

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST __, 2026

NEW ISSUE - FULL BOOK-ENTRY

RATING: _____: "____"
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 June 24, 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, San Mateo, California, 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, Denver, Colorado 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 2, 2026.*

RAYMOND JAMES®

The date of this Official Statement is _____, 2026.

**Preliminary; subject to change.*

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE*

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

Base CUSIP†: _____

\$_____ Serial Bonds

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
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\$_____ % Term Bonds maturing August 1, 20__; Yield: __%; Price: __;
CUSIP†: __

**Preliminary; subject to change.*

†CUSIP® is a registered trademark of the American Bankers Association. All rights reserved. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc on behalf of The American Bankers Association. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Purchaser take any responsibility for the accuracy of the CUSIP data.

SANTA ROSA CITY SCHOOLS
(Sonoma County, California)

BOARD OF EDUCATION

Nick Caston, *President (Trustee Area 1)*
Donna Prak, *Vice President (Trustee Area 6)*
Sarah Jenkins, *Clerk (Trustee Area 5)*
Jeremy De La Torre, *Director (Trustee Area 7)*
Mark Kirby, *Director (Trustee Area 3)*
Shaun Du Fosee, *Director (Trustee Area 2)*
Omar Medina, *Director (Trustee Area 4)*

DISTRICT ADMINISTRATION

Lisa August, *Interim Superintendent*
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

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

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

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 over allot 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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YEAR 2024-25

APPENDIX C - ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF SANTA
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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 2025-26 school year is approximately 12,275 students, not including charter school enrollment.

** Preliminary; subject to change.*

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 June 24, 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, San Mateo, California, Bond Counsel, to be delivered in substantially the form attached hereto as APPENDIX D. Jones Hall LLP, San Mateo, California, will serve as Disclosure Counsel to the District. Kutak Rock LLP, Denver, Colorado 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, which may impose a charge for copying, mailing and handling.

* 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 \$144,000,000⁷ 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. 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 interest from the Interest Payment Date next preceding the date of registration and authentication

⁷ Preliminary; subject to change.

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 (15th) 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
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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 in Los Angeles, California 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, 2016 Series B	2014 Election, 2018 Series C*	2014 Election, 2021 Series D	2021 Refunding Bonds	2022 Refunding Bonds	2022 Election, 2023 Series A	2022 Election, 2025 Series B	2026 Refunding Bonds	The Bonds	Aggregate General Obligation Bonds Debt Service
2026	\$3,998,750.00	\$1,112,100.00	\$1,477,500.00	\$2,877,400.00	\$776,799.56	\$901,944.80	\$5,870,400.00	\$8,092,473.61	\$1,698,362.50		
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	\$8,591,750.00	\$1,112,100.00	\$1,477,500.00	\$48,375,200.00	\$2,795,341.96	\$31,641,445.20	\$166,806,450.00	\$210,342,336.11	\$94,453,862.50		

* February 1, 2026 interest payment is included for consistency of presentation. The 2014 Election, 2018 Series C Bonds were refunded in full with proceeds of the 2026 Refunding Bonds.

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 XIII A 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 10-year 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 2025-26

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

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 June 2, 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, 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**

<u>Jurisdiction:</u>	<u>Assessed Valuation in School District</u>	<u>% of School District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in School District</u>
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.	<u>10,398,412,402</u>	<u>22.86</u>	\$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**

	2025-26 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
<u>Non-Residential:</u>				
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	<u>68,285,307</u>	<u>0.16</u>	<u>287</u>	<u>0.41</u>
Subtotal Non-Residential	\$8,973,561,225	20.61%	6,035	8.69%
<u>Residential:</u>				
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	<u>426,923,473</u>	<u>0.98</u>	<u>2,554</u>	<u>3.68</u>
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**

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

<u>2025-26 Assessed Valuation</u>	<u>No. of Parcels ⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$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	<u>3,938</u>	<u>8.444</u>	100.000	<u>5,848,720,406</u>	<u>22.163</u>	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 XIII A 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 XIII A 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 XIII A.

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

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2025-26 Assessed Valuation</u>	<u>% of Total ⁽¹⁾</u>
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.	Varena 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 _____ 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 _____ 1, 2026)**

[To Come]

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 _____. 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

_____ (“_____”) has assigned a rating of “___” to the Bonds. The District has provided certain additional information and materials to _____ (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 _____ and explanations of the significance of such rating may be obtained only from _____. 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 _____ if, in _____ 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 _____ 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 in Dallas, Texas.

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: _____
Interim Superintendent

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 12,275 students, not including charter school enrollment.

* 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.

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
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. Lisa August serves as the Interim Superintendent of Santa Rosa City Schools, and is expected to continue in this role until June 30, 2026, at which time she is expected to return to the role of Chief Business Official. Luz T. Cázares is currently serving as Interim Chief Business Official of the District and Joel Dontos is the Executive Director of Fiscal Services.

The Board is currently conducting a Superintendent search, and expects a permanent Superintendent to begin on July 1, 2026.

Employee Relations

Santa Rosa City Schools has 773 full-time equivalent (“FTE”) certificated employees, 468 FTE classified employees, and 77 FTE management employees. Two unions represent Santa Rosa City Schools employees as shown in the table below.

Employee Group	Bargaining Group	Contract Expiration Date ⁽¹⁾
Certificated	Santa Rosa Teachers Association	June 30, 2025
Classified	California School Employees Association	October 31, 2025

(1) Employees continue to operate under expired contracts during negotiations.
 (2) 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 2025-26
 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⁾	12,275	(2.3)

(1) Does not include charter school enrollment.
 (2) 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 2025-26 are set forth in the following table.

**Fiscal Year 2025-26 Base Grant Funding* Under LCFF
by Grade Span**

Entitlement Factor	TK/K-3	4-6	7-8	9-12
A. 2024-25 Base Grant per ADA	\$10,025	\$10,177	\$10,478	\$12,144
B. 2025-26 COLA for LCFF (A x 2.30%)	\$231	\$234	\$241	\$279
C. 2025-26 Base Grant per ADA before Grade Span Adjustments (A+B)	\$10,256	\$10,411	\$10,719	\$12,423
D. Grade Span Adjustments (TK-3: C x 10.4%; 9-12: C x 2.6%)	\$1,067	n/a	n/a	\$323
E. 2025-26 Base Grant/Adjusted Base Grant per ADA (C + D)	\$11,323	\$10,411	\$10,719	\$12,746

*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 \$5,545 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
2 nd Interim 2021-22	Positive
1st Interim 2022-23	Qualified
2 nd Interim 2022-23	Positive
1st Interim 2023-24	Qualified
2 nd Interim 2023-24	Qualified
1 st Interim 2024-25	Positive
2 nd Interim 2024-25	Qualified
1 st Interim 2025-26	Negative
2 nd 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 (adopted budget and third interim projections).

SANTA ROSA CITY SCHOOLS
Revenues, Expenditures, and Changes in General Fund Balance
Fiscal Year 2025-26 (Adopted Budget and Third Interim Projections)

Revenues	Adopted Budget 2025-26	Third Interim 2025-26
Total LCFF Sources	\$173,944,444	\$175,749,683
Federal Revenues	9,370,671	9,412,512
Other state revenues	31,613,974	32,007,326
Other local revenues	23,272,381	24,046,950
Total Revenues	238,201,470	241,216,471
 Expenditures		
Certificated Salaries	92,784,796	92,618,566
Classified Salaries	32,943,388	32,822,626
Employee Benefits	56,967,622	57,037,007
Books and Supplies	7,470,058	7,290,561
Services and Other Operating Expenditures	62,408,089	62,361,492
Capital Outlay	435,535	580,164
Other Outgo (excluding transfers of indirect costs)	83,412.	115,843
Other Outgo	(830,641)	(1,466,380)
Total Expenditures	252,262,259	251,359,879
 Excess of Revenues Over/(Under) Expenditures	 (14,060,789)	 (10,143,408)
 Other Financing Sources (Uses)		
Operating transfers in	1,085,739	5,900,000
Operating transfers out	--	--
Other sources	--	--
Contributions	--	--
Total Other Financing Sources (Uses)	1,085,739	5,900,000⁽³⁾
 Net change in fund balance	 (12,975,050)	 (4,243,408)
 Fund Balance, July 1	 14,004,245	 14,004,246
Fund Balance, June 30⁽¹⁾⁽²⁾	\$1,029,195	\$11,646,700

(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.

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 2025-26.

**SANTA ROSA CITY SCHOOLS
ADA and LCFF Funding
Fiscal Years 2020-21 through 2025-26**

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⁾	11,755	14,925

⁽¹⁾ Second interim projection.
 Source: California Department of Education for fiscal years 2020-21 through 2023-24; Santa Rosa City Schools for fiscal years 2024-25 through 2025-26.

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, 2025

<u>Effective Date</u>	<u>Employer Contribution Rate</u>
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

Source: STRS.

The State also continues to contribute to STRS, and its contribution rate is 8.328% in fiscal year 2025-26.

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 2025-26

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⁾	25,936,165

(1) Third interim projection
Source: Santa Rosa City Schools.

The STRS defined benefit program continues to have an unfunded actuarial liability estimated at approximately \$88.7 billion, based on a market value of assets, as of June 30, 2024, 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 2025-26**

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

(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 2025-26**

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⁾	8,341,312

(1) Third interim projection.
Source: Santa Rosa City Schools.

PERS continues to have an unfunded liability which, on a market value of assets basis, was approximately \$40.8 billion, based on a market value of assets, as of June 30, 2024, 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**

<u>Changes in Total OPEB Liability</u>	
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	<u>(1,935,174)</u>
Net changes	<u>1,082,762</u>
Balance at June 30, 2025	<u>\$33,088,079</u>

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 1, 2026
12/22/2016	General Obligation Bonds 2014 Election, 2016 Series B	08/01/2041	
10/05/2017	2017 General Obligation Refunding Bonds	08/01/2028	
06/03/2021	General Obligation Bonds 2014 Election, 2021 Series E	08/01/2043	
06/03/2021	2021 General Obligation Refunding Bonds	08/01/2030	
06/22/2022	2022 General Obligation Refunding Bonds	08/01/2041	
04/18/2023	General Obligation Bonds 2022 Election, 2023 Series A	08/01/2053	
06/26/2025	General Obligation Bonds 2022 Election, 2025 Series B	08/01/2054	
05/13/2026	2026 General Obligation Refunding Bonds	08/01/2043	
Total			

(1) Does not include the Bonds offered for sale in this Official Statement.

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 2025-26 State Budget

On June 27, 2025, the Governor signed the fiscal year 2025-26 State Budget (the “**2025-26 State Budget**”). Despite continued uncertainty driven by recent federal policy changes, including broad-based tariffs that have slowed economic growth, the 2025-26 State Budget outlines a balanced fiscal plan while maintaining significant reserves.

The 2025-26 State Budget reflects a decrease of \$11.0 billion in General Fund revenues from 2024-25 (\$215.7 billion in 2025-26 compared to \$226.7 billion in 2024-25) primarily due to projected decreases in corporation and personal income tax collections. The 2025-26 State Budget reflects a decrease in General Fund expenditures of \$5.2 billion from 2024-25 (\$228.4 billion in 2025-26 compared to \$233.5 billion in 2024-25) primarily reflecting broad spending decreases for all major spending categories with the exception of expenditures for health and human services, which sees a significant funding increase driven by the expansion of Medi-Cal.

Regarding the State’s reserves and fund balances, the 2025-26 State Budget continues the drawing down of the State’s Budget Stabilization account that began in fiscal year 2024-25 with a withdrawal of \$7.1 billion and completes the drawdown of the Public School System Stabilization Account with a withdrawal of the remaining \$0.4 billion.

The 2025-26 State Budget projects an \$11.8 billion General Fund shortfall after accounting for reserves drawdowns, driven by rising costs due to growth in Medi-Cal and other core State programs. The 2025-26 State Budget addresses the shortfall primarily through spending reductions and structural reforms, while maintaining support for key programs. The specific solutions used to close the budget gap include the following:

- *Medi-Cal Enrollment Freeze* - \$77.9 million reduction in fiscal year 2025-26, increasing to \$3.3 billion by fiscal year 2028-29.

- *Medi-Cal Premium Collection For Certain Adults* – Initial cost of \$30 million in fiscal year 2026-27, shifting to \$675 million in savings in fiscal year 2028-29 due to collection of Medi-Cal premiums from undocumented adults.
- *Medi-Cal Asset Limit Implementation* – \$61.3 million in fiscal year 2025-26, rising to \$827.4 million by fiscal year 2028-29.
- *Programmatic Reductions* – Reductions in rural health clinics, specialty drug coverage, and pharmacy rebates totaling over \$3.5 billion by fiscal year 2028-29.
- *Ongoing Reductions* – \$221.7 million annually beginning in fiscal year 2026-27 for Quality Incentive Payment Program changes.

The 2025-26 State Budget raises an estimated \$7.8 billion in additional resources, including \$1.3 billion from Medi-Cal rate increase in fiscal year 2025-26, \$4.4 billion in loans from the Medical Providers Interim Payment Fund, \$1.5 billion in loans from additional special funds and interfund borrowing, and a \$7.1 billion withdrawal from the Budget Stabilization Account, as authorized by the prior fiscal year.

Additional balancing measures comprise \$1.2 billion in funding shifts primarily related to the costs of CalFIRE operations moving from the General Fund to the Greenhouse Reduction Fund for Forestry and Fire Protection. The 2025-26 State Budget also makes two future commitments (subject to appropriation) totaling \$457.1 million in fiscal year 2027-28, growing to \$163.2 million in fiscal year 2028-29, for California Food Assistance Program expansion and \$338.9 million in fiscal year 2027-28, growing to \$522.1 million in fiscal year 2028-29, for payment to the State's foster care tiered rate structure.

The 2025-26 State Budget projects total resources available in fiscal year 2024-25 of approximately \$268.7 billion, including revenues and transfers of approximately \$226.7 billion and a prior year balance of approximately \$42.0 billion, and total expenditures in fiscal year 2024-25 of approximately \$233.6 billion. The 2025-26 State Budget projects total resources available for fiscal year 2025-26 of approximately \$250.9 billion, inclusive of revenues and transfers of approximately \$215.7 billion and a prior year balance of approximately \$35.1 billion. The 2025-26 State Budget projects total expenditures in fiscal year 2025-26 of approximately \$228.4 billion, inclusive of non-Proposition 98 expenditures of approximately \$147.6 billion and Proposition 98 expenditures of approximately \$80.7 billion. The 2025-26 State Budget projects total reserve balances of \$15.7 billion at the end of fiscal year 2025-26. This includes \$11.2 billion in the State Rainy Day Fund, \$4.5 billion in the State's SFEU, and \$0 in the Proposition 98 Rainy Day Fund. The 2025-26 State Budget includes total funding of \$137.6 billion for all K-12 education programs, including \$80.5 billion from the State's general fund and \$57.1 billion from other funds. The 2025-26 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Certain budgeted programs and adjustments for K-12 education set forth in the 2025-26 State Budget include:

Proposition 98 Minimum Guarantee. The 2025-26 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 \$98.5 billion for 2023-24, \$119.9 billion for 2024-25, and \$114.6 billion for 2025-26, an increase of approximately \$3.9 billion over the three-year period relative to the 2023-24 State Budget. Because the minimum guarantee for 2024-25 will not be finalized until

the fiscal year is certified in calendar year 2026, the 2025-26 State Budget proactively appropriates the 2024-25 minimum guarantee at \$118 billion, establishing a \$1.9 billion “settle up” to avoid over-appropriation. The 2025-26 State Budget expresses intent to apply any realized settle-up funds toward reducing ongoing TK-14 deferrals and safeguarding core program funding for school districts and community colleges, including funding for growth and cost-of-living adjustments.

The minimum guarantee remains in a Test 2 for 2023-24, though suspended at \$98.5 billion, and shifts to a Test 1 in both 2024-25 and 2025-26. In Test 1 years, the guarantee equals approximately 40 percent of general fund revenues, in addition to local property tax revenues. Under Proposition 98, this calculation is not adjusted for enrollment, which results in increased per-pupil funding. The guarantee is “rebenched” to reflect both the continued implementation of universal TK and property tax backfills resulting from the January 2025 wildfires in Los Angeles County. As a result, the applicable Test 1 percentage increases from 39.2 percent to 39.6 percent of general fund revenues.

Proposition 98 Rainy Day Fund. The 2025-26 State Budget maintains the full withdrawal of the \$8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24. The May Revision to the 2024-25 State Budget Proposal, released on May 10, 2024, included a mandatory deposit of \$540 million into the Rainy Day Fund. However, revised capital gains revenue projections reduce that deposit to \$455 million in fiscal year 2024-25. A year-over-year decrease in the Proposition 98 minimum guarantee triggers a mandatory withdrawal of \$455 million in fiscal year 2025-26, fully exhausting the remaining fund balance.

Proposition 98 Funding Split. In prior years, 10.93 percent of the general fund amounts rebenched into the Proposition 98 minimum guarantee for transitional kindergarten expansion were allocated to the community colleges budget, consistent with the statutory Proposition 98 funding split. Over the three-year budget window, this resulted in \$492.4 million being directed to community colleges, leaving TK-12 schools without an equivalent amount to support transitional kindergarten expansion. Beginning in fiscal year 2025-26, the 2025-26 State Budget shifts the full amount of transitional kindergarten expansion funding (\$232.9 million) to the TK-12 portion of the Proposition 98 budget.

Local Control Funding Formula. The 2025-26 State Budget includes a 2.3 percent cost-of-living adjustment to LCFF. Combined with population growth adjustments, this results in an additional \$2.1 billion in discretionary funding for local educational agencies (“LEAs”) relative to the 2024-25 State Budget. To fully fund LCFF costs in fiscal year 2025-26, the 2025-26 State Budget withdraws approximately \$405.3 million from the Proposition 98 Rainy Day Fund.

Deferrals. The 2025-26 State Budget fully repays \$246.6 million in TK-12 education deferrals from fiscal year 2024-25. However, in order to maintain principal apportionment levels in 2025-26, the 2025-26 State Budget defers \$1.9 billion in LCFF funding from June 2026 to July 2026.

Universal Transitional Kindergarten. To support full implementation of universal transitional kindergarten by September 1, 2025, the 2025-26 State Budget provides \$2.1 billion in ongoing Proposition 98 general fund resources, inclusive of all prior years’ investments. An additional \$1.2 billion in ongoing Proposition 98 general fund resources is included to reduce the average student-to-adult ratio from 12:1 to 10:1.

Before School, After School, and Summer School. To increase access to the Expanded Learning Opportunities Program, the 2025-26 State Budget provides \$515.1 million in ongoing funds, broadening eligibility from LEAs with a 75 percent unduplicated pupil rate to those with a 55 percent rate. Additionally, \$10.4 million is provided to increase the minimum grant per LEA from \$50,000 to \$100,000.

Literacy Instruction. The 2025-26 State Budget allocates \$480 million to enhance literacy instruction aligned with the English Language Arts/English Language Development Framework for all students.

Teacher Professional Development and Preparation. To support teachers and strengthen the educator pipeline, the 2025-26 State Budget provides \$300 million in one-time Proposition 98 general fund resources for a Student Teacher Stipend Program, which will offer grants to teacher candidates completing student teaching between 2026-27 and 2028-29. An additional \$70 million of one-time Proposition 98 general fund resources supports teacher residency programs, and \$30 million in one-time Proposition 98 general fund resources extends the National Board Certification Incentive Program to encourage placement of certified teachers in high-poverty schools.

Student Support and Professional Development Discretionary Block Grant. The 2025-26 State Budget provides \$1.7 billion in one-time Proposition 98 general fund resources for the Student Support and Professional Development Discretionary Block Grant to assist LEAs with rising costs and advancing statewide priorities.

State Preschool Program. To enhance early childhood education, the 2025-26 State Budget includes approximately \$19.3 million of Proposition 98 general fund resources and \$10.2 million in non-Proposition 98 general fund resources for the California State Preschool Program. It further authorizes the Department of Education to expand State Preschool Program provider contracts for three-year-olds by 10 percent, implement prospective pay, and automate contract payments.

Other Significant Budget Adjustments. The 2025-26 State Budget includes \$378.6 million in one-time Proposition 98 general fund resources for learning recovery initiatives through 2027-28, \$150 million for career technical education and pathways programs pending legislation, and \$145 million to improve school meal infrastructure. An additional \$10 million is allocated for school food service workforce requirement and \$5 million for a study of ultra-processed foods offered in State school meals.

Further allocations include \$30 million over three years for Special Olympics programs in Northern and Southern California; \$30 million for the Mathematics Professional Learning Partnership; \$21.9 million in ongoing funding for the SUN Bucks Program, which provides summer nutrition support; and \$20 million to implement the Children and Youth Behavioral Health Initiative's all-payer fee schedule.

The 2025-26 State Budget also provides approximately \$10 million for a pilot program, administered by the California Collaborative of Educational Excellence, to support middle and high school redesign and peer learning. Another \$10 million to the California Department of Education supports the development of a screener to identify multilingual learners in transitional kindergarten and authorizes the State Superintendent of Public Instruction to adopt a screening instrument for children ages 3-4 enrolled in transitional kindergarten classrooms. Finally, \$7.5 million is available through the 2026-27 fiscal year

to offset potential LCFF apportionment reductions caused by the recent exemption of transitional kindergarten students from the English language proficiency assessment.

LAO Analysis of the 2025-26 State Budget. The LAO, a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the 2025-26 State Budget on October 16, 2025 (the “**2025-26 State Budget Analysis**”). In the 2025-26 State Budget Analysis, the LAO assesses the budget shortfall that was addressed in the 2025-26 State Budget and analyzes the major proposals for K-14 education.

The LAO notes that the State faced a budget shortfall for the third year in a row. The estimated budget shortfall for the fiscal year 2025-26 of \$15.0 billion was smaller compared to deficits of \$55.0 billion in fiscal year 2024-25 and \$27.0 billion in fiscal year 2023-24. Most of the reason that the State faces a budget problem is that the underlying costs of State services continue to outpace the State’s revenue collections. In particular, despite higher revenues in major taxes, about \$4 billion of the budget problem results from new, discretionary General Fund spending in the budget package, as well as some budget actions adopted in a special session. The measures approved in the special session provided funding for (1) response and recovery costs related to the January 2025 Southern California wildfires and (2) activities to address federal government actions impacting the State.

The LAO notes that the 2025-26 State Budget uses various maneuvers to address the budget shortfall, including reserve withdrawals, spending reductions, revenue increases, and borrowing (for example, loaning money from other funds to the General Fund). However, the LAO indicates that the 2025-26 State Budget primarily relies on borrowing to close the gap, which accounts for \$10.0 billion and approximately two-thirds of the total solutions. This borrowing increases the total outstanding budgetary borrowing from \$12.0 billion to \$22.0 billion. The LAO notes that this borrowing is similar to the measures used during the Great Recession. After borrowing, spending-related solutions, including both spending reductions and fund shifts, total \$5.0 billion and represent nearly all of the remaining one-third of the total solutions. Revenue-related solutions, totaling about \$300.0 million, represent the small remainder. The LAO notes that while the State is also making a \$7.1 billion withdrawal from the State Rainy Day Fund in fiscal year 2025-26, this withdrawal was not reflected in the 2025-26 State Budget Analysis because it was authorized in the 2024-25 State Budget.

The LAO explains that while it had previously categorized the Proposition 98 “Settle Up” as a spending delay, it now views this action as borrowing. While the estimate for the Proposition 98 minimum guarantee is up nearly \$4.7 billion from the June 2024 level, the 2025-26 State Budget appropriates just over \$2.7 billion in additional funding for that year. Funding schools and community colleges at this level—\$1.9 billion below the estimate of minimum requirement—provides temporary savings but requires the State to settle up using future revenues. The State will finalize its calculation of this obligation in May 2026. The LAO notes that while the 2025-26 State Budget partially addresses the State’s multi-year deficits, it expects budget deficits to persist. Based on the State’s June 2025 projections and assumptions, annual operating deficits are projected to range from roughly \$15 billion to \$25 billion throughout the outlook period (i.e., 2026-27 through 2028-29), which would need to be addressed by the Legislature. The LAO notes, however, that these multi-year estimates are subject to considerable uncertainty and should be interpreted cautiously.

In summarizing the overall condition of the General Fund budget, the condition of the school and community college budget and State appropriations limits, as estimated by the administration, the LAO notes the following: (1) the State’s reserves total nearly \$16 billion at the end of fiscal year 2025-26, with the state reserve for schools and community colleges fully

withdrawn by the end of fiscal year 2025-26; (2) the State expects revenues from major tax sources to grow 10.0% from fiscal year 2023-24 to fiscal year 2024-25, however the 2025-26 State Budget also projects revenues from said tax sources to decrease by 15.0% from fiscal year 2024-25 to fiscal year 2025-26; and (3) federal funding is expected to remain flat between 2024-25 and 2025-26 but the 2025-26 State Budget projections do not include any potential effects of House Resolution 1: One Big Beautiful Bill Act, which was signed by President Trump on July 4, 2025.

The LAO explains that the 2025-26 State Budget provides \$2.2 billion to cover 2.30% cost-of-living adjustment for existing school and community college programs. For schools, the 2025-26 State Budget also provides an ongoing increase of \$607 million for the Expanded Learning Opportunities Program, funding before and after school activities and summer enrichment. This augmentation will increase the share of districts qualifying for the program's higher "tier 1" funding rate. For community colleges, the 2025-26 State Budget also provides \$140.0 million to cover 2.35% enrollment growth across fiscal years 2024-25 and 2025-26.

The LAO notes that the 2025-26 State Budget provides \$1.7 billion for the Student Support and Professional Development Discretionary Block Grant. Districts can use these funds for any local purpose, but trailer legislation encourages them to prioritize teacher training and professional development, teacher recruitment and retention, career pathways for high school students, and dual enrollment programs. The State will distribute funds on an equal per-pupil basis (about \$312.0 per student). For community colleges, the 2025-26 State Budget provides \$60.0 million for the Student Support Block Grant. Districts can use these funds for a range of student services, including basic needs (such as food, housing, and transportation), financial aid, counseling, and job placement activities. The State will allocate funds based on student headcount and the share of students qualifying for fee waivers or nonresident tuition exemptions, with a minimum grant of \$150,000.00 per college in each district. In addition to these discretionary grants, the 2025-26 State Budget funds several smaller grants for schools related to learning recovery, teacher training and recruitment, school meals, and career technical education. It also funds several smaller grants for community colleges focusing on other student support initiatives and career technical education.

The LAO indicates that the 2025-26 State Budget reduces spending in fiscal year 2025-26 by deferring \$2.3 billion in payments to fiscal year 2026-27. Of this amount, \$1.9 billion pertains to schools. The State will implement the school deferral by shifting a portion of the June 2026 payment to July 2026. The law exempts districts and charter schools that can demonstrate the delay would make them unable to meet their financial obligations. The remaining \$408.0 million in deferrals pertains to community colleges. The purpose of these deferrals is to free up funding for additional one-time and ongoing spending that would otherwise exceed the available Proposition 98 funding in fiscal year 2025-26.

Additional Information. The 2025-26 State Budget Analysis is available on the LAO website at www.lao.ca.gov. For the full text of the 2025-26 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 website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by Santa Rosa City Schools or the Underwriter for accuracy or completeness.*

The 2026-27 State Budget Proposal

On January 9, 2026, the Governor submitted the fiscal year 2026-27 state budget proposal to the Legislature (the “**2026-27 State Budget Proposal**”). The 2026-27 State Budget Proposal presents a balanced budget, including a discretionary reserve of \$4.5 billion, but projects a deficit of approximately \$22 billion in fiscal year 2027-28 and additional shortfalls in the two years thereafter. General Fund revenues over the three-year budget window of fiscal years 2024-25 through 2026-27 are projected to be more than \$42 billion higher than was assumed in the 2024-25 State Budget, an increase driven by stronger-than-anticipated stock market performance, higher cash receipts, and an improved economic outlook. However, the proposal cautions that much of this revenue growth is attributable to a relatively small number of technology companies and therefore is subject to significant volatility and unlikely to be sustained indefinitely. The proposal also identifies federal policy changes as a material risk to its revenue projections. In particular, House of Representatives Bill 1 of 2025 is projected to increase General Fund costs by approximately \$1.4 billion in fiscal year 2026-27, largely related to Medi-Cal and CalFresh programs. The 2026-27 State Budget Proposal further notes uncertainty associated with future federal policies affecting tariffs, immigration, inflation, investment activity, labor markets, and overall economic demand.

The 2026-27 State Budget Proposal provides for \$248.3 billion in General Fund expenditures and nearly \$23 billion in combined reserves, including approximately \$14.4 billion in the State’s Proposition 98 Rainy Day Fund, \$4.5 billion in the Special Fund for Economic Uncertainties, and \$4.1 billion in the Public School System Stabilization Account. While balanced for fiscal year 2026-27, the 2026-27 State Budget Proposal anticipates that expenditures will exceed revenues in future years, requiring additional budget actions at the May Revision to maintain a structural balance in the coming years. Key fiscal risk factors include stock market and asset price volatility and declines, particularly among high-income taxpayers, and continued uncertainty in federal policy.

With respect to K-12 education, the 2026-27 State Budget Proposal sets Proposition 98 funding for K-14 education at \$125.5 billion for fiscal year 2026-27, subject to settle-up adjustments. Additionally, the proposal includes an LCFF cost-of-living adjustment of 2.41% and proposes repayment of approximately \$1.9 billion in previous funding deferrals to improve school district cash flow. The proposal further reflects continued support for universal transitional kindergarten and ongoing before-, during-, and after-school programming through the Expanded Learning Opportunities Program. The 2026-27 State Budget Proposal also allocates an additional \$215 million to expand the Literacy Coaches and Reading Specialists Grant Program.

Significantly, the 2026-27 State Budget Proposal recommends governance changes to strengthen coordination across California’s education system. Consistent with recommendations in the Legislature’s 2002 report, “California’s Master Plan for Education,” the proposal would amend the Education Code to move oversight authority of the California Department of Education and support of local educational agencies under the State Board of Education, in addition to enhancing the State Superintendent of Public Instruction’s ability to improve alignment and coordination across the bodies setting policy from early childhood through postsecondary education.

For the full text of the 2026-27 State Budget Proposal, 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 Santa Rosa City Schools or*

the Underwriter for accuracy or completeness.

May Revision to the 2026-27 State Budget Proposal. On May 14, 2026, the Governor released the May Revision to the 2026-27 State Budget Proposal (the “**May Revision**”). Relative to the 2026-27 State Budget Proposal, the May Revision’s estimate of revenues across the 2024-25 to 2026-27 budget window are higher by approximately \$16.5 billion. This upgrade is almost entirely attributable to positive expectations for income tax collections, which are being driven by enthusiasm around artificial intelligence and the related stock market boom. The May Revision further notes \$349.4 billion in total state fund expenditures, consisting of approximately \$246.6 billion from the General Fund, \$95.6 billion from special funds, and \$7.3 billion from bond funds. Per the May Revision, California’s budget deficit is projected to be balanced in 2026-27 through 2027-28. However, structural deficits persist at approximately \$10 billion annually through 2029-30. Achieving balance relies in significant part on approximately \$20 billion in reserve withdrawals and suspended deposits, as well as \$4 billion in new borrowing.

Budget Solutions. The May Revision includes \$14 billion in deficit solutions for 2025-26 and 2026-27 as detailed below, including \$2 billion in revenue-related proposals, nearly \$3 billion in spending-related solutions (including spending reductions and fund shifts), \$4 billion in new borrowing, and suspended reserve deposits of more than \$5 billion.

Revenue-Related Solutions. The May Revision includes the following revenue-related solutions to the budget deficit:

- Larger Managed Care Organization Tax — Proposes a 2027 Managed Care Organization Tax that provides approximately \$2 billion annually with all revenue used to offset General Fund costs in Medi-Cal, resulting in annual savings of \$575 million in 2026-27 and approximately \$2 billion in subsequent years.
- Permanent Limits on Business Tax Credits — Proposes permanent limits on a business’s ability to use tax credits to reduce its corporation tax liability by 50% or \$5 million, whichever is greater. The administration estimates this would increase corporation tax revenues by \$850 million in 2026-27 and \$1.7 billion in 2027-28.
- Apply Sales Tax to Retail Sales of Digital Prewritten Software — Proposes changes to the State’s application of sales tax to prewritten software, with estimated General Fund revenue rising by \$450 million and local sales tax revenue rising by \$560 million in 2026-27, growing to \$900 million General Fund and \$1.1 billion local revenue in 2027-28.

Spending-Related Solutions. The May Revision includes the following spending-related solutions to the budget deficit:

- Expanding Package of Medi-Cal Solutions — Includes \$2.2 billion in total Medi-Cal solutions in 2026-27, consisting of \$400 million in spending reductions and \$1.8 billion in fund shifts. The largest component is a limited-term proposal to use funding from Proposition 35 (2024) in order to pay for Medi-Cal provider rate increases. The May Revision also includes proposals to lower the asset limit for seniors and persons with disabilities and to increase the monthly premium charged to adults with unsatisfactory immigration status.

- All Other Spending-Related Solutions — Across the rest of the budget, the May Revision includes \$500 million in other spending-related solutions, split relatively evenly between spending reductions and fund shifts. Examples include \$200 million in behavioral health offsets, \$50 million in savings to align In-Home Supportive Services eligibility with Medi-Cal, and \$50 million in a reduction in the cost-of-living adjustment for child care.

Borrowing. The May Revision generates a \$4 billion settle-up payment by providing less than the constitutionally required funding level for schools and community colleges in 2025-26. The 2026-27 State Budget Proposal had proposed a larger settle-up payment of nearly \$6 billion.

Education. Important education highlights from the May Revision include:

- \$6.4 billion increase to Proposition 98 funding during the period of 2024-25 through 2026-27.
- \$3.8 billion in freed-up revenue from the State’s main school funding formula during the period of 2024-25 through 2026-27.
- \$4.6 billion mandatory deposit into the Proposition 98 Rainy Day Fund triggered by increased capital gains revenues in addition to a \$1.6 billion discretionary deposit resulting in the total reserve balance growing to \$10.3 billion or 8.3% of the 2026-27 Proposition 98 funding requirement.
- \$2.3 billion one-time discretionary grant for schools.
- \$1.8 billion ongoing increase in special fund education.
- \$1.5 billion ongoing cost-of-living adjustment for school and community college programs.
- \$485 million one-time funding for community schools, including grants for planning, implementation and technical support.
- \$440 million one-time funding for literacy coaches to support existing grant recipients through 2030-31.

The 2026-27 State Budget is required to be passed by the Legislature by June 15, 2026, prior to the start of the new fiscal year, though the trend in recent years has been for the approval of a largely symbolic bill by that deadline with a substantive agreement emerging later.

For the full text of the 2026-27 State Budget Proposal and the May Revision to the 2026-27 State Budget Proposal, 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.*

LAO Analysis of the 2026-27 State Budget Proposal. The LAO released its overview and initial analysis of the 2026-27 State Budget Proposal on January 10, 2026 (the “**2026-27 LAO Analysis**”). The 2026-27 LAO Analysis concludes that, under the Governor’s assumptions, the

budget is roughly balanced, reflecting an estimated deficit of approximately \$3 billion. This represents an improvement compared with the LAO's November Fiscal Outlook, which projected a budget deficit of approximately \$18 billion. The LAO attributes the State's substantially higher revenue forecast to two factors: first, the proposal does not incorporate the significant risk of a stock market downturn; and second, higher projected revenues are partially offset by increased baseline spending, including constitutionally required expenditures and growing program costs.

The LAO identifies stock market volatility as the most significant risk to the State's revenue outlook. The analysis notes that several historically reliable indicators suggest equity markets are overheated and at elevated risk of a downturn within the next year or two. A market correction would materially reduce personal income tax revenues and could quickly worsen the State's fiscal position. The LAO cautions that failing to incorporate this downside risk into the 2026-27 State Budget Proposal places the State on precarious fiscal footing, particularly given that the proposal is only marginally balanced even under optimistic revenue assumptions.

Both the 2026-27 LAO Analysis and the 2026-27 State Budget Proposal project persistent multiyear operating deficits. The LAO estimates that annual deficits could range between approximately \$20 billion to \$35 billion, while the 2026-27 State Budget Proposal projects operating deficits of roughly \$27 billion in 2027-28, \$22 billion in 2028-29, and \$23 billion in 2029-30. The LAO characterizes these deficits as structural rather than cyclical, noting that deficits have persisted despite economic growth and rising revenue in addition to the State already addressing a cumulative \$125 billion in budget problems over recent years. The LAO expresses concern that the State's fiscal challenges have become chronic and raise significant questions concerning long-term fiscal sustainability.

The LAO acknowledges that the State recognizes the risks associated with revenue volatility and multiyear structural deficits, but concludes that the 2026-27 State Budget Proposal does not materially address either challenge. The LAO recommends that the Legislature explicitly recognize downside revenue risk by adopting the LAO's more conservative revenue forecast, maintain required reserve deposits, set aside funds associated with delayed settle-up obligations into reserves rather than using them for ongoing commitments, and adopt a multiyear plan to reduce at least half of projected structural deficits through ongoing budget solutions. The LAO cautions that delaying corrective action until further budget cycles increases fiscal risk and limits the Legislature's ability to implement deliberate and sustainable solutions.

The 2026-27 LAO Analysis is available on the LAO website at www.lao.ca.gov. *The reference to this Internet website is shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by Santa Rosa City Schools 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 2025-26 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 XIII A, XIII B, XIII C, and XIII D 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 XIII A 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 XIII A of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIII A to the State Constitution ("**Article XIII A**"). Article XIII A 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 XIII A 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 XIII A 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 XIII A 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 XIII A 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 XIII A.

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

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 XIII A, 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 XIII B of the California Constitution

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

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

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from

certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. 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 XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund 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 XIII C and XIII D of the California Constitution

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

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIII C establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as 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 XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIII C to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and

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

Article XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

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 XIII B surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

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 XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

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

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the 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 XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

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 XIII B by reference to *per capita* personal income) and enrollment (the “**second test**”). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California *per capita* personal income (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 XIII B 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 XIII A 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.

K-12 School Facilities. 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.

Community College Facilities. Proposition 2 (2024) includes \$1.5 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must prepare a plan listing their Statewide project priorities. The Governor and State Legislature will select specific projects to fund.

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

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D 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**

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 Sonoma County was 4.0 percent in April 2026, down from a revised 4.2 percent in March 2026, and below the year-ago estimate of 4.1 percent. This compares with an unadjusted unemployment rate of 5.0 percent for California and 4.0 percent 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%
<u>Wage and Salary Employment:</u> ⁽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 June 2026.

SONOMA COUNTY Major Employers (Listed Alphabetically)

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Aabalat Fine & Rare Wines	Petaluma	Wineries (mfrs)
Amy's Kitchen Inc	Petaluma	Frozen Food Processors (mfrs)
Amy's Kitchen Inc	Santa Rosa	Frozen Food Processors (mfrs)
Army National Guard Recruiter	Santa Rosa	Government Offices-State
Banfield Pet Hospital	Santa Rosa	Animal Hospitals
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
Macy's	Santa Rosa	Department Stores
Medtronic	Santa Rosa	Physicians & Surgeons Equip & Supls-Mfrs
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
Stockham Construction Inc	Cotati	General Contractors
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 1st 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 total effective buying income and 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
Effective Buying Income**

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 Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)**

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Numbers of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2020	3,788	\$2,500,670	6,905	\$3,099,851
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

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 2020 through 2024**

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Numbers of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2020	11,772	\$6,933,190	22,668	\$9,851,112
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

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 \$_____ principal amount of City of Santa Rosa High School District (Sonoma County, California) General Obligation Bonds, 2022 Election, 2026 Series C, dated the date hereof (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 June 24, 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**”), dated _____, 2026, 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 June 24, 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. Provision of Annual Reports.

(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. Content of Annual Reports. 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: _____

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.

APPENDIX G
SONOMA COUNTY INVESTMENT POLICY
AND INVESTMENT REPORT