,218,000.00	04/07/2026	10/07 - 04/07	10,218,000.00		4.625	04/07/2031	4.625	10,218,000.00
3136GD2E2	32308	104	FAC	FNMA	10,000,000.00	04/07/2026	10/07 - 04/07	10,000,000.00		4.650	04/07/2031	4.650	10,000,000.00
3136GCZP3	32302	104	FAC	FNMA	10,000,000.00	04/08/2026	07/08 - 01/08	10,000,000.00		4.500	07/08/2030	4.502	10,000,000.00
3136GCYD1	32317	104	FAC	FNMA	6,394,000.00	04/13/2026	09/30 - 03/30	6,394,000.00	10,390.25	4.500	03/30/2029	4.499	6,404,390.25
3136GCY33	32304	104	FAC	FNMA	19,150,000.00	04/14/2026	04/28 - Final Pmt.	19,150,000.00		5.000	03/28/2031	5.001	0.00
3136G43D3	32345	104	FAC	FNMA	621,000.00	05/13/2026	09/25 - 03/25	575,667.00	670.68	0.810	09/25/2028	4.077	578,891.65
3136GDB28	32336	104	FAC	FNMA	10,000,000.00	05/27/2026	11/27 - 05/27	10,000,000.00		4.750	05/27/2031	4.750	10,000,000.00
3135GACQ2	32353	104	FAC	FNMA	2,000,000.00	05/27/2026	07/19 - 01/19	1,901,960.00	7,253.33	1.020	01/19/2028	4.133	1,914,844.01
3136G4U35	32358	104	FAC	FNMA	5,000,000.00	06/01/2026	08/26 - 02/26	4,433,250.00	16,888.89	1.280	08/26/2030	4.230	4,461,288.07
74274TAN0	32330	104	FAC	PEFCO	5,380,000.00	04/28/2026	07/27 - 01/27	5,367,303.20	52,357.86	3.850	01/27/2028	3.988	5,426,164.30
				Subtotal	**231,771,000.00**			**224,088,125.67**	**278,493.31**				**183,364,523.03**
Federal Agency Discounts													
3134A4AB0	32316	104	AFD	FHLMC	10,000,000.00	04/13/2026	03/15 - At Maturity	8,225,200.00		3.556	03/15/2031	4.010	8,303,224.04
3134A4AB0	32364	104	AFD	FHLMC	5,078,000.00	06/01/2026	03/15 - At Maturity	4,159,186.68		3.726	03/15/2031	4.212	4,174,955.79
31364EAV6	32354	104	AFD	FNMA	1,929,000.00	05/27/2026	10/08 - At Maturity	1,825,894.95		3.856	10/08/2027	4.062	1,833,126.77
76116EHL7	32362	104	AFD	RFCS	3,228,000.00	06/01/2026	10/15 - At Maturity	2,934,187.44		3.832	10/15/2028	4.065	2,944,353.96
76116EGQ7	32363	104	AFD	RFCS	3,000,000.00	06/01/2026	07/15 - At Maturity	2,639,730.00		3.792	07/15/2029	4.141	2,649,210.79
				Subtotal	**23,235,000.00**			**19,784,199.07**	**0.00**				**19,904,871.35**

Received = Accrued Interest at Purchase was received by report ending date.

Sonoma County Inv Pool Selected Funds
Purchases Report
April 1, 2026 - June 30, 2026

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment	Principal Purchase	Accrued at Purchase	Rate at Purchas	Maturity Date	YTM	Ending Book Value
Treasury Coupon Securities													
91282CPC9	32334	104	TRC	USTR	10,000,000.00	05/07/2026	10/15 - 04/15	9,889,062.50	21,038.25	3.500	10/15/2028	3.981	9,916,941.07
91282CNY3	32349	104	TRC	USTR	15,000,000.00	05/15/2026	09/15 - 03/15	14,789,648.44	83,916.44	3.375	09/15/2028	4.009	14,885,141.61
				Subtotal	**25,000,000.00**			**24,678,710.94**	**104,954.69**				**24,802,082.68**
US Treasury Strips													
912833XZ8	32324	104	ATD	USTR	15,000,000.00	04/24/2026	02/15 - At Maturity	12,429,150.00		3.558	02/15/2031	3.945	12,528,591.30
9128337P9	32347	104	ATD	USTR	20,000,000.00	05/15/2026	05/15 - At Maturity	16,262,800.00		3.735	05/15/2031	4.180	16,358,992.99
				Subtotal	**35,000,000.00**			**28,691,950.00**	**0.00**				**28,887,584.29**
SupraNationals													
45818WGS9	32298	104	MC1	IADB	10,000,000.00	04/10/2026	10/10 - 04/10	10,000,000.00		4.050	04/10/2031	4.050	10,000,000.00
45906M3R0	32366	104	MC1	IBRD	1,790,000.00	06/02/2026	08/03 - 02/03	1,777,040.40	21,448.92	3.625	02/03/2028	4.075	1,800,048.77
				Subtotal	**11,790,000.00**			**11,777,040.40**	**21,448.92**				**11,800,048.77**
Corporate Notes													
00138CBB3	32318	104	MC2	CRBG	4,584,000.00	04/13/2026	08/20 - 02/20	4,601,373.36	31,381.30	4.650	08/20/2027	4.354	4,629,972.07
00138CBN7	32356	104	MC2	CRBG	8,000,000.00	05/29/2026	11/29 - 05/29	7,992,240.00		4.800	05/29/2029	4.835	7,993,619.56
29446Q2G7	32374	104	MC2	EQH	10,000,000.00	06/15/2026	12/15 - 06/15	9,996,500.00		5.125	06/15/2031	5.133	9,996,811.11
57636QBJ2	32372	104	MC2	MA	10,000,000.00	06/08/2026	12/08 - 06/08	9,999,200.00		4.325	06/08/2028	4.329	9,999,302.22
57636QBK9	32373	104	MC2	MA	10,000,000.00	06/08/2026	12/08 - 06/08	9,998,100.00		4.425	06/08/2029	4.432	9,998,342.78
637639AR6	32369	104	MC2	NSCCLF	5,000,000.00	06/09/2026	12/09 - 06/09	4,996,850.00		4.350	06/09/2028	4.383	4,997,235.00
637639AT2	32371	104	MC2	NSCCLF	3,000,000.00	06/09/2026	12/09 - 06/09	2,999,070.00		4.700	06/09/2031	4.707	2,999,183.67
64953BBS6	32375	104	MC2	NYLIFE	10,000,000.00	06/16/2026	07/16 - 01/16	10,000,000.00		4.690	07/16/2030	4.691	10,000,000.00
74256L6U8	32348	104	MC2	PFG	7,000,000.00	05/18/2026	11/18 - 05/18	6,994,400.00		4.650	05/18/2029	4.679	6,995,737.78
21688ABV3	32297	104	MC2	RABOBK	10,000,000.00	04/01/2026	04/09 - Final Pmt.	10,000,000.00		4.322	04/01/2029	4.322	0.00
				Subtotal	**77,584,000.00**			**77,577,733.36**	**31,381.30**				**67,610,204.19**
Municipal Bonds													
13077DMN9	32368	104	MUN	CASHGR	1,920,000.00	06/03/2026	11/01 - 05/01	1,848,480.00	2,283.52	1.338	11/01/2027	4.081	1,854,705.57
79768HJN9	32350	104	MUN	SFUTIL	2,130,000.00	05/15/2026	10/01 - 04/01	2,145,698.10	12,118.52	4.655	10/01/2027	4.096	2,156,360.75
				Subtotal	**4,050,000.00**			**3,994,178.10**	**14,402.04**				**4,011,066.32**
				Total Purchases	**490,125,240.66**			**472,253,494.81**	**450,680.26**				**422,044,967.62**

Sonoma County Inv Pool Selected Funds
Maturity Report
Sorted by Security Type
Received or due during April 1, 2026 - June 30, 2026

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
Negotiable CDs												
05973RDZ2	31813	104	NCB	BANSDA	25,000,000.00	05/04/2026	04/04/2025	4.230	25,000,000.00	1,160,312.50	26,160,312.50	1,160,312.50
0727MDFA8	31867	104	NCB	BYLNNY	21,000,000.00	06/01/2026	05/02/2025	4.250	21,000,000.00	979,270.83	21,979,270.83	979,270.83
05973RED0	31860	104	NCB	BANSDA	25,000,000.00	06/03/2026	05/01/2025	4.260	25,000,000.00	1,177,416.67	26,177,416.67	1,177,416.67
63873TCD8	31869	104	NCB	NATXNY	25,000,000.00	06/05/2026	05/05/2025	4.250	25,000,000.00	1,168,750.00	26,168,750.00	1,168,750.00
22536JKW4	31873	104	NCB	CANYCD	25,000,000.00	06/09/2026	05/06/2025	4.300	25,000,000.00	1,191,458.33	26,191,458.33	1,191,458.33
				Subtotal	**121,000,000.00**				**121,000,000.00**	**5,677,208.33**	**126,677,208.33**	**5,677,208.33**
Commercial Paper Disc. -Amortizing												
83369CE42	32192	104	ACP	SOCGEN	29,600,000.00	05/04/2026	01/05/2026	3.750	29,600,000.00	0.00	29,600,000.00	0.00
				Subtotal	**29,600,000.00**				**29,600,000.00**	**0.00**	**29,600,000.00**	**0.00**
SupraNationals												
4581X0EK0	31717	104	MC1	IADB	2,023,000.00	05/15/2026	12/11/2024	4.500	2,023,000.00	45,517.50	2,068,517.50	45,517.50
4581X0EK0	31726	104	MC1	IADB	10,000,000.00	05/15/2026	12/16/2024	4.500	10,000,000.00	225,000.00	10,225,000.00	225,000.00
4581X0EK0	31755	104	MC1	IADB	1,800,000.00	05/15/2026	02/07/2025	4.500	1,800,000.00	40,500.00	1,840,500.00	40,500.00
4581X0EK0	32036	104	MC1	IADB	10,600,000.00	05/15/2026	09/29/2025	4.500	10,600,000.00	238,500.00	10,838,500.00	238,500.00
45950VPY6	30833	104	MC1	IFC	10,000,000.00	05/15/2026	05/28/2021	3.500 V	10,000,000.00	175,000.00	10,175,000.00	175,000.00
4581X0CU0	31714	104	MC1	IADB	3,000,000.00	06/02/2026	12/11/2024	2.000	3,000,000.00	30,000.00	3,030,000.00	30,000.00
4581X0CU0	31765	104	MC1	IADB	13,000,000.00	06/02/2026	02/20/2025	2.000	13,000,000.00	130,000.00	13,130,000.00	130,000.00
				Subtotal	**50,423,000.00**				**50,423,000.00**	**884,517.50**	**51,307,517.50**	**884,517.50**
Corporate Notes												
40139LBD4	31115	104	MC2	GUARDN	6,442,000.00	05/13/2026	12/06/2022	1.250	6,442,000.00	40,262.50	6,482,262.50	40,262.50
64952WED1	31168	104	MC2	NYLIFE	1,270,000.00	06/09/2026	02/07/2023	1.150	1,270,000.00	7,302.50	1,277,302.50	7,302.50
58989V2F0	31272	104	MC2	MET	15,000,000.00	06/20/2026	06/20/2023	5.400	15,000,000.00	405,000.00	15,405,000.00	405,000.00
				Subtotal	**22,712,000.00**				**22,712,000.00**	**452,565.00**	**23,164,565.00**	**452,565.00**
Municipal Bonds												
702282QD9	30907	104	MUN	PASSCD	1,700,000.00	05/01/2026	10/04/2021	2.073	1,700,000.00	17,620.50	1,717,620.50	17,620.50
735000TN1	30913	104	MUN	PTOTRN	1,918,263.25	05/01/2026	10/22/2021	1.517	1,918,263.25	14,550.03	1,932,813.28	14,550.03
735000TN1	31015	104	MUN	PTOTRN	1,460,000.00	05/01/2026	04/21/2022	1.517	1,460,000.00	11,074.10	1,471,074.10	11,074.10
899141BA2	30982	104	MUN	TULCTF	500,000.00	05/01/2026	03/02/2022	2.613	500,000.00	6,532.50	506,532.50	6,532.50
91412GM51	30983	104	MUN	UNVHGR	645,000.00	05/15/2026	03/02/2022	2.639	645,000.00	8,510.78	653,510.78	8,510.78
91412GT62	30984	104	MUN	UNVHGR	750,000.00	05/15/2026	03/02/2022	3.150	750,000.00	11,812.50	761,812.50	11,812.50
91412HDN0	30985	104	MUN	UNVHGR	850,000.00	05/15/2026	03/02/2022	3.806	850,000.00	16,175.50	866,175.50	16,175.50
91412HJM6	31114	104	MUN	UNVHGR	1,520,000.00	05/15/2026	12/06/2022	0.870	1,520,000.00	6,612.00	1,526,612.00	6,612.00
130658RF6	30885	104	MUN	CASHSG	280,000.00	06/01/2026	08/24/2021	1.074	280,000.00	1,503.60	281,503.60	1,503.60
13032UXN3	31147	104	MUN	CASMED	1,150,000.00	06/01/2026	01/12/2023	1.168	1,150,000.00	6,716.00	1,156,716.00	6,716.00

V - Security with variable rate change.

Sonoma County Inv Pool Selected Funds
Maturity Report
Received or due during April 1, 2026 - June 30, 2026

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
Municipal Bonds												
612193AD4	30918	104	MUN	MNTGEN	1,000,000.00	06/01/2026	10/27/2021	1.486	1,000,000.00	7,430.00	1,007,430.00	7,430.00
				Subtotal	**11,773,263.25**				**11,773,263.25**	**108,537.51**	**11,881,800.76**	**108,537.51**
				Total Maturities	**235,508,263.25**				**235,508,263.25**	**7,122,828.34**	**242,631,091.59**	**7,122,828.34**

Sonoma County

Sonoma County Inv Pool Selected Funds
Sales/Call Report
Sorted by Security Type - Issuer
April 1, 2026 - June 30, 2026

CUSIP	Investment #	Fund	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
SCEIP Notes												
SYS28843	28843	300	SCEIP MTN	11/01/201	04/23/202 09/02/203	9,409.39	3.000	9,409.39	9,409.39	39.99	9,449.38 Call	39.99
SYS29441	29441	300	SCEIP MTN	08/01/201	04/23/202 09/02/203	26,613.45	3.000	26,613.45	26,613.45	113.11	26,726.56 Call	113.11
SYS31066	31066	300	SCEIP MTN	10/03/202	04/23/202 09/02/203	30,465.26	1.990	30,465.26	30,465.26	85.89	30,551.15 Call	85.89
SYS31073	31073	300	SCEIP MTN	11/01/202	04/23/202 09/02/203	24,397.77	2.990	24,397.77	24,397.77	103.34	24,501.11 Call	103.34
SYS31258	31258	300	SCEIP MTN	06/01/202	04/23/202 09/02/203	50,287.87	2.990	50,287.87	50,287.87	213.01	50,500.88 Call	213.01
SYS31753	31753	300	SCEIP MTN	02/03/202	04/23/202 09/02/204	34,485.83	3.990	34,485.83	34,485.83	194.93	34,680.76 Call	194.93
SYS32225	32225	300	SCEIP MTN	02/02/202	04/23/202 09/02/204	15,699.13	3.990	15,699.13	15,699.13	140.94	15,840.07 Call	140.94
SYS28843	28843	300	SCEIP MTN	11/01/201	05/26/202 09/02/203	13,720.12	3.000	13,720.12	13,720.12	96.04	13,816.16 Call	96.04
SYS31737	31737	300	SCEIP MTN	01/02/202	05/26/202 09/02/204	63,686.99	3.990	63,686.99	63,686.99	592.93	64,279.92 Call	592.93
SYS31569	31569	300	SCEIP MTN	06/03/202	06/18/202 09/02/204	71,760.00	3.490	71,760.00	71,760.00	737.41	72,497.41 Call	737.41
					Subtotal	**340,525.81**		**340,525.81**	**340,525.81**	**2,317.59**	**342,843.40**	**2,317.59**
Federal Agency Coupon Securities												
3130BA2W6	32293	104	FHLB FAC	04/20/202	05/07/202 04/07/203	10,000,000.00	5.000	9,999,550.90	10,000,000.00	23,611.11	10,023,611.11 Call	24,060.21
3130BA2W6	32300	104	FHLB FAC	04/20/202	05/07/202 04/07/203	2,115,000.00	5.000	2,115,000.00	2,115,000.00	4,993.75	2,119,993.75 Call	4,993.75
3130BAN45	32337	104	FHLB FAC	05/29/202	06/15/202 05/15/203	10,000,000.00	5.000	10,000,000.00	10,000,000.00	22,222.22	10,022,222.22 Call	22,222.22
3136GCY33	32304	104	FNMA FAC	04/14/202	04/28/202 03/28/203	19,150,000.00	5.000	19,150,000.00	19,150,000.00	37,236.11	19,187,236.11 Call	37,236.11
					Subtotal	**41,265,000.00**		**41,264,550.90**	**41,265,000.00**	**88,063.19**	**41,353,063.19**	**88,512.29**
Treasury Coupon Securities												
91282CKR1	32210	104	USTR TRC	01/20/202	04/14/202 05/15/202	10,000,000.00	4.500	10,181,302.01	10,076,562.50	186,464.09	10,263,026.59 Sale	81,724.58
					Subtotal	**10,000,000.00**		**10,181,302.01**	**10,076,562.50**	**186,464.09**	**10,263,026.59**	**81,724.58**

Sonoma County Inv Pool Selected Funds

Sales/Call Report

April 1, 2026 - June 30, 2026

CUSIP	Investment #	Fund	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
US Treasury Strips												
912833PC8	31761	104	USTR ATD	02/18/202	04/14/202 02/15/202	15,000,000.00	4.196	14,470,646.70	14,541,000.00	0.00	14,541,000.00 Sale	70,353.30
912833LZ1	31682	104	USTR ATD	11/01/202	04/15/202 05/15/202	20,000,000.00	4.018	19,933,035.71	19,937,200.00	0.00	19,937,200.00 Sale	4,164.29
912833PA2	31681	104	USTR ATD	10/30/202	05/27/202 08/15/202	20,000,000.00	3.977	19,825,663.61	19,837,800.00	0.00	19,837,800.00 Sale	12,136.39
912833PD6	31758	104	USTR ATD	02/07/202	05/27/202 05/15/202	15,000,000.00	4.117	14,402,823.88	14,447,250.00	0.00	14,447,250.00 Sale	44,426.12
					Subtotal	**70,000,000.00**		**68,632,169.90**	**68,763,250.00**	**0.00**	**68,763,250.00**	**131,080.10**
SupraNationals												
459058JT1	32081	104	IBRD MC1	10/30/202	06/16/202 02/10/202	197,000.00	0.850	193,522.61	193,641.15	586.08	194,227.23 Sale	704.62
					Subtotal	**197,000.00**		**193,522.61**	**193,641.15**	**586.08**	**194,227.23**	**704.62**
Corporate Notes												
254687GC4	32245	104	DIS MC2	02/12/202	04/21/202 03/14/202	5,000,000.00	3.750	4,995,683.02	4,956,150.00	35,937.50	4,992,087.50 Sale	-3,595.52
21688ABV3	32297	104	RABOBK MC2	04/01/202	04/09/202 04/01/202	10,000,000.00	4.322	10,000,000.00	10,031,400.00	9,604.44	10,041,004.44 Sale	41,004.44
92826CAZ5	32236	104	VISA MC2	02/12/202	04/15/202 02/12/203	5,000,000.00	4.100	4,995,645.00	4,997,950.00	35,875.00	5,033,825.00 Sale	38,180.00
					Subtotal	**20,000,000.00**		**19,991,328.02**	**19,985,500.00**	**81,416.94**	**20,066,916.94**	**75,588.92**
					Total Sales	**141,802,525.81**		**140,603,399.25**	**140,624,479.46**	**358,847.89**	**140,983,327.35**	**379,928.10**

Data Updated: ~REPORT~: 07/15/2026 17:14
Run Date: 07/15/2026 - 17:15

Portfolio SCIP
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SA (PRF_SA) 7.3.11
Report Ver. 7.3.11