

Superintendent's Annual Report

Board Meeting - May 22, 2024

Presented by Superintendent Anna Trunnell

Embrace • Engage • Empower

Abrazar • Involucrar • Empoderar



Overview

- Mission, Vision, Strategic Priorities, and Organizational Structure
- Highlight our schools, students, and staff
- Enrollment Trends
- Graduation Rates, A-G Completion, Seal of Biliteracy, & Academic Data
- Collaboration Efforts
- Unification/Feasibility Study
- Parcel Tax Considerations
- Safety Advisory Round Table (SART) Progress Monitoring
- Services & Supports
 - Communications
 - Human Resources
 - Facilities, Maintenance, & Operations
 - Fiscal Planning
 - Purchasing Services
 - Technology Services
 - Child Nutrition Services
 - Special Services
 - Educational Services
 - Information & Evaluation Services
 - Wellness & Engagement
- Continued Focus for 2024/2025



Santa Rosa City Schools - MVP's

Mission

SRCS ensures equitable access to a transformative educational experience grounded in the assets of our students, staff, and community. We nurture the whole student in an engaging, challenging, and safe environment. We recognize and value each student's individuality and our community's cultural wealth.

Vision

SRCS will send students into the world empowered to find purpose, think critically, embrace diversity, work together, and adapt to our changing planet, and live healthy and fulfilling lives.

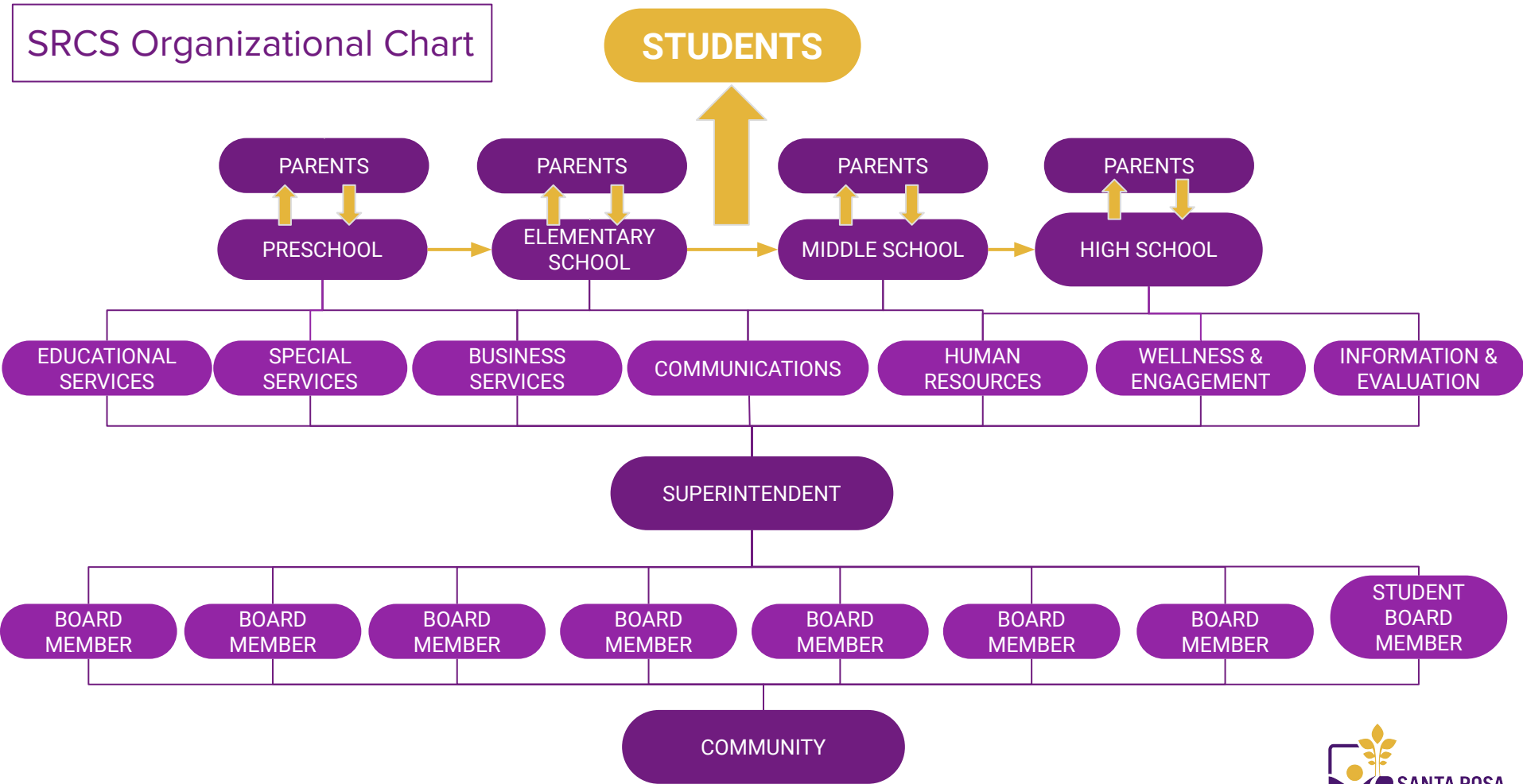
Santa Rosa City Schools - MVP's

Strategic Priorities

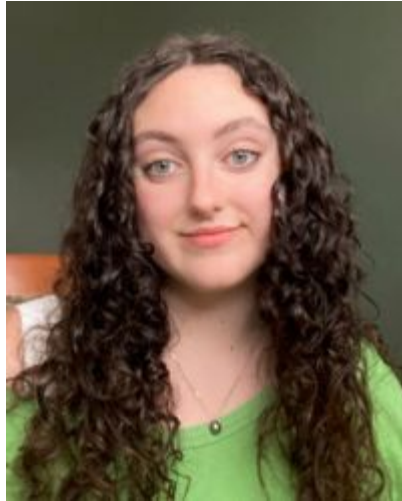
- Priority 1: Life Ready Learners
- Priority 2: Whole Person Focus
- Priority 3: High Quality Staff
- Priority 4: Teaching and Learning Environment and Resources
- Priority 5: Equity and Excellence
- Priority 6: Family Engagement and Community Partnerships
- Priority 7: Sustainable Funding

***Special Board Meeting held on May 15, 2024 to begin the review and potential revision of the Strategic Priorities.**

SRCS Organizational Chart



Student Board Member for 2023/2024



Our Schools

Elementary (10)

- Abraham Lincoln
- Albert Biella
- Brook Hill
- Helen Lehman
- Hidden Valley
- James Monroe
- Learning House
- Luther Burbank
- Proctor Terrace
- Steele Lane

Middle (4)

- Herbert Slater
- Hilliard Comstock
- Rincon Valley
- Santa Rosa

High School (6)

- Elsie Allen
- Maria Carrillo
- Montgomery
- Piner
- Ridgway
- Santa Rosa

Charters (4)

- Santa Rosa Accelerated
- Santa Rosa Charter School for the Arts
- Santa Rosa French-American
- Cesar Chavez Language Academy

Preschool (2)

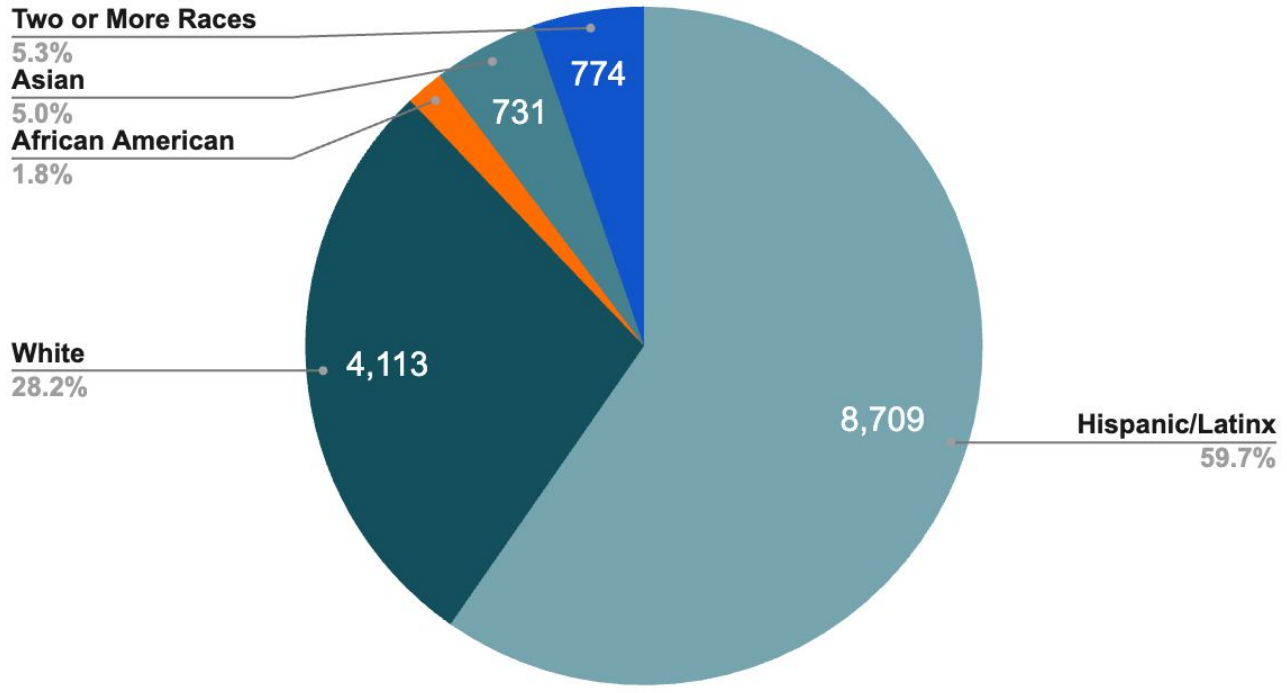
- Lewis Early Learning Academy
- Steele Lane Preschool

Our Staff

	Certificated		Classified		All Employees	
American Indian or Alaska Native	6	0.57%	5	0.72%	11	0.63%
Asian	11	1.05%	26	3.76%	37	2.13%
Black or African American	10	0.95%	35	5.07%	45	2.59%
Filipino	2	0.19%	4	0.58%	6	0.34%
Hawaiian/Pacific Islander	1	0.10%	0	0.00%	1	0.06%
Hispanic or Latino	182	17.35%	344	49.78%	526	30.23%
Multi-ethnic	23	2.19%	18	2.60%	41	2.36%
White	814	77.60%	259	37.48%	1073	61.67%
Prefer Not To State	6	0.57%	4	0.58%	10	0.57%
Total	1049		691		1740	

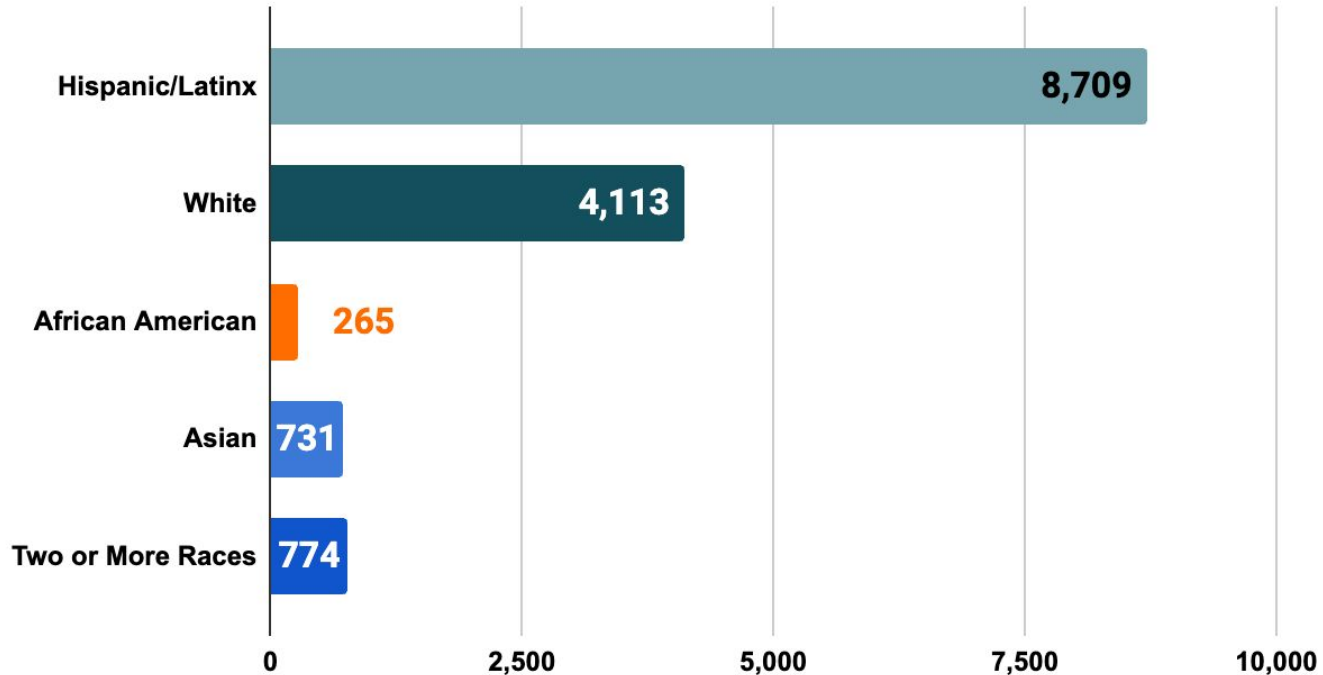
Our Students

SRCS Enrollment by Race



Our Students

SRCS Enrollments By Race



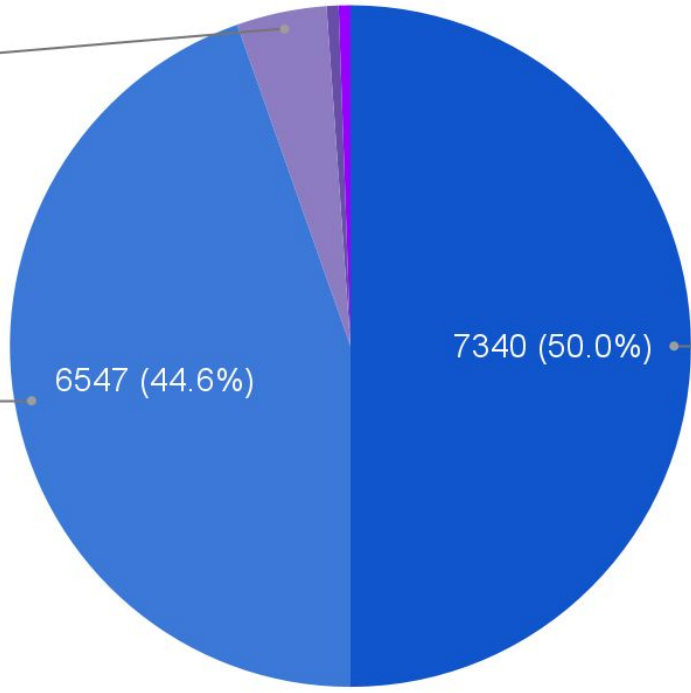
Our Students

Home Languages SRCS

55 Different Languages
4.3%

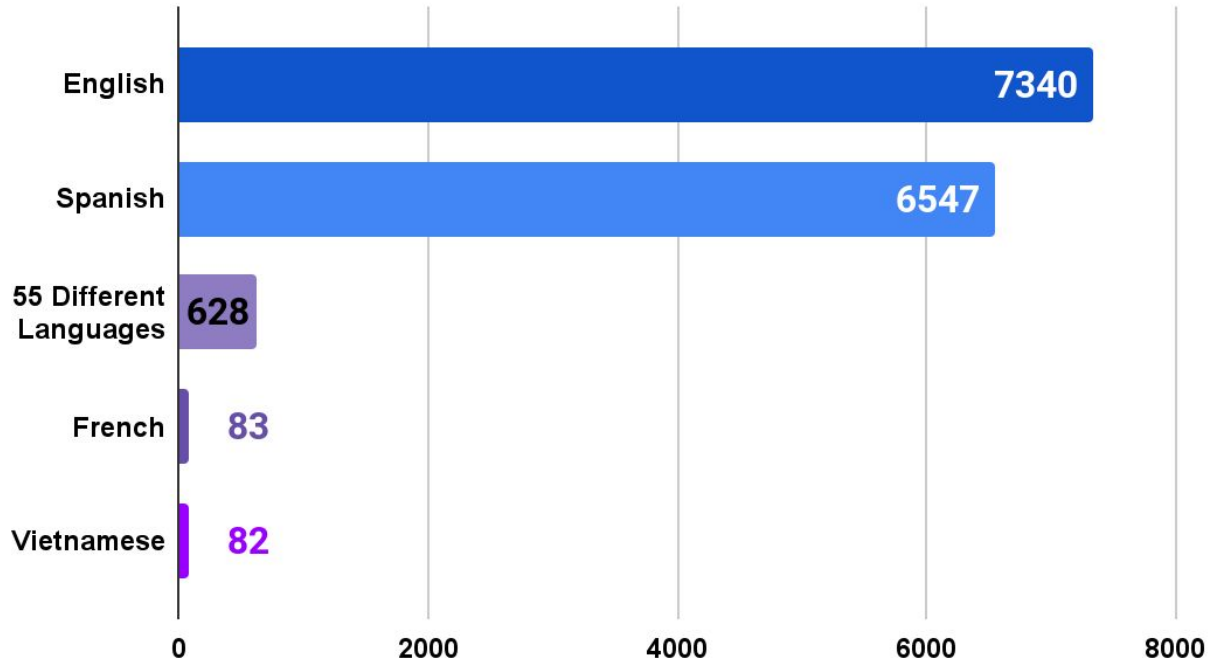
Spanish
44.6%

English
50.0%



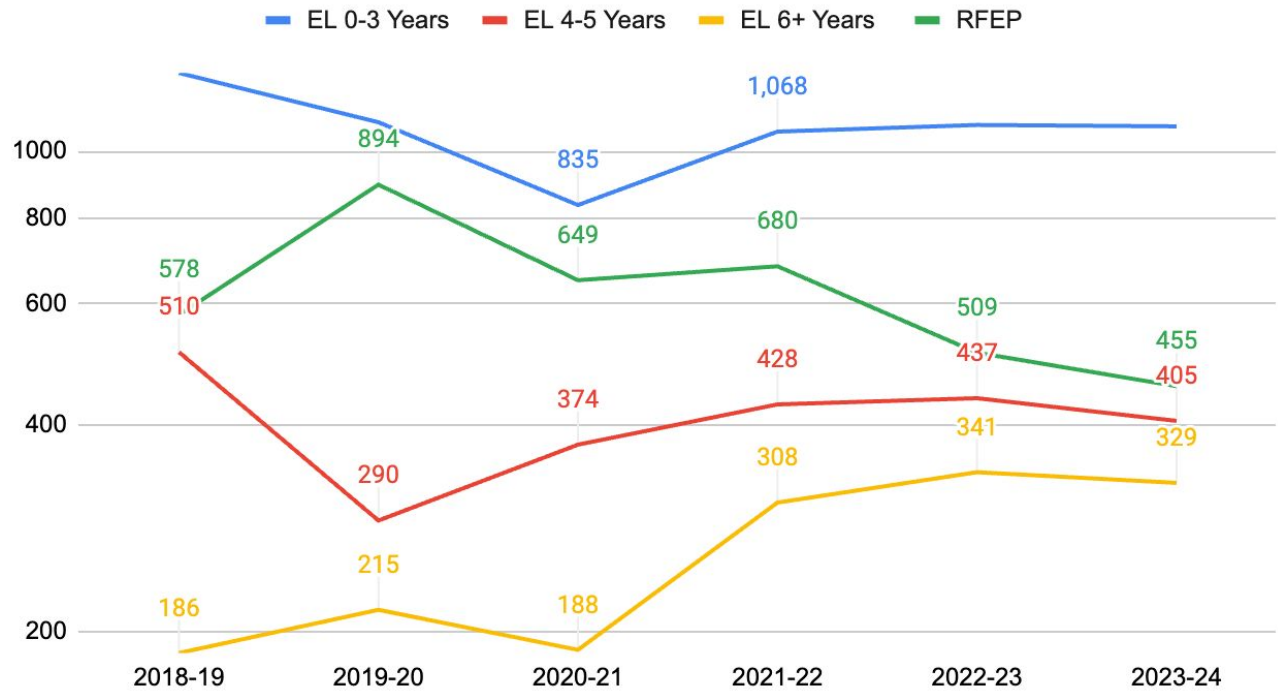
Our Students

Home Languages SRCS



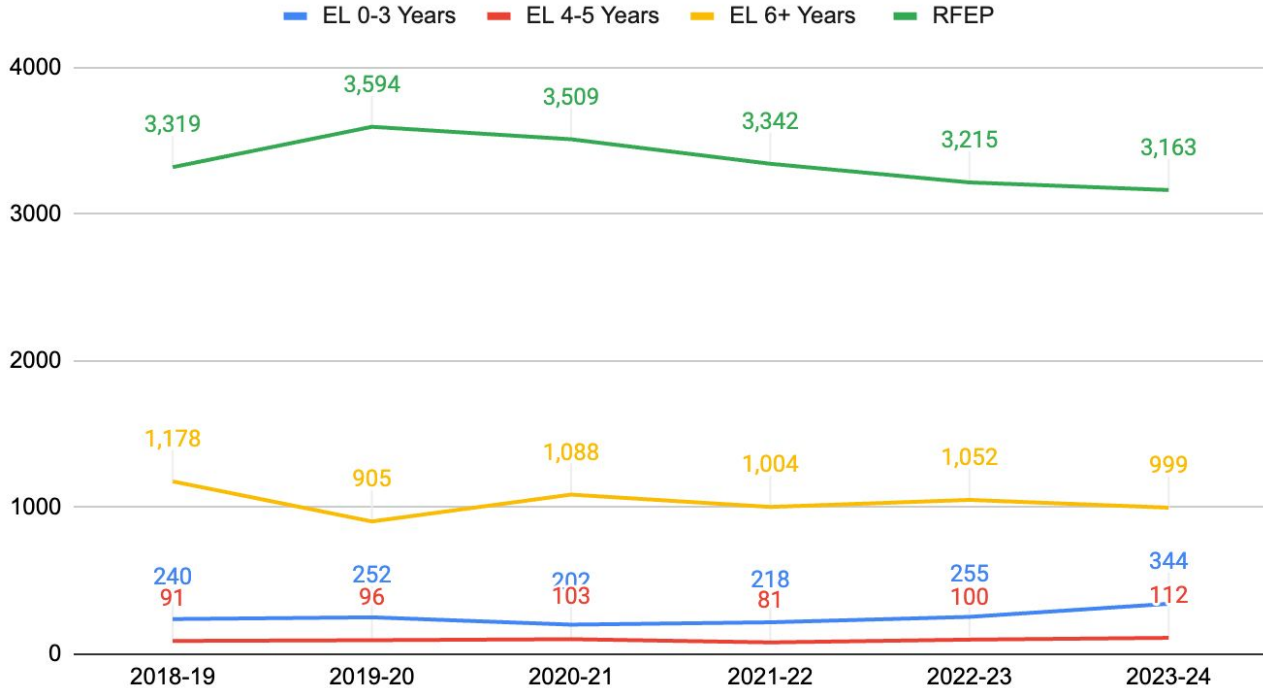
Our Students

Elementary ELL Population



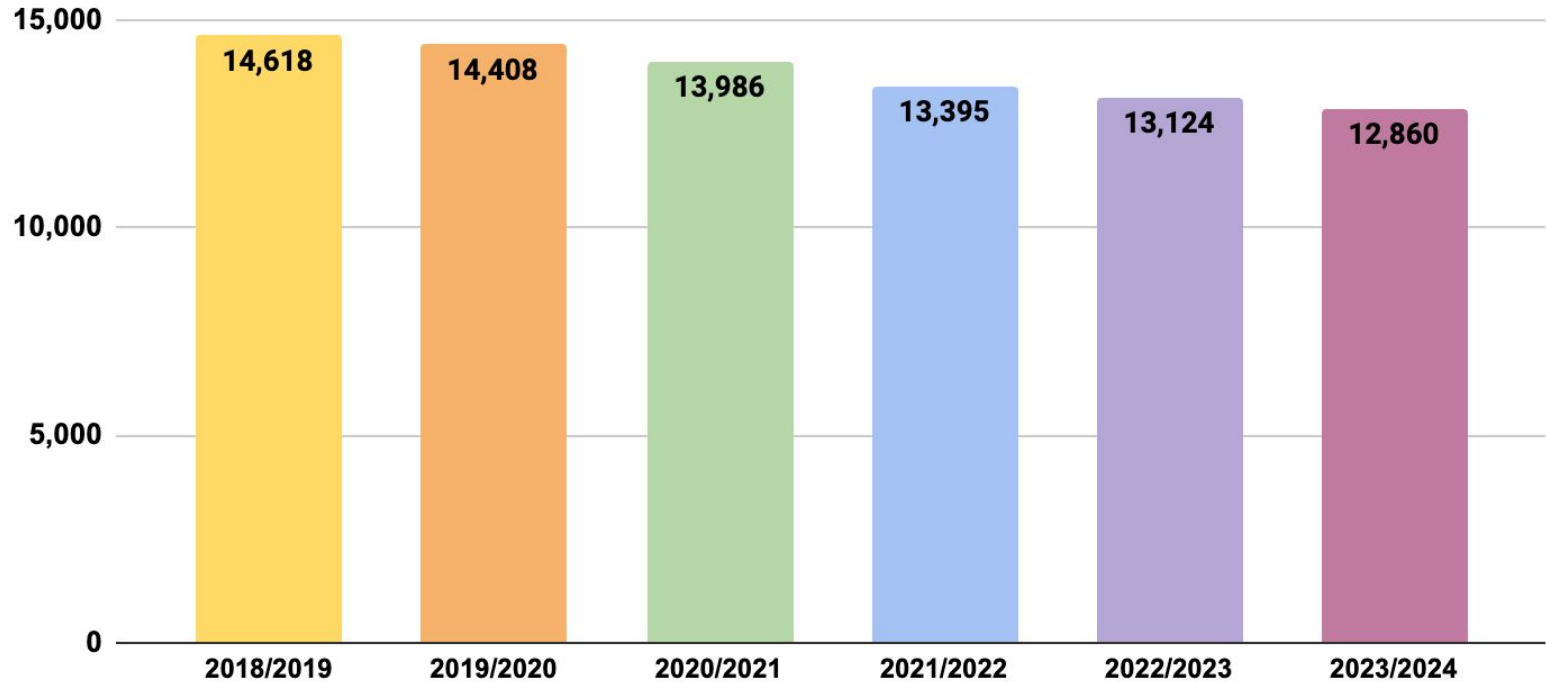
Our Students

Secondary ELL Population



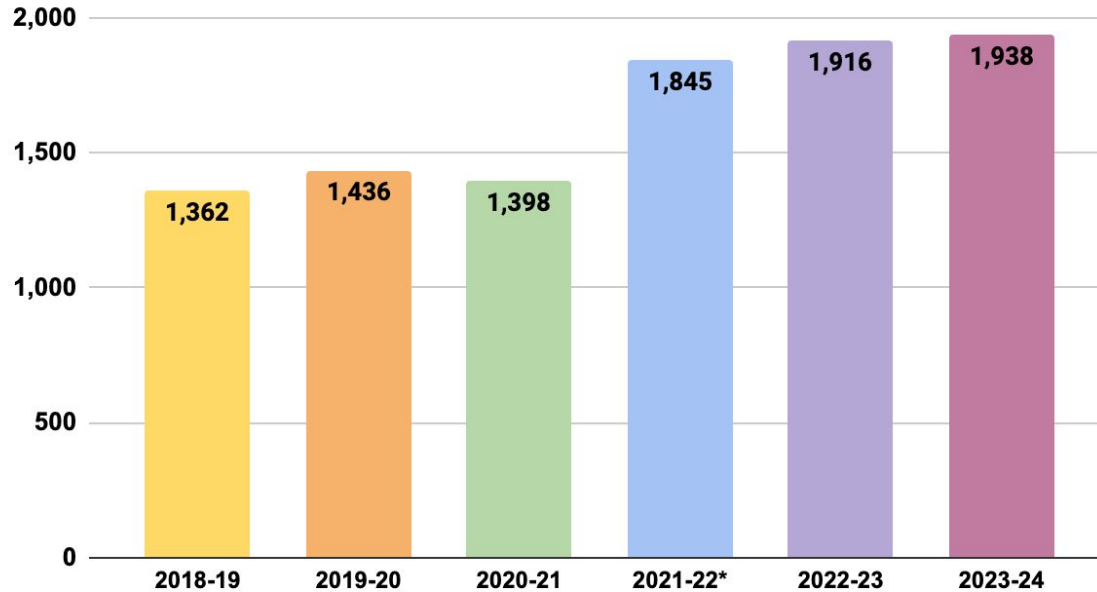
Enrollment Trends

SRCS K-12 Enrollment Trends (Non-Charter)



Enrollment Trends

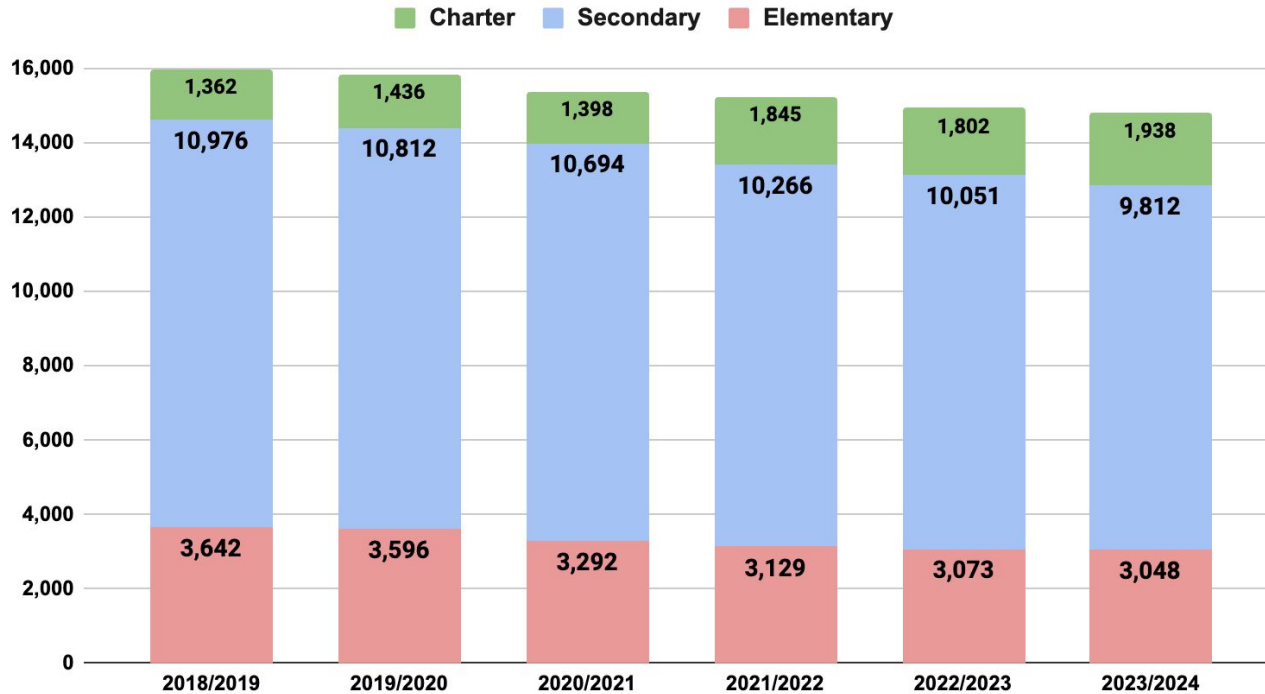
SRCS K-12 Enrollment Trends (Charter)



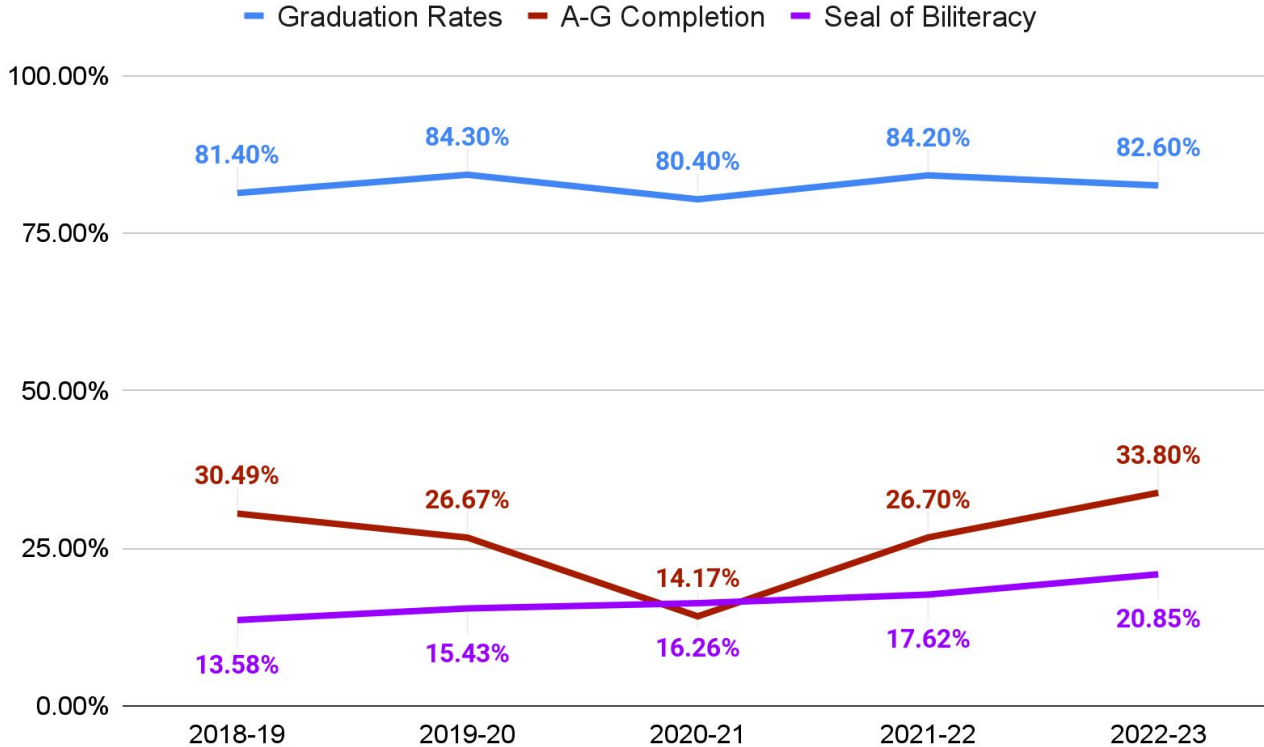
*Includes students who transition from Cook Middle School

Enrollment Trends

SRCS Enrollment 2018/2019 - 2023/2024



Graduation, A-G, & Seal of Biliteracy



2023 California Dashboard Data - More Growth Needed

LEARN MORE English Language Arts

All Students State



Yellow

53.8 points below standard

Increased 7.4 Points Ⓢ



[View More Details →](#)

LEARN MORE Mathematics

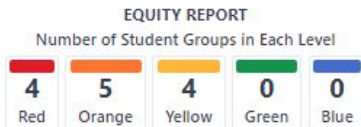
All Students State



Orange

102.6 points below standard

Increased 5.5 Points Ⓢ



[View More Details →](#)

LEARN MORE English Learner Progress

All Students State



Orange

43.3% making progress

Declined 2% Ⓢ

[View More Details →](#)

LEARN MORE College/Career

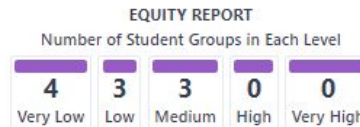
All Students State



Low

27.3% prepared

(17.8% in 2019)



[View More Details →](#)

Continued Collaboration Efforts



- English Learner Advisory Committees (ELACs)
- District English Learning Advisory Committee (DELAC)
- Citizens' Oversight Committee (COC)
- School Site Councils (SSC's)
- Budget Advisory Committee (BAC)
- PTOs/PFOs/Foundations
- ALPS (Advanced Learner Programs & Services) Committee
- CTE Advisory Committee
- Ethnic Studies Advisory Committee
- Language Acceleration Review Committees
- Partners in Education (PIE)
- Safety Advisory Round Table (SART)

Increased Collaboration Efforts

- New This Year!
 - Superintendent's Advisory Network (SAN)
 - A-G Success Committee
 - Academic Assessment Committee
 - Alternative Education Committee
 - Dual Language Immersion Leadership Team
 - ELOP Community Advisory Committee
 - Facilities Advisory Committee
 - Graduation Requirements Committee
 - Professional Development Committee
 - Wellness & Engagement Advisory Committee
 - Wellness Committee

Adding Next Year:

- Classroom Technology Advisory Committee (CTAC)
- Co-Teaching Committee
- Curriculum Council
- Healthy School Food Coalition
- Student Activities Council
- Student Athlete Advisory Committee
- Student Nutrition Advisory Committee (SNAC)
- Youth Council

Unification/Feasibility Study

- February 21, 2024 - SRCS Board discusses report & feasibility
- January 24, 2024 - SRCS Board receives second phase of the report

- January 18, 2023 - SRCS Board takes action to select Scenario 1 (Full Unification) of the Feasibility Study for continued review
- October 3, 2022 - Sonoma County Office of Education presents feasibility study report to the Board
- January 13, 2021 - Board Resolution to approve the feasibility study to be conducted by Sonoma County Office of Education

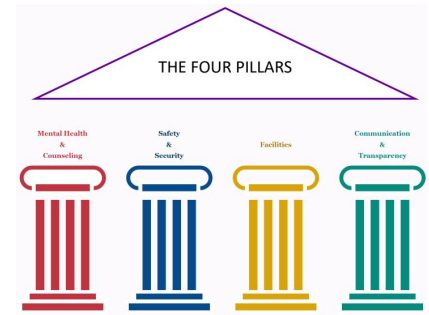
Parcel Tax Review

- May 22, 2024 - SRCS Board continues discussion on potential for a Parcel Tax
 - May 8, 2024 - SRCS Board revisits potential for a Parcel Tax
 - Winter 2024 - Mailer #2 (w/survey) sent to community regarding Parcel Tax Information
 - Fall 2023 - Mailer #1 (w/survey) sent to community regarding Parcel Tax Information
-

- June 28, 2023 - SRCS Board reviews Parcel Tax survey (polling) results
- February 22, 2023 - SRCS Board explores the feasibility of a Parcel Tax
 - Surveying (polling) took place from May 8 through May 14, 2024

[Website Information Link](#)

Your Voice, Our Commitment



- Safety Advisory Round Table (SART) Strategic Plan
 - Mental Health & Counseling
 - Increase in School Based Therapist positions
 - Increase in Restorative Specialist positions
 - Formed Alternate Education Committee and Identified priorities for 2024/2025
 - Reduction of Counselor to Student ratios to 400:1 (formerly 500:1) for the 2024/2025 school year
 - Safety & Security
 - Increase in Campus Supervisor and Family Engagement Facilitator positions
 - Added roaming substitutes for first half of the school year; offered \$1,500 stipend for substitutes who subbed full time for 40+ days
 - Increased Safe School Ambassadors programs at school sites
 - Provided De-escalation and Restorative training to staff
 - Collaboration with between the City of Santa Rosa and SRCS regarding a pilot SRO program
 - Focus on Tier 1 academy supports
 - Increased afterschool and summer programs
 - Facilities
 - Updated and implemented the Facilities Master Plan
 - Completed Risk Assessment of all schools
 - Upgrade of high school bathrooms
 - Communication & Transparency
 - Development of Communications Strategic Plan
 - Increased communication efforts of positive messaging, including Hearts & Minds campaign
 - Provided site administration with ready made resources for timely messaging of incidents on campus

#SRCSHearstMinds

<https://www.facebook.com/hashtag/srcshearstMinds>



Communications: ParentSquare

OVERALL SNAPSHOT

17,896

STUDENTS →

1,907

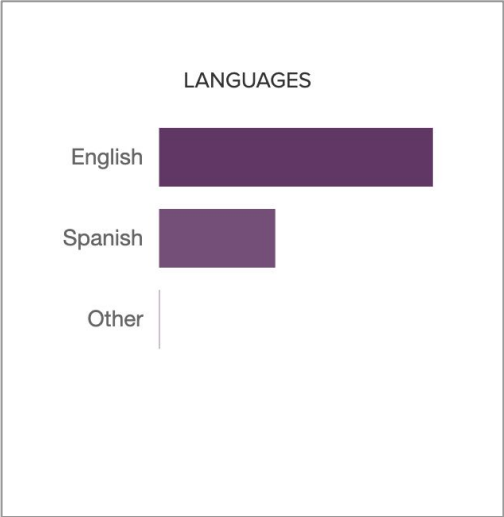
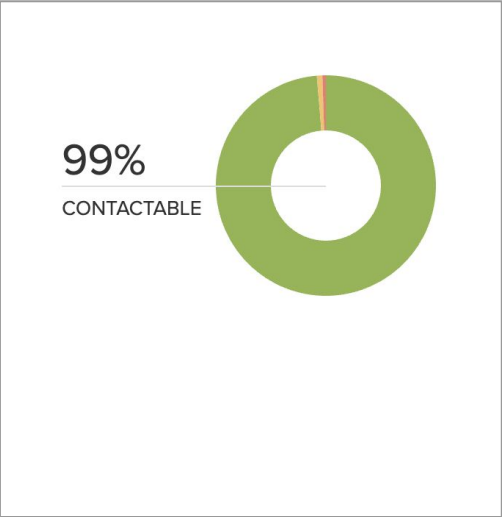
STAFF & TEACHERS →

20,650

PARENTS →

404

GUESTS →

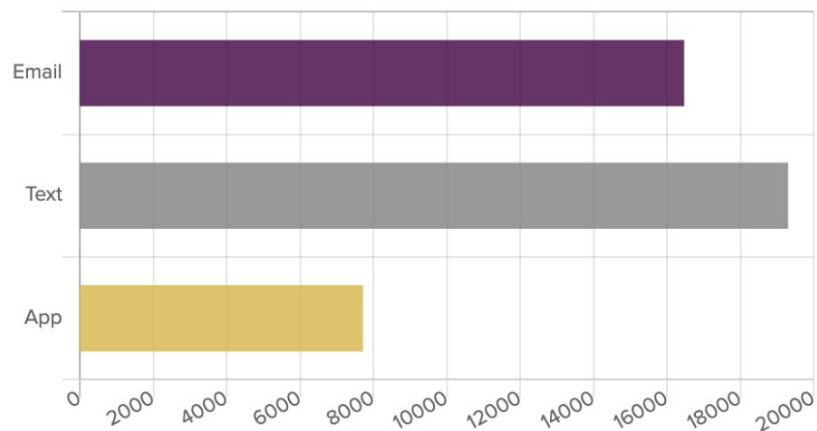


	<u>Language:</u>	<u># of Parents</u>
REGISTERED PARENT LANGUAGE DEMOGRAPHICS:	English	15,832
	Spanish	5,743
	Vietnamese	17
	Khmer	6
	Chinese	4
	Portuguese	4
	French	3
	Korean	3
	Persian	3
	Russian	3
	Punjabi	2
	Arabic	1
Filipino	1	
Turkish	1	

Communications: ParentSquare

REACH & DELIVERABILITY

REACH METHODS



EMAIL

17,021 (82%) Parents with emails

16,470 (80%) Opted to receive emails

16,470 (80%) Receiving emails

0 (0%) Failed emails

TEXT

20,140 (98%) Parents with phones

19,304 (94%) Opted to receive texts

19,303 (94%) Receiving texts

1 (0%) Failed texts

APP

9,500 (46%) Parents with app

7,718 (37%) Receiving notifications

** all percentages are out of the total 20,650 parents in the District*

SRCS Communication Strategy for 2024 to 2027

Our communication strategy is centered around five key goals:

- Strengthen transparency and communication.
- Promote the district as a choice for families and employees.
- Emphasize diversity and inclusivity.
- Champion the district as a unifying force in the community.
- Enhance participation and engagement in district meetings.

Through thorough research and analysis, we've identified several key findings that inform our strategy. While parent opinions about the district vary, satisfaction with education remains high. However, there is a misalignment between district and community values, except for diversity and inclusion, which presents an opportunity for us to bridge that gap. Additionally, we've recognized internal capacity challenges within our communication efforts, and we understand the critical role that school sites play in effective communication.

SRCS Hearts & Minds Campaign

This year, we've been hard at work crafting SRCS Hearts & Minds, a series dedicated to spotlighting the unique strengths and perspectives of our diverse community.

From overcoming challenges to embracing cultural identities, each story we've collected has been a testament to the richness and resilience of our students, staff, and families.



Positive Press

Elsie Allen student leads the way in Folklorico, mariachi with help from dedicated mom

The bus moved to Santa Rosa from Oaxaca, Mexico, just three years ago, and Dominguez has become one of Elsie Allen's standout students. | [E 4](#)



Maria Carrillo High School wins Second Annual Academic World Quest

Team members will travel to the nation's capital next month for the finals in the national World Affairs Council of America competition. | [E 2](#)



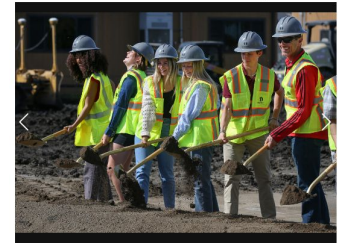
Santa Rosa Charter for the Arts hosts first pre-Pride month celebration

Hundreds of students at the Santa Rosa Charter for the Arts took part in their school's first annual Pre-Pride Month celebration. | [E 4](#)



Montgomery High School celebrates breaking ground on new classrooms

After last year's spotlight on conditions at Montgomery High School, the school celebrated breaking ground on an eagerly awaited two-story classroom building made possible by Measure C bond dollars. | [E 10](#)



Santa Rosa 7th graders learn lifesaving skills

The program was placed on hold during the pandemic and returned last year. | [E 4](#)



Santa Rosa students participate in Ruby Bridges Walk to School Day

For the second straight year, Santa Rosa students participated in Ruby Bridges Walk to School Day to commemorate the brave steps of the civil rights icon. | [E 3](#)



Best Buddies prom for students with special needs attracts hundreds to Santa Rosa's Epicenter

Gifts for students with special needs packs Epicenter. | [E 7](#)



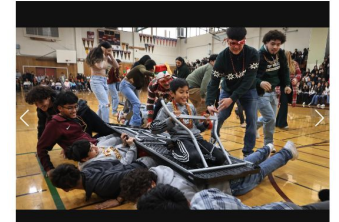
Santa Rosa High students invite President Biden to school anniversary celebration in song

Santa Rosa High history students hope song about presidents will help convince No. 41 to come help celebrate their school. | [E 41](#)



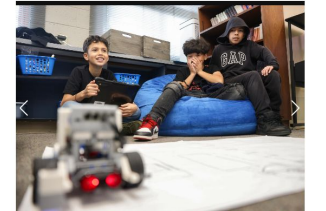
Photos: Piner High holds traditional all-school rally with Monroe Elementary students after holiday visit

A 24-year-old tradition saw its latest edition continue Friday in singing, races and other campus games as Piner High hosted Monroe Elementary students at all-school rally Friday. | [E 10](#)



Santa Rosa's Biella Elementary School strives to be a computer-science immersion campus with coding, robotics program partnership

Biella Elementary School has partnered with a science immersion program that provides mentorship for teachers and supplies materials to help each grade level integrate STEM, coding and robotics into the curriculum. | [E 10](#)



Santa Rosa school district, 49ers organization hosting girls flag football camp

New literacy program bridges the gap for Sonoma County second graders

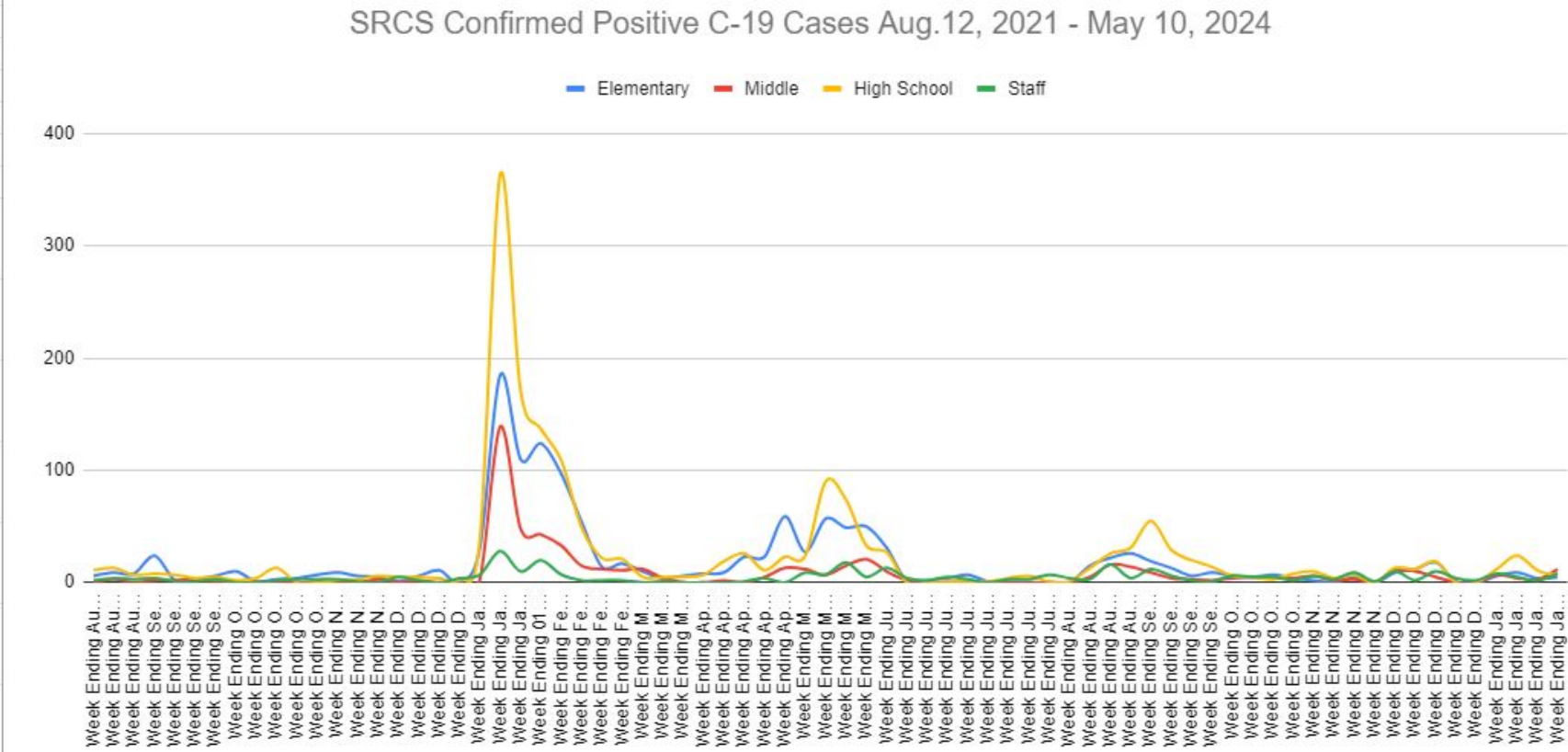
The ELITE program aims to bridge the gap between elementary students of color, who trail behind their peers in literacy proficiency. | [E 1](#)

Human Resources Highlights

- **In-House Fingerprinting (Live Scan) Services**
 - Currently serving New Employees, Substitutes and Coaches and Volunteers
- **Senior Secretary / Front Desk Receptionist for the District Office**
 - Enhanced Customer Service/Bilingual support
- **Classified Evaluations in Frontline began in 2023-2024**
 - Piloting of Certificated Evaluations in Frontline in 2024-2025
- **Tentative Agreement with SRTA on a Collective Bargaining Agreement for 2024-2027**

2023/2024 COVID-19 Pandemic Data

SRCS Confirmed Positive C-19 Cases Aug.12, 2021 - May 10, 2024



Facilities, Maintenance, & Operations

- Facilities Master Plan
 - Update Fall 2022
 - Program Manager and Construction Manager Pools Established
 - Architectural and Engineering Pools Established
 - Plan Revision for Measures C & G
 - Committee and Site Meetings Spring 2023
 - Draft Revision Summer 2023
 - Site and Community Meetings Fall 2023
 - Final Plan Revision for Board Action November 2023
 - Demographic Study
 - Reimbursement Applications
- Facilities, Maintenance, and Operations Department Restructure
 - Staffing for Program Efficiency & Effectiveness
- Bathroom Renovations, HVAC, Roofing, Solar Projects Summer 2023
- Implementation of PLA/PSA
- Work Orders
 - 3,442 Received
 - 3,143 Resolved
- Facilities Projects completed
 - Cesar Chavez Language Academy Roofing and HVAC Replacement Project
 - Brook Hill ES Roofing and HVAC Replacement Project
 - Santa Rosa HS Phase Three Roofing and HVAC Project
 - Maria Carrillo Theater Lighting LED Upgrade
 - Solar Canopy at Albert Biella ES
 - Solar Canopy at Hilliard Comstock MS
 - Solar Canopy at Elsie Allen HS
 - Solar Canopy at Monroe ES
- Facilities Projects in Design
 - Helen Lehman Roofing and HVAC Replacement Project
 - Luther Burbank Roofing and Replacement Project
 - Rincon Valley MS Roofing and HVAC Replacement Project
 - Solar Canopy at Hidden Valley ES
 - Solar Canopy at Lewis
 - Solar Canopy at Rincon Valley MS
 - District Office, Warehouse, and Educational Complex
 - Elsie Allen HS Roofing and HVAC Replacement
 - All-Sites Exterior Painting Projects
 - Secondary Sites All-Access restrooms
 - Solar Canopies at PHS, MHS, MCHS, SRHS, and HSMS



2023/2024 Facilities Projects



- 15 New Classroom
- 2 Science Labs
- All-Access Restrooms
- Art Gallery
- Outdoor Learning Spaces



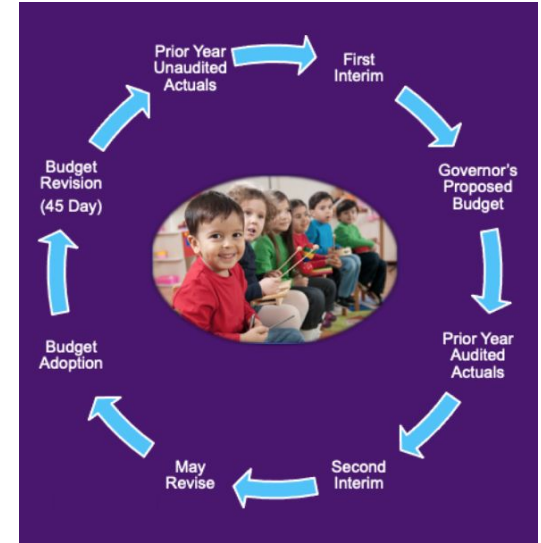
- Remodeled boys and girls restrooms at each high school
- New fixtures and accessories
- Durable/cleanable epoxy surfaces

Lewis School Celebrates 100 Years!



Fiscal Planning

- Reporting
 - 45 Day Budget Revision (Aug. '23)
 - Unaudited Actuals Report (Sept. '23)
 - GANN Limit (Sept. '23)
 - First Interim Fiscal Report (qualified certification) (Dec. '23)
 - Independent Audit Report (Apr. '24)
 - Governor's Budget Proposal (Jan. '24)
 - 2nd Interim Fiscal Report (qualified certification) (March '24)
 - Governor's May Revise (May '24 - tonight)
 - 3rd Interim Fiscal Report (May '24 - tonight)
- Mandated Block Grants Funding (Aug. '23)
- Bond Program
 - Citizens' Oversight Committees (I, L, C & G)
- LCAP
 - Revisions to adopted 23/24 LCAP (Sept. '23)
 - Public Hearing/Adoption (June '24)
- 2024-25 Budget Public Hearing/Adoption (June '24)
- Federal Funding Reporting - Quarterly
- Budget Advisory Committee



Purchasing Services Highlights

(Purchasing, Warehouse & Duplicating)

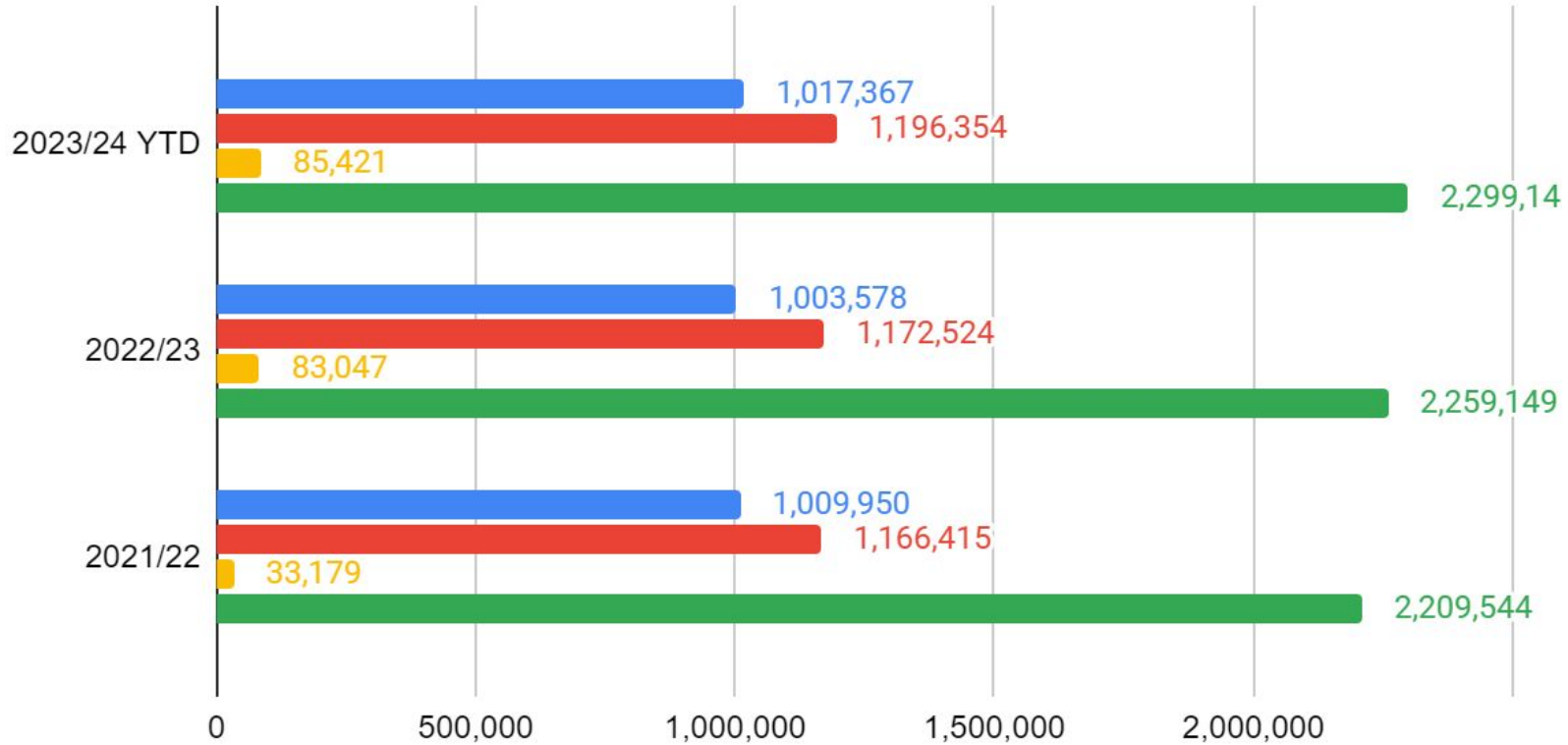
- **2023/24 SY New Classroom Startups**
 - Ensured that 13 new classrooms were ready for the start of the new school year
 - Procurement and deliveries of furniture, special purpose equipment and technology
- **Implementation and Deployment of New Copier Fleet (School Sites & Duplicating Department)**
 - Includes high capacity and color copiers at each school site
 - Color copying now available through Duplicating Services - electronic request submission in the works!
- **Repairs** (includes musical instruments, gym equipment, appliances, and special purpose equipment - excludes IT-related and custodial repairs)
 - Processed 200 school site repair tickets
- **Warehouse**
 - Assisted in the District Office move
 - Supplied departments with packing supplies and facilitated many special requests (moving smaller offices, furniture, etc.)
 - Special Projects
 - Delivery of IFP Panels to sites

Technology Highlights

- Student Technology
 - Chromebooks Inventory Preparation and Cleanup
 - ES Chromebook Carts preparation and distribution
 - Organize CAASP, ELPAC and AP Testing Support
 - Manage app license distribution for online safety (SSO)
- Staff Technology
 - Classified Desktops and Laptops
 - Onboarding for all new staff
- Classroom Technology
 - Interactive Flat Panels and Voice Amplification Systems at all sites (Phase 3 - backfill pending)
- Support
 - Solving of 4565 recorded support requests
- Cybersecurity
 - Multi Factor Authentication
 - Changes to different cyber security systems
- DO Move
 - Installed dark fiber uplink
 - Installed access control
 - Installed network - cabling and equipment
 - Moved technology equipment
- New copiers deployment district-wide
- Training
 - Interactive Flat Panels throughout the district
- Standard Operating Procedures
 - Chromebook Distribution and Collection
 - Back to School
 - Staff Onboarding
 - Summer School Equipment Distribution
 - More efficient eWaste pick-up
 - Student Data Privacy Agreements
 - Special Education Applications and Equipment
 - HelpTeacher Communication Calendar
- Research
 - Cyberthreat Response Plan
 - Network Replacement Plan
 - Emergency Management Systems
 - Student Digital Citizenship program TK-12
 - Artificial Intelligence Policy
- Collaboration
 - Application Approval Process
 - Access Control Systems for new Facilities Master Plan
- Extras
 - Special board meetings setup
 - PRA response
 - Cyberthreats response

SRCS Meals Served Over Three Years

Breakfast Counts Lunch Counts Snack Counts Total Meals Served



Special Services Highlights

- Increased by 124 students first-time access to Core classes with General Education peers through Co-Teaching
- Additional 85 students this year on Diploma Track
- 39 more SCOE students served in their Home District with 17 more for 2024-25
- Structured Literacy reading program for all 1-6th grade students with gains over grade level
 - *“The Sondag Program has given my students confidence in themselves as readers. Many students have made more than a year’s growth this year, and the foundation has been laid for future growth!” ~ Carolyn Smith, Ed. Specialist, CCLA*
- Supporting large increases in Special Education Referrals
- Continued opening of 5 new classrooms (92 students) to support additional referrals students, with Programs in: Pre-School, Counseling, Autism Spectrum, Extensive Needs

Educational Services Highlights

- Reconnecting with our students:
 - Street Data
 - Ethnic Studies Expansion
 - ReClassification & Seal of Biliteracy
- Revisiting Instructional Practices:
 - Tier 1 Academic Commitments
 - Math Focus & Redesign Expansion
 - Ethnic Studies Expansion (intentionally mentioned here as well)
 - Intentional Designated ELD Implementation
 - Foundation Skills Pilot
- Additional Supports
 - Extended Learning Opportunities Program Expansion
 - Summer School Expansion
 - Credit Recovery / Night School
- Focus on Alternative Education Programs
- CTE/CCAP/Golden State Pathways Expansions

2024 Summer Programs

- Mike Hauser Academy
- Newcomer English HS
- HS Credit Recovery
- Elementary Academy
- Extended School Year (ESY)
- Migrant Education
- Luther Burbank Center for Arts
- LandPaths Owl Camp
- EXCEL for Youth
- Child Care Camp
- Math Lab
- Science Camp
- Recreation Sensation
- Arts Boost
- French Boost
- CCLA Boost

Year	# of Students
2024	2622 (as of 5/7/24)
2023	2554
2022	2703
2021	3402
2020	1646
2019	1732
2018	2186
2017	1281

Information & Evaluation Services Highlights

Reports and Analytics

- Developed 50+ reports to provide real-time data, ensure accuracy, and save time for staff and administration.
- Implemented subscriptions to automate report distribution.

Student State Assessment Program

- Continued to support the implementation of California's state assessment programs
- Trained over 100 test examiners and site test coordinators

Professional Development:

- Trained school administrators and Elementary TOSAs on eduCLIMBER features.
- Led training classes on Aeries queries for beginning and intermediate users.
- Provided guidance on Student Success Index (SSI), Truancy Letters, 504 plans, and special education CALPADS reporting

Operations Development

- Created a system to automate the truancy notifications.
- Exported elementary report card data from Illuminate to SRCS database.
- Integrated all Illuminate Elementary Report Cards into Aeries.

Internal Operations Systems

- Moved nightly integrations to PowerShell for ease-of-use.
- Created an internal documentation website with processes, codes, and step-by-step instructions for maintaining integrations.

Information & Evaluation Services Upcoming Work

Accountability and Monitoring

- Collaborate with Special Services around Accountability & Monitoring to lower our certification warnings

Training and Professional Development

- Provide training for all case managers on Statewide Assessments page (with Special Services)
- Train staff in utilizing Aeries Analytics for data needs

Communication and Notification

- Revamp SPED Enrollment notification process
- 504 notification for incoming students from outside the district
- Auto-Notices in ParentSquare for in danger of failing students

Data Analysis and Visualization

- Move data visualizations into Aeries Analytics
- Refine and add more reports in SRCS Reports to support staff and various departments
- Develop a new school locator that we can host in-house

Wellness & Engagement

Wellness and Engagement is focused on increasing access to Social-Emotional support for students:

- At least one **Restorative Specialist** at all schools, 2 at High Schools
- Full time **School-Based Therapists** at all secondary schools, and part-time **School-Based Therapists** at elementary schools
- Increased campus supervision staff at middle and high schools

Wellness & Engagement

Wellness and Engagement is focused on collecting wellness data and supporting collaborative community programs designed to support student success

- Panorama wellness survey (twice a year)
- Youth Truth climate survey (annually in January)
- Safe Schools Ambassadors
- Safe Routes to School
- VPP “Partnership” with the City of Santa Rosa
- Parent Cafes

Wellness & Engagement

Wellness and Engagement is growing our collaborative participation in opportunities to engage in fiscally-responsible program improvement

- Community Schools Partnership Program: Ending year 1 of a 2 year planning grant, Spring 2024
- CYBHI Multipayer Fee Schedule reimbursement program: applied to join Cohort 2, Spring 2024
- Capacity Grant: building capacity to implement the Multipayer Fee Reimbursement work: Partnership with SCOE, August, 2024
- Wellness Coaches Grant: applied for funding to create new positions, Spring 2024

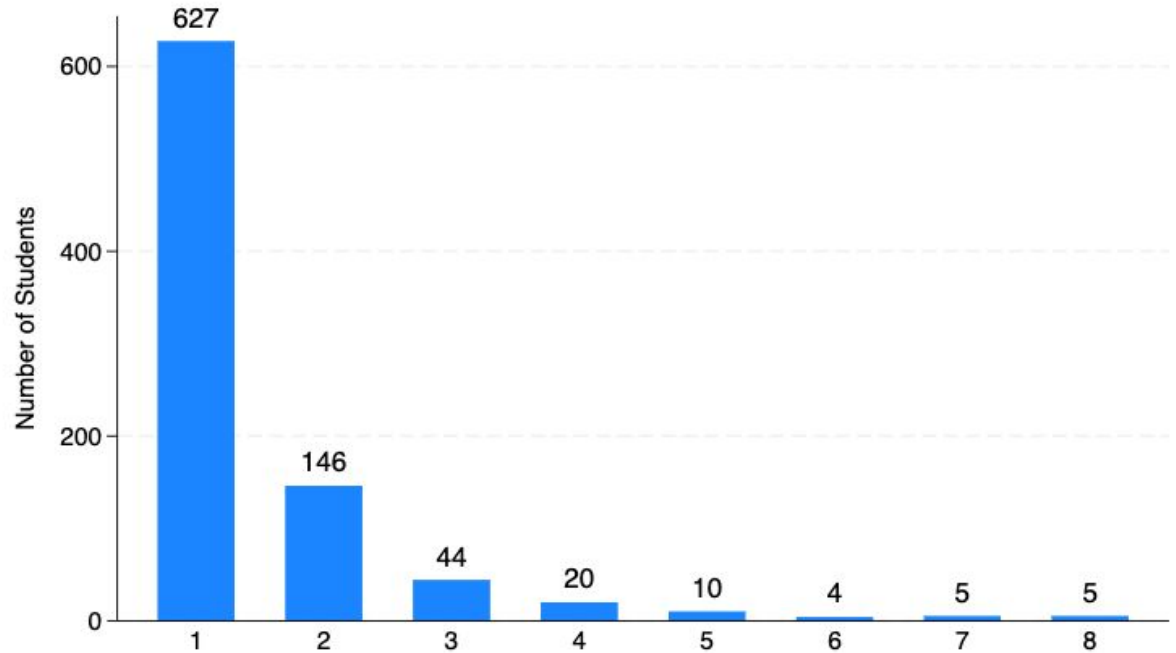
Number of Suspensions

73%

of the suspended students were suspended **once** this school year

11%

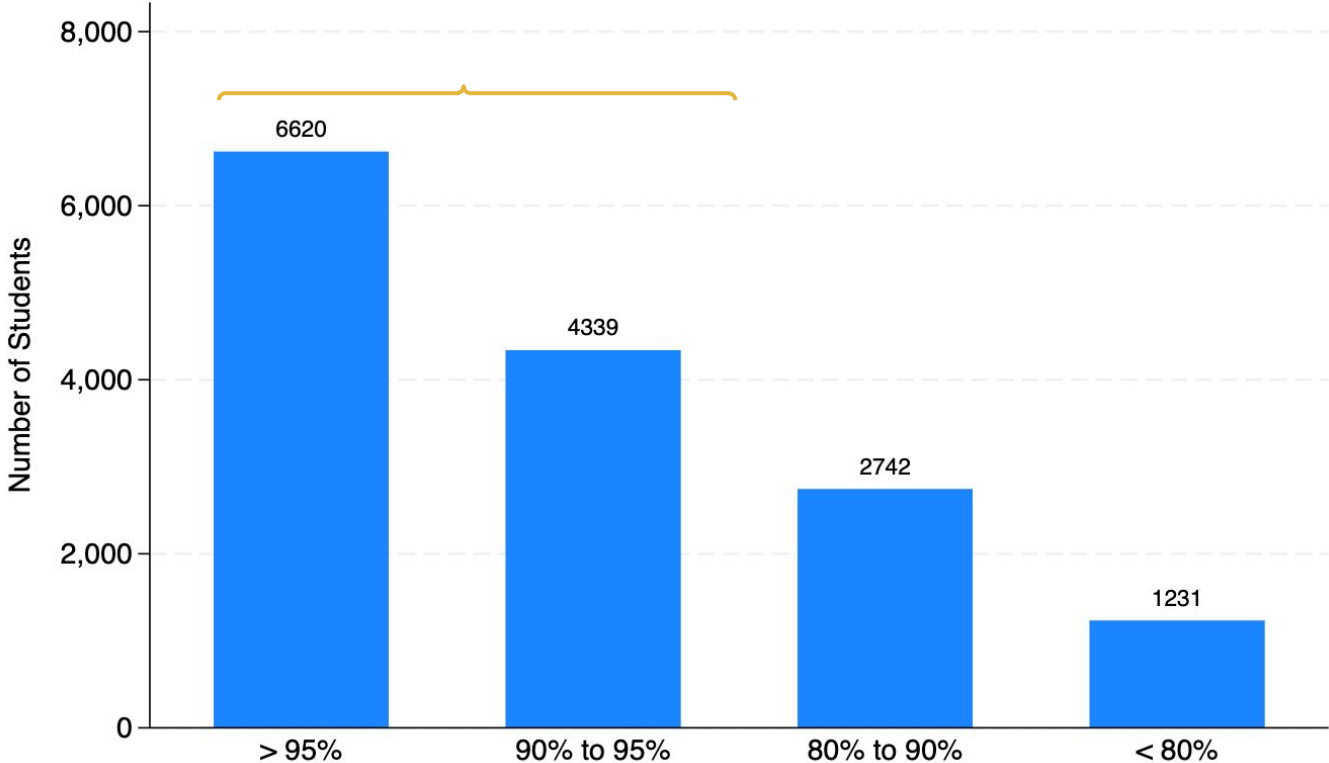
Improvement year-to-year



Note: All data comes from the Student Information System. Updated 04/18/2024.

Chronic Absenteeism Rates

73%
of all
students
have
attendance
higher than
90%



Continued Focus for 2024/2025

- A commitment to continue to keep students and staff safe and healthy.
 - ◆ Implementation of the School Safety Advisor positions (formerly Campus Supervisors & Student Advisors)
 - ◆ Continue Facilities upgrades for safety and well-being
 - ◆ Continue working towards fiscal sustainability with a focus on equity and cultural responsiveness
- A continued focus on improving and reinforcing strong instructional practices.
 - ◆ Calibration of best practices and professional development opportunities
- An unwavering social emotional and mental health support system for students and staff.
 - ◆ Development of Wellness Centers
 - ◆ Continuation of access to SEL and Mental Health support staff
 - ◆ Access to support programs like Appa, Side by Side, Alongside, and others
 - ◆ Increased use of StopIT (43% increase since last year)
- And, an unrelenting determination to keep equity, anti-racism, and social justice at the heart of everything we do.
 - ◆ Reinforcement of behavioral expectations and support practices
 - ◆ Data-driven decision making

We Are SRCS!



hearts
& minds



SANTA ROSA
CITY SCHOOLS





SRCS Indian Education Program

Programa de Educación de Amerindios en el distrito escolar SRCS

Spring Board Presentation - May 22, 2024

Presentación de Primavera ante la Mesa Directiva - 22 de mayo de 2024

The Team/ *El Equipo*

Elizabeth Billy

Indian Education Community Worker
Trabajadora Comunitaria para Amerindios

Dr. Patricia Law

Coordinator, State & Federal Programs
Coordinadora de la Oficina de Programas Estatales y Federales

MaDonna Feather-Cruz

Indian Education President
Presidenta de la Educación Amerindia

Donna Fernandez, M.Ed

Indian Education Teacher Representative
Representante de Maestro(a)s de la Educación Amerindia

Last Fall We Shared ...

El otoño pasado compartimos ...



- Program Qualifications & Overview
Elegibilidad y descripción general del programa
- Grant Objectives & How we Meet Goals
Objetivos de la subvención y cómo cumplimos las metas
- Student Needs Assessment
Evaluación de las necesidades estudiantiles
- How we Partner with Schools, with Sonoma County, and with Families
Cómo nos asociamos con las escuelas, el condado de Sonoma y las familias
- Our Impact: Stories & Successes (grad rates, math and reading proficiency)
Nuestro impacto: historias y éxitos (tasas de graduación, dominio de las matemáticas y la lectura)
- Ethnic Studies Curriculum
Plan de estudios étnicos
- Interventions: Program Supports and Community Involvement
Intervenciones: Apoyos al programa y participación de la comunidad
- Parent Committee and Parent Needs Assessment
Comité de padres y evaluación de las necesidades de los padres
- Activities, Clubs, Resources & Community Events
Actividades, clubes, recursos y eventos comunitarios

The Office of Indian Education Title VI Grant

La Oficina de Educación Amerindia bajo el Título VI

- Parts I and II Submitted Early in February and April; **approved** in April
Partes I y II presentadas a principios de febrero y abril: fueron aprobadas en abril
- Continuing as a Multi-Year Grant (3 years)
Continuación como subvención plurianual (3 años)
- Approved by our Parent Committee in a Public Meeting on March 27th
Aprobada por nuestro Comité de Padres en una reunión pública el 27 de marzo
- Currently serving 174 Native American students and growing
Actualmente atiende a 174 estudiantes nativos americanos y sigue creciendo
- Increase in funding of \$5,378 (total annual allocation for 2024/25 = \$57,859) to fund Community Worker position
5,378 dólares adicionales para este año (cuota anual total para 2024/25 = \$57,859) para financiar el puesto de un trabajador comunitario



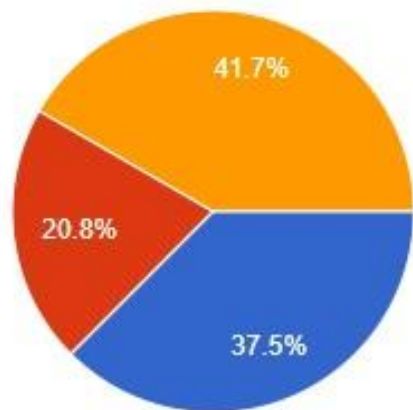
Needs Assessments / Evaluación de Necesidades

What our Students Say / Lo que dicen nuestros estudiantes

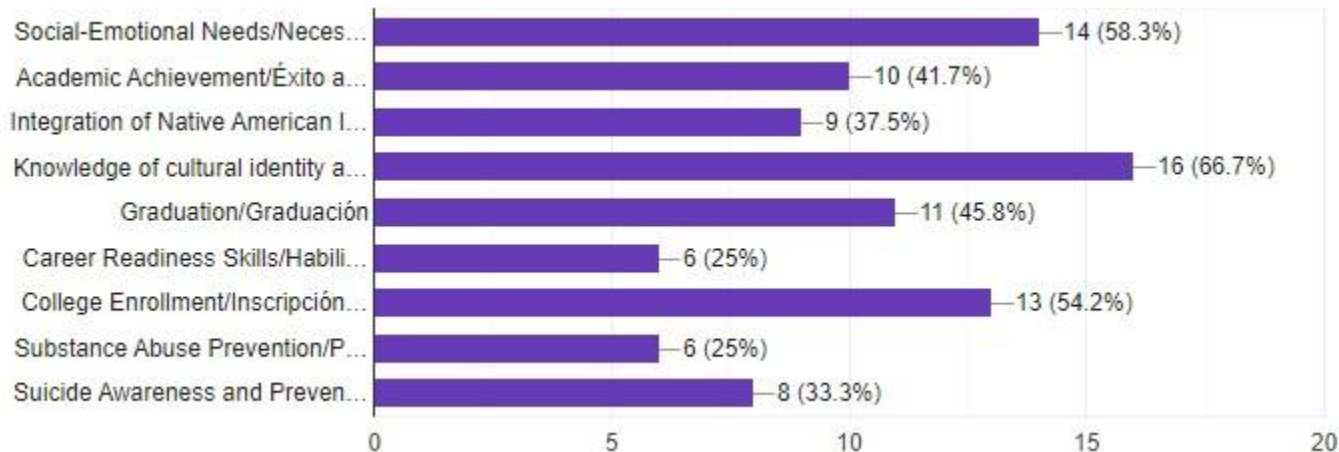
- **42% say they want more information on what the Indian Ed Program offers** / *El 42% dice que quiere más información sobre lo que ofrece el Programa de Educación Amerindio.*
- **38% say their needs are fully met** / *El 38% dice que sus necesidades están totalmente cubiertas.*
- **Most important needs include cultural identity and awareness (67%), social-emotional needs (58%), and help with college enrollment (54%)** / *Las necesidades más importantes incluyen **identidad y conciencia cultural** (67%), **necesidades socioemocionales** (58%), y ayuda con la **matriculación en universidades** (54%)*
- **63% would like to see Native American Clubs expanded; 46% more field trips** / *Al 63% le gustaría que se ampliaran los clubes de nativos americanos; al 46% más excursiones*
- **At least one comment on the interest in connection/Teachings to native languages for native and non-native students to spread and reclaim languages that are in danger of being lost** / *Al menos un comentario sobre el interés en la conexión/Enseñanzas de lenguas nativas para estudiantes nativos y no nativos para difundir y recuperar lenguas que están en peligro de perderse.*

What our Parents Say / Lo que dicen nuestros padres de familia

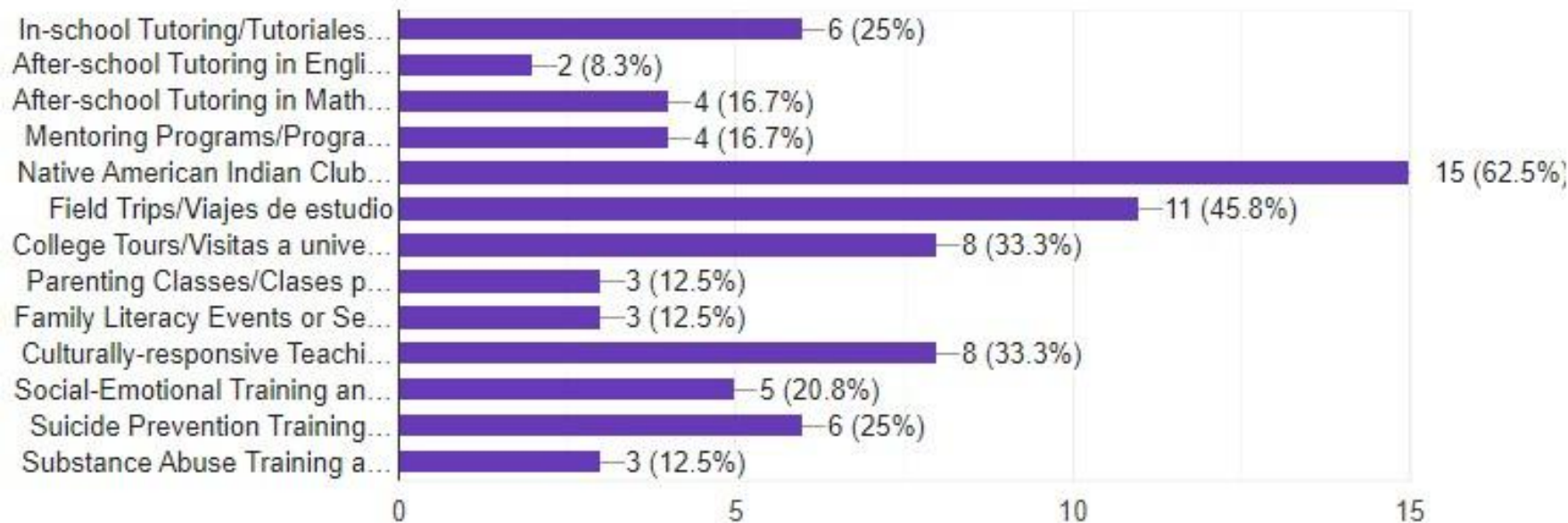
- **25% say their needs are fully met; 55% want to learn more** / *El 25% dice que sus necesidades están totalmente cubiertas. El 55% quiere aprender más.*
- **Most important needs include college enrollment help (70%), academic achievement support (70%), and integration of Native American Studies and content into curriculum (65%)** / *Las necesidades más importantes incluyen ayuda para la **inscripción universitaria** (70%), **apoyo al rendimiento académico** (70%) e **integración de estudios nativos americanos en el plan de estudios** (65%).*
- **85% would like to see more culturally-related activities; 80% mentoring programs** / *Al 85% le gustaría ver más actividades relacionadas con la cultura; 80% programas de tutoría*
- **65% willing to volunteer** / *el 65% está dispuesto a ser voluntario*

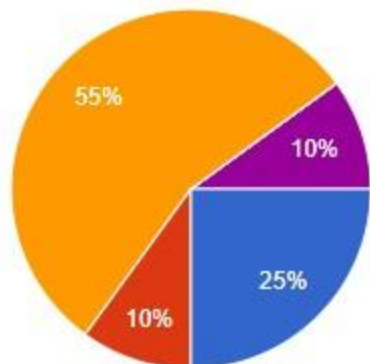


- Yes, the services and support being offered are fully meeting my needs. / Sí, los servicios y el apoyo que se ofrecen satisfacen plenamente mis necesidades.
- No the services and support being offered are not meeting my needs. / No, los servicios y el apoyo que se ofrecen no satisfacen mis necesidades.
- I don't know what services and support are being offered that may meet my needs, but I'd like to learn more so I c...

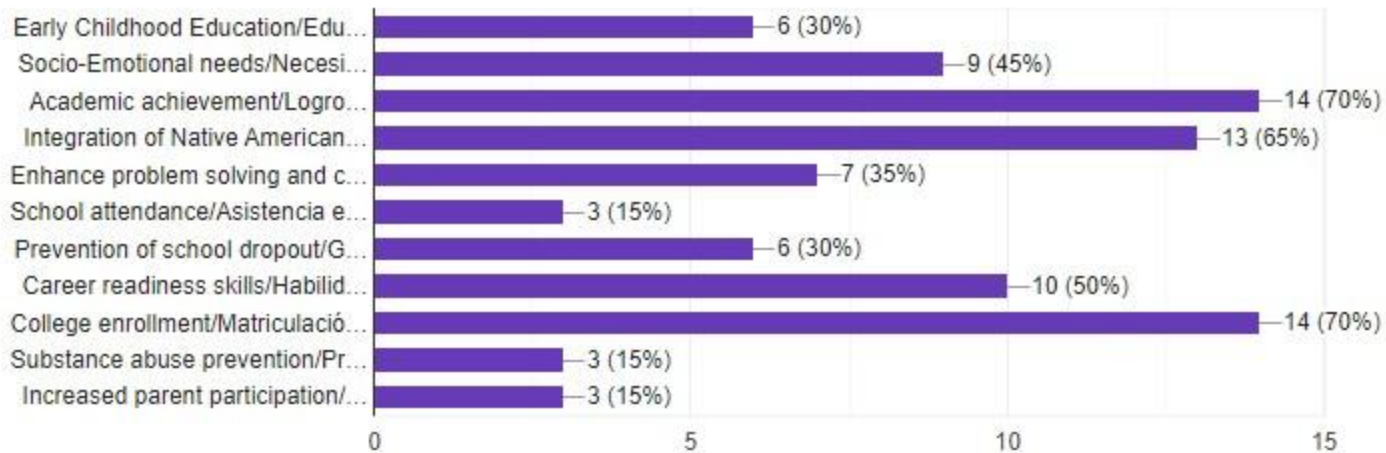


Student Responses on Services they would like:

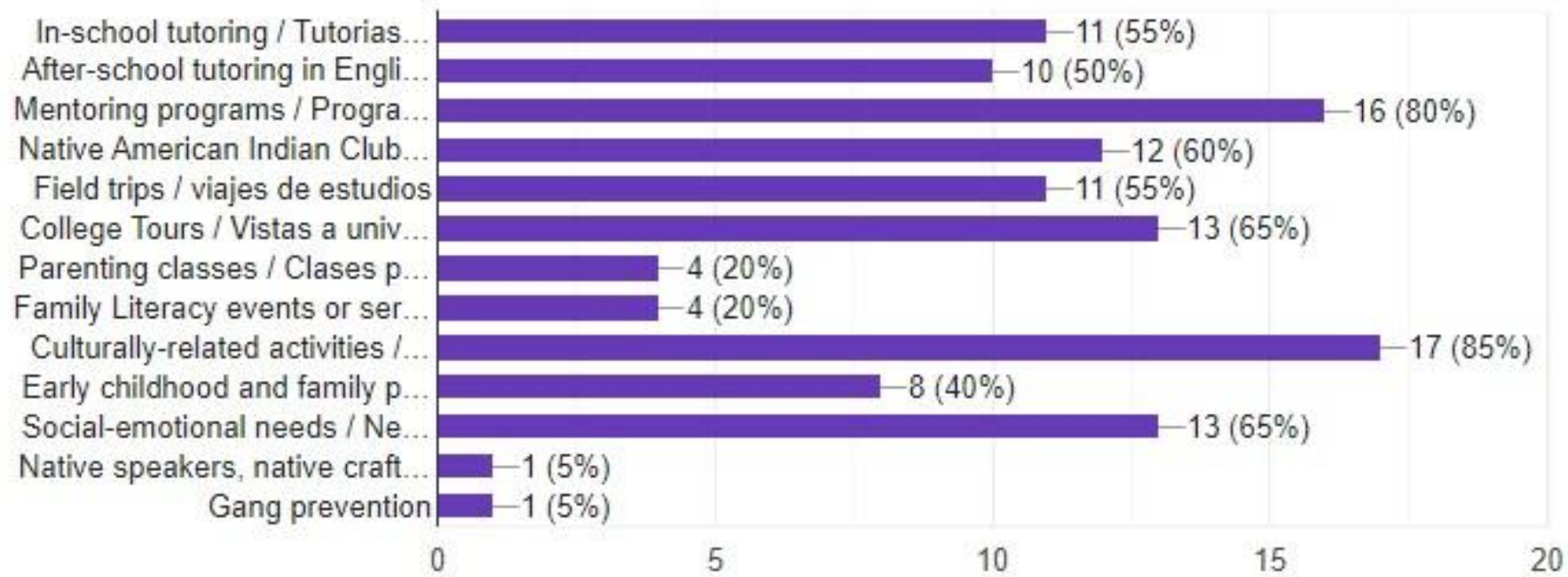




- Yes, the services are fully serving my child's/children's needs - Sí, los servicios satisfacen plenamente las necesidades de mi hijo/s mis hijos
- No, the services are not adequately serving my child 's/children' s needs. - No, los servicios no satisfacen adecuadamente las necesidades de mi hijo/s mis hijos
- I would like to learn more about how the Native American is currently serving me. - Me gustaría saber más sobre cómo el servicio de los nativos americanos me está sirviendo actualmente.
- I am not a parent, but from what I know about Native American Services, they are not serving me. - No soy un padre, pero por lo que sé de los servicios de los nativos americanos, no me están sirviendo.
- Option 5



Parents Responses on Services they would like for their Student(s)



Upcoming Events / *Próximos eventos*



Indian Education Committee



*Graduation & Promotion Ceremony
Class of 2024*

Friday - May 31, 2024

5:30 to 7:30 PM

PINER HIGH SCHOOL - GYM
1700 FULTON ROAD, SANTA ROSA

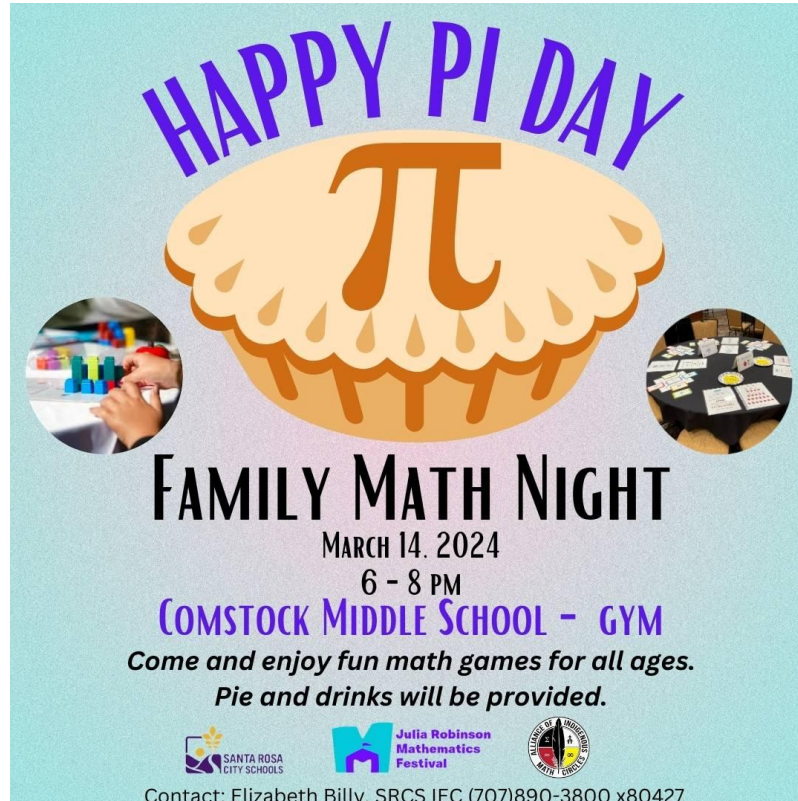


Thank you to our sponsors



Information: Elizabeth Billy, IEC at ebilly@srcs.k12.ca.us or (707)890-3800 x80427

This Year's Events / *Eventos de este año*



A promotional poster for a Family Math Night event. The background is a light teal color. At the top, the words "HAPPY PI DAY" are written in a large, purple, sans-serif font, arched over a central illustration of a golden-brown pie with a large pi symbol (π) on top. Below the pie, the text "FAMILY MATH NIGHT" is written in a bold, black, sans-serif font. Underneath that, the date "MARCH 14, 2024" and the time "6 - 8 PM" are listed. The location "COMSTOCK MIDDLE SCHOOL - GYM" is written in a purple, sans-serif font. Below the location, the text "Come and enjoy fun math games for all ages." and "Pie and drinks will be provided." is written in a smaller, italicized black font. At the bottom of the poster, there are three logos: the Santa Rosa City Schools logo, the Julia Robinson Mathematics Festival logo, and the Santa Rosa Community Center logo. The contact information "Contact: Elizabeth Billy, SRCS IEC (707)890-3800 x80427" is written at the very bottom.

HAPPY PI DAY

FAMILY MATH NIGHT

MARCH 14, 2024
6 - 8 PM

COMSTOCK MIDDLE SCHOOL - GYM

*Come and enjoy fun math games for all ages.
Pie and drinks will be provided.*

Contact: Elizabeth Billy, SRCS IEC (707)890-3800 x80427

Native American Studies Course / *Curso de Estudios sobre los Nativos Americanos*

- Indian Ed Staff partnering with Secondary Curriculum Team / *Colaboración del personal de educación amerindia con el equipo de planes de estudios de la secundaria*
- Curriculum Development teaching truth and history of our culture / *Desarrollo del programa de estudios con el fin de enseñar la verdad y historia de nuestra cultura*
Native people with a focus on: / *Pueblos nativos con un enfoque en:*
California Native Americans / *Nativos Americanos de California*
Gold Rush / *Fiebre de oro*
Our Land / *Nuestra Tierra*
Genocide / *Genocidio*
Boarding School Historical Trauma / *Trauma histórico del internado*
Traditions and Culture / *Tradiciones y cultura*



**Thank you! /
*¡Gracias!***

We Appreciate You / Les apreciamos



EMBRACE • ENGAGE • EMPOWER

Resolution No. 2023/24-79

Date: May 22, 2024

Resolution Reaffirming Support for LGBTQIA+ Community

WHEREAS, Santa Rosa City Schools acknowledges the rights and inherent dignity of all individuals, including lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA+) students, staff, and community members; and

WHEREAS, Santa Rosa City Schools is committed to providing equal opportunity for all individuals in district programs and activities, and shall be free from unlawful discrimination, including discrimination against an individual or group based on race, color, ancestry, nationality, national origin, immigration status, ethnic group identification, ethnicity, age, religion, marital status, pregnancy, parental status, physical or mental disability, sex, sexual orientation, gender, gender identity, gender expression, or genetic information; and

WHEREAS, research suggests that as many as 1 in 4 high school age students in the United States identify as lesbian, gay, bisexual, transgender, queer, intersex, asexual, gender nonconforming, and gender fluid, (LGBTQIA+); and

WHEREAS, creating a safe, inclusive, respectful, and welcoming environment for all students is essential to their educational success, mental health, and overall well-being; and

WHEREAS, we recognize the significance of providing targeted mental health support for LGBTQIA+ students, including access to counseling services, support groups, and resources that address the unique challenges they may face; and

WHEREAS, tragically, LGBTQIA+ youth face a higher risk of experiencing homelessness, being victims of bullying, discrimination, and harassment, leading to increased rates of absenteeism, lower academic performance, and negative impacts on their mental health; and

WHEREAS, some legislative bodies are utilizing public policy to advance anti-LGBTQIA+ agendas and oppress the rights and existence of the LGBTQIA+ community, specifically targeting transgender and nonbinary youth in our country; and

WHEREAS, according to a national survey, youth who identify as LGBTQIA+ are **more than four times as likely** to attempt suicide than non-LGBTQIA+ youth, and our district suicide prevention plan is required to acknowledge and address this increased risk; and

WHEREAS, our local YouthTruth Data in grades 7-12 show that Santa Rosa City Schools students self-identifying as LGBTQIA+ have much less favorable ratings in the areas of engagement, academic challenge, culture, belonging and peer collaboration; and

WHEREAS, fostering a school climate that embraces diversity, encourages acceptance, and affirms the identities of LGBTQIA+ students is essential for their social-emotional development and overall educational experience; and

WHEREAS, Santa Rosa City Schools hosts a variety of LGBTQIA+ clubs and committees, and acknowledges the importance of supporting students and staff by advocating for their rights, safety and comfort in the SRCS community; and

WHEREAS, collaborations with LGBTQIA+ advocacy organizations, community groups, and stakeholders are needed to strengthen support networks, share best practices, and ensure that the needs of LGBTQIA+ students and staff are met effectively; and

WHEREAS, Santa Rosa City Schools District recognizes the importance of ensuring equitable access to resources, support systems, and educational opportunities for LGBTQIA+ students, staff, and families; and

WHEREAS, every school district, including ours, must continue to take a stand in supporting our LGBTQIA+ youth and ensuring that every student has the resources they need to thrive both academically and socio-emotionally as a valued member of their school community; and

WHEREAS, providing LGBTQIA+ inclusive education promotes understanding, respect, and empathy among all students and prepares them to thrive in a diverse society; and

WHEREAS, we have a responsibility to comply with state and federal laws that protect the rights of LGBTQIA+ individuals, including Title IX and the Fair Employment and Housing Act; and,

WHEREAS, Santa Rosa City Schools District is committed to ensuring the respect and protection of our LGBTQIA+ students' privacy, including their right to self-identify and be addressed by their chosen name(s) and gender/pronoun(s), as a crucial aspect of fostering an inclusive and affirming educational environment;

NOW THEREFORE, BE IT RESOLVED:

- The Board of Trustees of the Santa Rosa City Schools District reaffirms its commitment to creating a safe, inclusive, and supportive environment for all students, regardless of their sexual orientation, gender identity, or gender expression; and


- Santa Rosa City Schools shall adopt and implement policies that explicitly prohibit discrimination, harassment, and bullying based on sexual orientation, gender identity, or gender expression. These policies shall be widely communicated to students, staff, and families; and
- Professional development opportunities shall be provided to District staff to enhance their understanding of LGBTQIA+ issues, develop inclusive teaching practices, and create supportive classroom environments; and
- Curriculum materials and resources shall be reviewed and updated to include accurate and inclusive information about LGBTQIA+ history, contributions, and experiences. Such materials shall be age-appropriate and integrated into the existing curriculum across grade levels and subjects; and
- The District shall actively collaborate with LGBTQIA+ advocacy organizations, community groups, and stakeholders to strengthen support networks, identify areas for improvement, and ensure the needs of LGBTQIA+ students and staff are met; and
- Santa Rosa City Schools District shall celebrate LGBTQIA+ diversity by proclaiming and recognizing June as LGBTQIA+ Pride Month, October as LGBTQIA+ History Month, October 11th as National Coming Out Day, November 20th as Transgender Day of Remembrance, March 31st as Transgender Day of Visibility, April 12th as Day of Silence, and other relevant occasions to honor the contributions of the LGBTQ+ community, fostering a sense of belonging and visibility for LGBTQIA+ students and staff; and
- The District shall regularly collect data, evaluate, and monitor the impact of LGBTQIA+ initiatives and policies ensuring that they are effective, responsive, and evolving to meet the changing needs of our school community, including the gathering of feedback from students, staff, families, and community members, and making adjustments as necessary to ensure its effectiveness; and
- Santa Rosa City Schools District shall engage in ongoing partnerships with LGBTQIA+ organizations and community leaders to provide educational workshops, resources, and mentoring opportunities for LGBTQIA+ students, fostering their personal growth and leadership skills; and

FINALLY, BE IT RESOLVED, the Governing Board of the Santa Rosa City Schools District affirms its deep commitment to the safety, well-being, and education of our LGBTQIA+ students, staff, and community.

PASSED AND ADOPTED by the Governing Board of the Santa Rosa City Schools District on the 22nd day of May 2024.



Roxanne McNally, Clerk of the Board



Date

2022-2023
ANNUAL REPORT TO THE
SANTA ROSA CITY SCHOOL DISTRICT BOARD OF TRUSTEES
May 22, 2024

Measures C & G Citizens' Oversight Committee (COC)



Conceptual renderings of a modernized classroom

COC MEMBERSHIP

Name	Member of Business Organization	Member of Senior Citizens' Organization	Parent or Guardian of SRCS Student	Parent/Guardian and Active in Parent Teacher Organization or Booster	Member of Bona Fide Taxpayers' Organization	At Large Community Member
Jennie Bruneman	x					
Mindy Breslin						x
Michael Von Der Porten					x	
James Hague	x					
Carolina Spence		x				
Kristin Hendricks						x
Ben Wolf				x		

District Staff

Anna Trunnell, Superintendent

Lisa August, Associate Superintendent of Business Services

Erik Oden, Executive Director of Facilities, Maintenance and Operations

Cathy Gotfrid, Project Manager

Paula Cox, Facilities Senior Secretary

BOND BACKGROUND

On November 8, 2022, the voters of the Santa Rosa Elementary School District authorized Measures C & G under the Proposition 39 statutes. Measures C & G authorized the issuance of \$523 million in General Obligation Bonds (\$398 for the Santa Rosa High School District and \$125 million for the Santa Rosa Elementary School District. Proceeds from the sales of the Bonds will be used to finance the acquisition, construction, furnishing, and equipping of District facilities in accordance with the bond proposition approved at the Election, and a project list including upgrades and capital improvements to classrooms, labs and facilities, school safety, and technology improvements to provide a 21st Century Education.

- **Ballot Question:** “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 and \$125,000,000 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?”

What will Measures C & G Do?

Measures C & G will improve our local schools by:

- Updating classrooms, science labs, learning technology and job training facilities
- Providing updated equipment for classrooms, science and computer labs and libraries
- Replacing deteriorating portable classrooms
- Repairing leaky roofs and replace inefficient heating and cooling systems, electrical systems and plumbing
- Improve campus security, fire and earthquake safety

CITIZENS' OVERSIGHT COMMITTEE (COC)

Background

In accordance with bond spending rules, Santa Rosa City Schools has convened a Citizen's Bond Oversight Committee to keep the public informed. This committee will review Measure C & G bond expenditures, review the annual audits prepared by an independent auditing firm, and ensure that funds are spent according to the terms of the ballot language.

District will solicit applications from the community to form the oversight committee. By law, the oversight committee must include a member active in business organization, a member active in a senior citizens' organization, a member active in bona fide taxpayers' organization, a member active in the Parent Teachers Association (PTA) as well as a member who is a parent or guardian of a child enrolled in the District. No employee or official of the District can be appointed to the oversight committee.

CITIZENS' OVERSIGHT COMMITTEE (COC)

Roles & Responsibilities

Requirements of the Citizens' Oversight Committee:

1. Determine whether a district is spending the bond monies for construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing, and equipping of school facilities, or the acquisition or lease of real property for school facilities.
2. Advise the public as to whether a district is spending the bond monies for the purposes specified above and not for any other purpose, including teacher and administrator salaries and other school operating expenses
3. Determine whether a district is spending the bond monies for the specific school facilities projects listed in the bond measure information given to the public prior to the vote.
4. Receive and review copies of an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.
5. Receive and review copies of an annual, independent financial audit of the proceeds from the sale of the bonds until all those proceeds have been expended for the school facilities projects (listed in the bond measure)

Role of the Citizens' Oversight Committee:

- The purpose of this committee is to inform the public concerning the expenditure of bond revenues. To fulfill this responsibility, the oversight committee is expressly required “to actively review and report on the proper expenditure of taxpayers’ money for school construction” and to “verify that the funds are being spent only for authorized purposes.” The oversight committee must promptly alert the public to any waste or improper expenditure of bond revenue. (Education Code Section 15278 b)

FACILITIES MASTER PLAN (FMP)

The Santa Rosa City Schools Facility Master Plan (FMP) for previous Bond Measures I & L was developed in 2016 to identify and prioritize projects for each of the High Schools. The FMP was approved by the Santa Rosa City School Board of Education on April 27, 2016.

SRCS staff spent the majority of Fiscal Year 2022-2023 updating the 2016 FMP to reflect progress of projects completed and update site priorities and needs. Staff and partners conducted two rounds of site meetings with each campus and their respective communities, one in the spring and one in the fall. Overall, over 90 community meetings were conducted in the course of roughly 8 months. Bond dollars from Measures C & G were not approved for use on projects until the updated FMP was approved in Fiscal Year 2023-2024.

ROLE OF THE BOARD OF EDUCATION

- For a Prop. 39 Bond:
 - Establishes guidelines for the COC
 - Approves bond program project list and an implementation plan
 - Appoints COC and members
 - Established guidelines for COC
- Evaluate school facilities needs
- Approve additions or alterations to existing buildings
- Determine when new facilities are needed
- Select and acquires sites
- Determine the method of financing
- Approve selection of architects and engineers
- Authorize projects for bid
- Award contracts for design and construction
- Approve change orders to construction contracts

ANNUAL COMPLIANCE OPINION

This Annual Report is submitted to the Board of Trustees by the Santa Rosa City Schools Citizens' Bond Oversight Committee.

The Committee advises that, to the best of its knowledge, the Santa Rosa City School District is in compliance with the requirements of Article XIII A, Section 1(b) (3) of the California Constitution. Furthermore, the Committee has reviewed expenditure reports produced by the District to ensure that (a) bond proceeds have been expended only for the purposes set forth in the ballot measure; (b) and not for any other purposes, including classified, (employees in education who are in a position not requiring certification), teacher, administrative salaries and other school operating expenses; (C) and reviewed the staffs process for maximizing bond proceeds. Committee review is supported by independent financial and performance audits required by state law. The statement covers activities for the 2022 - 2023 school year.

Respectfully Submitted:

Measure C & G Citizens' Oversight Committee

Date: _____



COC MEETING SCHEDULE

Date	Major Items Reviewed
March 30, 2023	<ul style="list-style-type: none">● Measure I&L Updates● Measure I&L Financial Reports● Annual Audit Reports● Measure C&G COC Formation & Bond Sales
May 25, 2023	<ul style="list-style-type: none">● Review of Audit Reports● Annual Report Draft Review● Measure I&L/C&G Updates● Project Updates

FINANCIAL SUMMARY

Measure G



Overall Project Summary Report

Measure G Summary 7/1/22 to 6/30/23

Project	Total Budget	Encumbered	Expenditures	Remaining Budget
000-0000-0000 - District Wide (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
000-9630-5192 - District Wide - Maintenance & Operations Facilities	\$0.00	\$0.00	\$0.00	\$0.00
000-CKMZ-5192 - District Wide - Central Kitchen Modernization	\$0.00	\$0.00	\$0.00	\$0.00
000-DOSS-5192 - District Wide - District Office and Support Services	\$0.00	\$0.00	\$0.00	\$0.00
000-ECHE-5192 - District Wide - Early Childhood Education	\$0.00	\$0.00	\$0.00	\$0.00
000-ECSW-5192 - District Wide - Education Center Site Work	\$0.00	\$0.00	\$0.00	\$0.00
000-NATC-5192 - District Wide - New Adult Transition Center	\$0.00	\$0.00	\$0.00	\$0.00
100-0000-0000 - Elementary Schools (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
101-9904-5250 - Brook Hill Elementary - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
102-9862-5210 - Burbank Elementary - Program Management	\$0.00	\$0.00	\$0.00	\$0.00
102-9875-5202 - Burbank High - Modernization	\$0.00	\$0.00	\$0.00	\$0.00
102-9904-5250 - Burbank Elementary - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
105-9875-5202 - Lehman Elementary - Modernization	\$0.00	\$0.00	\$0.00	\$0.00
105-9904-5250 - Lehman Elementary - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
106-9904-5250 - Biella Elementary - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
107-9875-5205 - Lincoln Elementary - Modernization	\$0.00	\$0.00	\$0.00	\$0.00
107-9904-5250 - Lincoln Elementary - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
109-9851-5202 - Proctor Terrace - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
109-9904-5250 - Proctor Terrace - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
111-9904-5250 - Steele Lane Elementary - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
112-9904-5250 - Hidden Valley Elementary - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
119-9531-5192 - Elementary District Wide - Safety & Security	\$0.00	\$0.00	\$0.00	\$0.00
119-9800-5192 - Elementary District Wide - New Construction/Additions	\$0.00	\$0.00	\$0.00	\$0.00
119-9851-5192 - Elementary District Wide - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
119-9856-5192 - Elementary District Wide - Furniture & Equipment	\$0.00	\$0.00	\$0.00	\$0.00
119-9875-5192 - Elementary District Wide - Modernization	\$0.00	\$0.00	\$0.00	\$0.00
119-CONT-5192 - Elementary District Wide - Bond Program Contingency	\$0.00	\$0.00	\$0.00	\$0.00
119-ESCA-5192 - Elementary District Wide - Bond Construction Escalation	\$0.00	\$0.00	\$0.00	\$0.00
119-NTKG-5192 - Elementary District Wide - Transitional Kinder	\$0.00	\$0.00	\$0.00	\$0.00
121-9904-5250 - Lewis Early Learning Academy - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
123-9904-5250 - Santa Rosa Accelerated Charter - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
124-9904-5250 - SR French American Charter - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
127-9904-5250 - Cesar Chavez Language Academy - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00



FINANCIAL SUMMARY

Measure G - Grand Totals



Overall Project Summary Report

Measure G Summary 7/1/22 to 6/30/23

Project	Total Budget	Encumbered	Expenditures	Remaining Budget
173-9640-5192 - Stony Point District Office - Elementary - Administrative Buildings	\$0.00	\$0.00	\$0.00	\$0.00
192-9305-5192 - Elementary For Asst Sup Bus. - Operations Services	\$0.00	\$0.00	\$0.00	\$0.00
192-9305-9795 - Elementary For Asst Sup Bus. - Operations Services	\$3,869.65	\$3,869.65	(\$3,869.65)	\$0.00
192-9862-5192 - Elementary for Asst Sup Business - Program Management	\$0.00	\$0.00	\$0.00	\$0.00
193-9640-5203 - Elementary For Director M & O - Administrative Buildings	\$0.00	\$0.00	\$0.00	\$0.00
193-9840-5203 - Elementary for Director M & O - District Office/Education Center	\$0.00	\$0.00	\$0.00	\$0.00
193-9851-5203 - Elementary For Director M & O -Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
193-9862-5210 - Elementary for Director M & O - Program Management	\$0.00	\$0.00	\$0.00	\$0.00
193-9862-5212 - Elementary for Director M & O - Program Management	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total:	\$3,869.65	\$3,869.65	(\$3,869.65)	\$0.00

FINANCIAL SUMMARY

Measure C



Overall Project Summary Report

Measure C Summary 7/1/22 to 6/30/23

Project	Total Budget	Encumbered	Expenditures	Remaining Budget
000-0000-0000 - District Wide (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
000-9630-5192 - District Wide - Maintenance & Operations Facilities	\$0.00	\$0.00	\$0.00	\$0.00
000-CKM2-5192 - District Wide - Central Kitchen Modernization	\$0.00	\$0.00	\$0.00	\$0.00
000-DOSS-5192 - District Wide - District Office and Support Services	\$0.00	\$0.00	\$0.00	\$0.00
000-ECHE-5192 - District Wide - Early Childhood Education	\$0.00	\$0.00	\$0.00	\$0.00
000-ECSW-5192 - District Wide - Education Center Site Work	\$0.00	\$0.00	\$0.00	\$0.00
000-NATC-5192 - District Wide - New Adult Transition Center	\$0.00	\$0.00	\$0.00	\$0.00
127-9875-5205 - Cesar Chavez Language Academy - Modernization	\$0.00	\$0.00	\$0.00	\$0.00
200-0000-0000 - Secondary Schools (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
213-9640-5192 - Stony Point District Office - Secondary - Administrative Buildings	\$0.00	\$0.00	\$0.00	\$0.00
231-9851-5220 - Slater Middle - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
231-9904-5250 - Slater Middle - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
232-9904-5250 - Comstock Middle - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
233-9851-5202 - Rincon Valley Middle - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
233-9851-5220 - Rincon Valley Middle - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
233-9875-5202 - Rincon Valley Middle - Modernization	\$0.00	\$0.00	\$0.00	\$0.00
233-9904-5250 - Rincon Valley Middle - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
234-9650-5210 - Santa Rosa Middle - Other Fees	\$0.00	\$0.00	\$0.00	\$0.00
234-9904-5250 - Santa Rosa Middle - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
249-9531-5192 - Secondary District Wide - Safety & Security	\$0.00	\$0.00	\$0.00	\$0.00
249-9654-5192 - Secondary District Wide - Student Access Restroom	\$0.00	\$0.00	\$0.00	\$0.00
249-9800-5192 - Secondary District Wide - New Construction	\$0.00	\$0.00	\$0.00	\$0.00
249-9851-5192 - Secondary District Wide - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
249-9856-5192 - Secondary District Wide - Furniture & Equipment	\$0.00	\$0.00	\$0.00	\$0.00
249-9875-5192 - Secondary District Wide - Modernization	\$0.00	\$0.00	\$0.00	\$0.00
249-CONT-5192 - Secondary District Wide - Bond Program Contingency	\$0.00	\$0.00	\$0.00	\$0.00
249-ESCA-5192 - Secondary District Wide - Bond Construction Escalation	\$0.00	\$0.00	\$0.00	\$0.00
250-9830-5204 - Montgomery High - Two-Story Building	\$0.00	\$0.00	\$0.00	\$0.00
250-9904-5250 - Montgomery High - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
251-9875-5205 - Piner High - Modernization	\$0.00	\$0.00	\$0.00	\$0.00
251-9904-5250 - Piner High - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
252-9851-5215 - Santa Rosa High - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
252-9851-5220 - Santa Rosa High - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00



FINANCIAL SUMMARY

Measure C - Grand Totals



Overall Project Summary Report

Measure C Summary 7/1/22 to 6/30/23

Project	Total Budget	Encumbered	Expenditures	Remaining Budget
252-9875-5220 - Santa Rosa High - Modernization	\$0.00	\$0.00	\$0.00	\$0.00
252-9904-5250 - Santa Rosa High - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
253-9904-5250 - Elsie Allen High - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
254-9904-5250 - Maria Carillo High - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
260-9904-5250 - Ridgeway Continuation High - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
292-9305-5192 - Secondary For Asst Sup Busines - Operations Services	\$0.00	\$0.00	\$0.00	\$0.00
292-9305-9795 - Secondary For Asst Sup Busines - Operations Services	\$12,253.86	\$12,253.86	(\$12,253.86)	\$0.00
292-9862-5192 - Secondary For Asst Sup Business - Program Management	\$0.00	\$0.00	\$0.00	\$0.00
293-9640-5203 - Secondary For Director M & O - Administrative Buildings	\$0.00	\$0.00	\$0.00	\$0.00
293-9840-5203 - Secondary for Director M & O - District Office/Education Center	\$0.00	\$0.00	\$0.00	\$0.00
293-9851-5203 - Secondary For Director M & O - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
293-9862-5210 - Secondary for Director M & O - Program Management	\$0.00	\$0.00	\$0.00	\$0.00
293-9862-5212 - Secondary for Director M & O - Program Management	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total:	\$12,253.86	\$12,253.86	(\$12,253.86)	\$0.00

FISCAL & PERFORMANCE AUDITS

The COC has reviewed both Measure C & G Audit Reports dated March 4, 2024, for the year ended June 30, 2023 prepared by Chavan & Associates, LLP, Certified Public Accountants. These reports included the following:

- Independent Auditor's Report
- Program Statements
- Schedule of Findings and Recommendations

Schedule of Findings and Recommendations from the audits are as follows:

- a. The audit tests resulted in no current findings and recommendations
- b. There were no prior year findings and recommendations to be reported

MAJOR TAKEAWAYS FROM 2022 - 2023

- Regarding Cash reported in the County Treasury, the District is an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer. (Education Code Section 41001)
- Committee commends the the District staff for expending bond dollars according to the ballot language requirements resulting in no fiscal or performance audit findings.

PHOTOS



Conceptual renderings of a modernized classroom



2022-2023
ANNUAL REPORT TO THE
SANTA ROSA CITY SCHOOL DISTRICT BOARD OF TRUSTEES
May 22, 2024

Measures I & L Citizens' Oversight Committee (COC)



COC MEMBERSHIP

Name	Member of Business Organization	Member of Senior Citizens' Organization	Parent or Guardian of SRCS Student	Parent/Guardian and Active in Parent Teacher Organization or Booster	Member of Bona Fide Taxpayers' Organization	At Large Community Member
Jennie Bruneman			x			
Frank Pugh						x
Michael Von Der Porten					x	
James Hague	x					
Carolina Spence		x				
Kristin Hendricks						x
Ben Wolf				x		
Mindy Breslin						x

District Staff

Anna Trunnell, Superintendent

Lisa August, Associate Superintendent of Business Services

Erik Oden, Executive Director of Facilities, Maintenance and Operations

Cathy Gotfrid, Project Manager

Paula Cox, Facilities Senior Secretary

BOND BACKGROUND

On November 4, 2014, the voters of the Santa Rosa Elementary/ High School District authorized Measures I & L under the Proposition 39 statutes. Measure L authorized the issuance of \$54 million in General Obligation Bonds while Measure I authorized the issuance of \$175 million in General Obligation Bonds. Proceeds from the sales of the Bonds will be used to finance the acquisition, construction, furnishing, and equipping of District facilities in accordance with the bond proposition approved at the Election, and a project list including basic school repairs, upgrades and capital improvements to classrooms, labs and facilities, school safety, and technology improvements to provide a 21st Century Education.

Ballot Question: “To improve educational quality and student safety by upgrading classrooms and science labs, replacing deteriorating and outdated plumbing, heating, ventilation and air-conditioning systems, providing updated 21st century classroom technology, and acquiring, renovating or constructing classrooms, equipment, sites and facilities, shall Santa Rosa High School District/ Santa Rosa Elementary School District issue \$175 million/ \$54 million in bonds at legal rates, including independent citizens’ oversight, annual audits, no money for administrators’ salaries and all funds benefitting local schools (State cannot take the funds)?”

What will Measures I & L Do?

Measures I & L will improve our local middle and high schools by:

- Providing a Safe and Modern Learning Environment
- Current and Reliable Technology and Labs
- School Repair Measures to Support Student Success

CITIZENS' OVERSIGHT COMMITTEE (COC)

Background

In accordance with bond spending rules, Santa Rosa City Schools has convened a Citizen's Bond Oversight Committee to keep the public informed. This committee will review Measure I & L bond expenditures, review the annual audits prepared by an independent auditing firm, and ensure that funds are spent according to the terms of the ballot language.

District will solicit applications from the community to form the oversight committee. By law, the oversight committee must include a member active in business organization, a member active in a senior citizens' organization, a member active in bona fide taxpayers' organization, a member active in the Parent Teachers Association (PTA) as well as a member who is a parent or guardian of a child enrolled in the District. No employee or official of the District can be appointed to the oversight committee.

CITIZENS' OVERSIGHT COMMITTEE (COC)

Roles & Responsibilities

Requirements of the Citizens' Oversight Committee:

1. Determine whether a district is spending the bond monies for construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing, and equipping of school facilities, or the acquisition or lease of real property for school facilities.
2. Advise the public as to whether a district is spending the bond monies for the purposes specified above and not for any other purpose, including teacher and administrator salaries and other school operating expenses
3. Determine whether a district is spending the bond monies for the specific school facilities projects listed in the bond measure information given to the public prior to the vote.
4. Receive and review copies of an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.
5. Receive and review copies of an annual, independent financial audit of the proceeds from the sale of the bonds until all those proceeds have been expended for the school facilities projects (listed in the bond measure)

Role of the Citizens' Oversight Committee:

- The purpose of this committee is to inform the public concerning the expenditure of bond revenues. To fulfill this responsibility, the oversight committee is expressly required “to actively review and report on the proper expenditure of taxpayers’ money for school construction” and to “verify that the funds are being spent only for authorized purposes.” The oversight committee must promptly alert the public to any waste or improper expenditure of bond revenue. (Education Code Section 15278 b)

FACILITIES MASTER PLAN (FMP)

The Santa Rosa City Schools Facility Master Plan (FMP) for previous Bond Measures I & L was developed in 2016 to identify and prioritize projects for each of the High Schools. The FMP was approved by the Santa Rosa City School Board of Education on April 27, 2016.

SRCS staff spent the majority of Fiscal Year 2022-2023 updating the 2016 FMP to reflect progress of projects completed and update site priorities and needs. Staff and partners conducted two rounds of site meetings with each campus and their respective communities, one in the spring and one in the fall. Overall, over 90 community meetings were conducted in the course of roughly 8 months.

ROLE OF THE BOARD OF EDUCATION

- For a Prop. 39 Bond:
 - Establishes guidelines for the COC
 - Approves bond program project list and an implementation plan
 - Appoints COC and members
 - Established guidelines for COC
- Evaluate school facilities needs
- Approve additions or alterations to existing buildings
- Determine when new facilities are needed
- Select and acquires sites
- Determine the method of financing
- Approve selection of architects and engineers
- Authorize projects for bid
- Award contracts for design and construction
- Approve change orders to construction contracts

ANNUAL COMPLIANCE OPINION

This Annual Report is submitted to the Board of Trustees by the Santa Rosa City Schools Citizens' Bond Oversight Committee.

The Committee advises that, to the best of its knowledge, the Santa Rosa City School District is in compliance with the requirements of Article XIII A, Section 1(b) (3) of the California Constitution. Furthermore, the Committee has reviewed expenditure reports produced by the District to ensure that (a) bond proceeds have been expended only for the purposes set forth in the ballot measure; (b) and not for any other purposes, including classified, (employees in education who are in a position not requiring certification), teacher, administrative salaries and other school operating expenses; (C) and reviewed the staffs process for maximizing bond proceeds. Committee review is supported by independent financial and performance audits required by state law. The statement covers activities for the 2022 - 2023 school year.

Respectfully Submitted:

Measure I & L Citizens' Oversight Committee

Date: _____



COC MEETING SCHEDULE

Date	Major Items Reviewed
November 1, 2022	<ul style="list-style-type: none">● Measure I&L Updates● Measure I&L Financial Reports● Annual Audit Reports
January 19, 2023	<ul style="list-style-type: none">● Measure I&L Updates● Measure I&L Financial Reports● Annual Audit Reports● Measure C&G COC Formation
March 30, 2023	<ul style="list-style-type: none">● Measure I&L Updates● Measure I&L Financial Reports● Annual Audit Reports● Measure C&G COC Formation & Bond Sales
May 25, 2023	<ul style="list-style-type: none">● Review of Audit Reports● Annual Report Draft Review● Measure I&L/C&G Updates● Project Updates

FINANCIAL SUMMARY

Measure I



Overall Project Summary Report

Measure I Summary 7/1/22 to 6/30/23

Project	Total Budget	Encumbered	Expenditures	Remaining Budget
000-0000-0000 - District Wide (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
127-9581-5192 - Cesar Chavez Language Academy - Solar	\$600,000.00	\$600,000.00	(\$600,000.00)	\$0.00
127-9650-5192 - Cesar Chavez Language Academy - Other Fees	\$20,000.00	\$20,000.00	(\$20,000.00)	\$0.00
127-9650-5193 - Cesar Chavez Language Academy - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
127-9821-5192 - Cesar Chavez Language Academy - Roofing Replacement	\$1,395,683.17	\$1,395,683.17	(\$1,395,683.17)	\$0.00
127-9851-5202 - Cesar Chavez Language Academy - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
127-9875-5192 - Cesar Chavez Language Academy - Modernization	\$0.00	\$0.00	\$0.00	\$0.00
127-9904-5189 - Cesar Chavez Language Academy - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
200-0000-0000 - Secondary Schools (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
200-9904-5189 - Secondary Schools - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
230-9540-5192 - Cook Middle - Asbestos/Hazardous Materials (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
230-9650-5192 - Cook Middle - Other Fees (CLOSED)	\$95,367.35	\$95,367.35	(\$95,367.35)	\$0.00
230-9821-5192 - Cook Middle - Roofing Replacement (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
230-9852-5192 - Cook Middle - Site Improvement 2 (CLOSED)	\$3,507.80	\$3,507.80	(\$3,507.80)	\$0.00
231-9650-5192 - Slater Middle - Other Fees (CLOSED)	\$15,033.39	\$15,033.39	(\$15,033.39)	\$0.00
231-9650-5193 - Slater Middle - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
231-9817-5192 - Slater Middle - HVAC Replacement (CLOSED)	\$52,821.60	\$52,821.60	(\$52,821.60)	\$0.00
231-9821-5192 - Slater Middle - Roofing Replacement (CLOSED)	\$299,731.68	\$299,731.68	(\$299,731.68)	\$0.00
231-9875-5192 - Slater Middle - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
231-9904-5189 - Slater Middle - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
232-9650-5193 - Comstock Middle - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
232-9875-5192 - Comstock Middle - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
233-9535-5192 - Rincon Valley Middle - Site Improvements	\$20,000.00	\$20,000.00	(\$20,000.00)	\$0.00
233-9540-5192 - Rincon Valley Middle - Asbestos/Hazardous Materials	\$0.00	\$0.00	\$0.00	\$0.00
233-9650-5193 - Rincon Valley Middle - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
233-9851-5202 - Rincon Valley Middle - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
233-9875-5192 - Rincon Valley Middle - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
233-9904-5189 - Rincon Valley Middle - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
234-9535-5192 - Santa Rosa Middle - Site Improvements (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
234-9540-5192 - Santa Rosa Middle - Asbestos/Hazardous Materials (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
234-9650-5193 - Santa Rosa Middle - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
234-9821-5192 - Santa Rosa Middle - Roofing Replacement (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
234-9875-5192 - Santa Rosa Middle - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00

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Overall Project Summary Report

Measure I Summary 7/1/22 to 6/30/23

Project	Total Budget	Encumbered	Expenditures	Remaining Budget
249-0000-5192 - Secondary District Wide - Undistributed	\$50,189.60	\$50,189.60	(\$50,189.60)	\$0.00
249-9405-5192 - Secondary District Wide - Parcel Tax Election (CLOSED)	\$44,588.99	\$44,588.99	(\$44,588.99)	\$0.00
249-9650-5192 - Secondary District Wide - Other Fees	\$33,434.69	\$33,434.69	(\$33,434.69)	\$0.00
249-9851-5192 - Secondary District Wide - Site Improvements	\$55,129.62	\$55,129.62	(\$55,129.62)	\$0.00
249-9856-5192 - Secondary District Wide - Furniture & Equipment	\$1,418.27	\$1,418.27	(\$1,418.27)	\$0.00
249-9861-5192 - Secondary District Wide - Management	\$33,718.29	\$33,718.29	(\$33,718.29)	\$0.00
249-9900-5189 - Secondary District Wide - Tech. Infrastructure	\$278,661.72	\$278,661.72	(\$278,661.72)	\$0.00
249-9907-5189 - Secondary District Wide - Technology Other	\$1,850.00	\$1,850.00	(\$1,850.00)	\$0.00
249-9977-5192 - Secondary District Wide - Master Plan - Infrastruc	\$124,788.30	\$124,788.30	(\$124,788.30)	\$0.00
250-9540-5192 - Montgomery High - Asbestos/Hazardous Materials (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
250-9650-5193 - Montgomery High - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
250-9800-5192 - Montgomery High - Permanent Bldgs New (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
250-9821-5192 - Montgomery High - Roofing Replacement (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
250-9851-5192 - Montgomery High - Site Improvements	\$4,127.50	\$4,127.50	(\$4,127.50)	\$0.00
250-9875-5192 - Montgomery High - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
250-9904-5189 - Montgomery High - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
250-9907-5189 - Montgomery High - Technology Other (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
251-9650-5192 - Piner High - Other Fees	\$8,251.02	\$8,251.02	(\$8,251.02)	\$0.00
251-9650-5193 - Piner High - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
251-9654-5192 - Piner High - Restroom Reconditioning	\$0.00	\$0.00	\$0.00	\$0.00
251-9807-5192 - Piner High - Portable Classrooms	\$42,987.50	\$42,987.50	(\$42,987.50)	\$0.00
251-9821-5192 - Piner High - Roofing Replacement	\$942,775.00	\$942,775.00	(\$942,775.00)	\$0.00
251-9851-5192 - Piner High - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
251-9875-5192 - Piner High - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
251-9904-5189 - Piner High - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
252-9535-5192 - Santa Rosa High - Site Improvements (CLOSED)	\$11,400.00	\$11,400.00	(\$11,400.00)	\$0.00
252-9540-5192 - Santa Rosa High - Asbestos/Hazardous Materials (CLOSED)	\$2,110.00	\$2,110.00	(\$2,110.00)	\$0.00
252-9650-5192 - Santa Rosa High - Traffic Flow	\$11,150.00	\$11,150.00	(\$11,150.00)	\$0.00
252-9650-5193 - Santa Rosa High - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
252-9654-5192 - Santa Rosa High - Restroom Reconditioning	\$176,931.32	\$176,931.32	(\$176,931.32)	\$0.00
252-9816-5192 - Santa Rosa High - HVAC Systems (CLOSED)	\$432,340.84	\$432,340.84	(\$432,340.84)	\$0.00
252-9821-5192 - Santa Rosa High - Roofing Replacement	\$525,589.64	\$525,589.64	(\$525,589.64)	\$0.00
252-9851-5192 - Santa Rosa High - Site Improvements	\$14,000.00	\$14,000.00	(\$14,000.00)	\$0.00
252-9851-5202 - Santa Rosa High - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00

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FINANCIAL SUMMARY

Measure I - Grand Totals



Overall Project Summary Report

Measure I Summary 7/1/22 to 6/30/23

Project	Total Budget	Encumbered	Expenditures	Remaining Budget
252-9875-5192 - Santa Rosa High - Modernization	\$1,355.00	\$1,355.00	(\$1,355.00)	\$0.00
252-9904-5189 - Santa Rosa High - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
253-9535-5192 - Elsie Allen High - Site Improvements (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
253-9650-5193 - Elsie Allen High - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
253-9654-5192 - Elsie Allen High - Restroom Reconditioning	\$183,774.64	\$183,774.64	(\$183,774.64)	\$0.00
253-9806-5192 - Elsie Allen High - Portable Classrooms (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
253-9875-5192 - Elsie Allen High - Modernization (Complete) (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
253-9904-5189 - Elsie Allen High - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
254-9535-5192 - Maria Carrillo High - Site Improvements	\$58,520.00	\$58,520.00	(\$58,520.00)	\$0.00
254-9650-5193 - Maria Carrillo High - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
254-9654-5192 - Maria Carrillo High - Restroom Reconditioning	\$0.00	\$0.00	\$0.00	\$0.00
254-9851-5192 - Maria Carrillo High - Site Improvements	\$12,155.98	\$12,155.98	(\$12,155.98)	\$0.00
254-9875-5192 - Maria Carrillo High - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
254-9904-5189 - Maria Carrillo High - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
260-9566-5192 - Ridgway Continuation High - School Signage (CLOSED)	\$30,995.02	\$30,995.02	(\$30,995.02)	\$0.00
260-9650-5193 - Ridgway Continuation High - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
260-9851-5192 - Ridgway Continuation High - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
260-9875-5192 - Ridgway Continuation High - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
289-9900-5189 - Technology-Secondary - Technology Infrastructure (CLOSED)	\$312,781.20	\$312,781.20	(\$312,781.20)	\$0.00
289-9903-5189 - Technology-Secondary - Technology Desktop (CLOSED)	\$170,791.53	\$170,791.53	(\$170,791.53)	\$0.00
289-9907-5189 - Technology-Secondary - Technology Other (CLOSED)	\$3,039,218.58	\$3,039,218.58	(\$3,039,218.58)	\$0.00
292-9305-9795 - Secondary For Asst Sup Busines - Operations Services	\$27,934.87	\$27,934.87	(\$27,934.87)	\$0.00
292-9821-5192 - Secondary For Asst Sup Bus. - Roofing Replacement	\$0.00	\$0.00	\$0.00	\$0.00
293-9540-5192 - Secondary For Director M & O - Asbestos/Hazardous Materials	\$0.00	\$0.00	\$0.00	\$0.00
293-9640-5203 - Secondary For Director M & O - Administrative Buildings	\$0.00	\$0.00	\$0.00	\$0.00
293-9869-5203 - Secondary For Director M & O - Consultants	\$0.00	\$0.00	\$0.00	\$0.00
293-9907-5189 - Secondary For Director M & O - Technology Other (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
393-9856-5192 - Business - Furniture & Equipment (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total:	\$9,143,034.11	\$9,143,034.11	(\$9,143,034.11)	\$0.00



FINANCIAL SUMMARY

Measure L



Overall Project Summary Report

Measure L Summary 7/1/22 to 6/30/23

Project	Total Budget	Encumbered	Expenditures	Remaining Budget
000-0000-0000 - District Wide (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
100-0000-0000 - Elementary Schools (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
100-9904-5189 - Elementary Schools - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
101-9540-5192 - Brookhill Elementary - Asbestos/Hazardous Materials (CLOSED)	\$1,896.00	\$1,896.00	(\$1,896.00)	\$0.00
101-9650-5192 - Brookhill Elementary - Other Fees (CLOSED)	\$500.00	\$500.00	(\$500.00)	\$0.00
101-9650-5193 - Brookhill Elementary - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
101-9816-5192 - Brookhill Elementary - HVAC Systems (CLOSED)	\$16,897.70	\$16,897.70	(\$16,897.70)	\$0.00
101-9821-5192 - Brookhill Elementary - Roofing Replacement	\$102,467.08	\$102,467.08	(\$102,467.08)	\$0.00
101-9851-5192 - Brookhill Elementary - Site Improvements	\$194,466.32	\$194,466.32	(\$194,466.32)	\$0.00
101-9851-5202 - Brookhill Elementary - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
101-9875-5192 - Brookhill Elementary - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
102-9851-5202 - Burbank Elementary - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
102-9875-5192 - Burbank High - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
102-9875-5202 - Burbank High - Modernization	\$0.00	\$0.00	\$0.00	\$0.00
104-9230-5192 - Charter School For The Arts - Debt Service	\$227,046.23	\$227,046.23	(\$227,046.23)	\$0.00
104-9566-5192 - Charter School for the Arts - School Signage (CLOSED)	\$754.72	\$754.72	(\$754.72)	\$0.00
104-9650-5193 - Charter School for the Arts - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
104-9875-5192 - Charter School For The Arts - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
105-9540-5192 - Lehman Elementary - Asbestos/Hazardous Materials (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
105-9650-5193 - Lehman Elementary - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
105-9817-5192 - Lehman Elementary - HVAC Replacement	\$0.00	\$0.00	\$0.00	\$0.00
105-9851-5202 - Lehman Elementary - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
105-9875-5192 - Lehman Elementary - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
105-9875-5202 - Lehman Elementary - Modernization	\$30,673.53	\$30,673.53	(\$30,673.53)	\$0.00
106-9650-5193 - Biella Elementary - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
106-9875-5192 - Biella Elementary - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
107-9650-5193 - Lincoln Elementary - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
107-9875-5192 - Lincoln School - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
108-9650-5193 - Monroe Elementary - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
108-9875-5192 - Monroe - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
108-9904-5189 - Monroe Elementary - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
109-9856-5192 - Proctor Terrace - Furniture & Equipment	\$0.00	\$0.00	\$0.00	\$0.00
111-9540-5192 - Steele Lane - Asbestos/Hazardous Materials (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00



Overall Project Summary Report

Measure L Summary 7/1/22 to 6/30/23

Project	Total Budget	Encumbered	Expenditures	Remaining Budget
111-9650-5192 - Steele Lane - Other Fees (CLOSED)	\$9,810.51	\$9,810.51	(\$9,810.51)	\$0.00
111-9650-5193 - Steele Lane Elementary - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
111-9817-5192 - Steele Lane Elementary - HVAC Replacement (CLOSED)	\$13,205.40	\$13,205.40	(\$13,205.40)	\$0.00
111-9821-5192 - Steele Lane Elementary - Roofing Replacement	\$328,533.14	\$328,533.14	(\$328,533.14)	\$0.00
111-9851-5192 - Steele Lane - Site Improvements	\$0.00	\$0.00	\$0.00	\$0.00
111-9856-5192 - Steele Lane Elementary - Furniture & Equipment	\$0.00	\$0.00	\$0.00	\$0.00
111-9875-5192 - Steele Lane Elementary - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
112-9650-5193 - Hidden Valley Elementary - Other Fees (CLOSED)	\$720.00	\$720.00	(\$720.00)	\$0.00
112-9875-5192 - Hidden Valley Elementary - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
112-9904-5189 - Hidden Valley Elementary - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
119-0000-5192 - Elementary District Wide - Undistributed	\$22,418.40	\$22,418.40	(\$22,418.40)	\$0.00
119-9405-5192 - Elementary District Wide - Parcel Tax Election (CLOSED)	\$19,109.58	\$19,109.58	(\$19,109.58)	\$0.00
119-9650-5192 - Elementary District Wide - Other Fees	\$13,809.41	\$13,809.41	(\$13,809.41)	\$0.00
119-9851-5192 - Elementary District Wide - Site Improvements	\$94,201.50	\$94,201.50	(\$94,201.50)	\$0.00
119-9856-5192 - Elementary District Wide - Furniture & Equipment	\$589.86	\$589.86	(\$589.86)	\$0.00
119-9861-5192 - Elementary District Wide - Management (CLOSED)	\$16,131.70	\$16,131.70	(\$16,131.70)	\$0.00
119-9875-5192 - Elementary District Wide - Modernization	\$0.00	\$0.00	\$0.00	\$0.00
119-9900-5189 - Elementary District Wide - Tech Infrastructure	\$119,426.51	\$119,426.51	(\$119,426.51)	\$0.00
119-9907-5189 - Elementary District Wide - Technology Other	\$1,019,633.44	\$1,019,633.44	(\$1,019,633.44)	\$0.00
119-9977-5192 - Elementary District Wide - Master Plan - Infrastru	\$53,480.70	\$53,480.70	(\$53,480.70)	\$0.00
121-9650-5192 - Lewis Early Learning Academy - Other Fees (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
121-9650-5193 - Lewis Early Learning Academy - Other Fees (CLOSED)	\$1,440.00	\$1,440.00	(\$1,440.00)	\$0.00
121-9875-5192 - Lewis Early Learning Academy - Modernization (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
123-9566-5192 - Santa Rosa Accelerated Charter - School Signage (CLOSED)	\$754.72	\$754.72	(\$754.72)	\$0.00
124-9566-5192 - SR French American Charter - School Signage (CLOSED)	\$754.72	\$754.72	(\$754.72)	\$0.00
124-9856-5192 - SR French American Charter - Furniture & Equipment	\$0.00	\$0.00	\$0.00	\$0.00
124-9904-5189 - SR French American Charter - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00
127-9566-5192 - Cesar Chavez Language Academy - School Signage (CLOSED)	\$30,995.02	\$30,995.02	(\$30,995.02)	\$0.00
127-9800-5192 - Cesar Chavez Language Academy - Permanent Bldgs Ne (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00
127-9821-5192 - Cesar Chavez Language Academy - Roofing Replacement	\$0.00	\$0.00	\$0.00	\$0.00
189-9900-5189 - Technology-Elementary - Technology Infrastructure (CLOSED)	(\$487,862.68)	(\$487,862.68)	\$487,862.68	\$0.00
189-9903-5189 - Technology-Elementary - Technology Desktop (CLOSED)	\$73,196.36	\$73,196.36	(\$73,196.36)	\$0.00
189-9907-5189 - Technology-Elementary - Technology Other (CLOSED)	\$1,302,088.77	\$1,302,088.77	(\$1,302,088.77)	\$0.00
192-9305-9795 - Elementary For Asst Sup Bus. - Operations Services	\$10,332.08	\$10,332.08	(\$10,332.08)	\$0.00



FINANCIAL SUMMARY

Measure L - Grand Totals



Overall Project Summary Report



Measure L Summary 7/1/22 to 6/30/23

Project	Total Budget	Encumbered	Expenditures	Remaining Budget	Encumbered Balance
192-9821-5192 - Elementary For Asst Sup Bus. - Roofing Replacement	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
193-9540-5192 - Elementary For Director M & O - Asbestos/Hazardous Materials	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
193-9640-5203 - Elementary For Director M & O - Administrative Buildings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
193-9869-5203 - Elementary For Director M & O - Consultants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
193-9907-5189 - Elementary For Director M & O - Technology Other (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
292-9305-9795 - Secondary For Asst Sup Busines - Operations Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
389-9904-5189 - Technology District Wide - Technology Inst 3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
393-9856-5192 - Business - Furniture & Equipment (CLOSED)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total:	\$3,222,510.72	\$3,222,510.72	(\$3,222,510.72)	\$0.00	\$0.00

FISCAL & PERFORMANCE AUDITS

The COC has reviewed both Measures I & L Audit Reports dated March 4, 2024, for the year ended June 30, 2023 prepared by Chavan & Associates, LLP, Certified Public Accountants. These reports included the following:

- Independent Auditor's Report
- Program Statements
- Schedule of Findings and Recommendations

Schedule of Findings and Recommendations from the audit:

- a. Financial Statement Findings: The audit tests resulted in no findings and recommendations.
- b. Performance Audit Findings: The audit tests resulted in finding 2023-001: Citizens' Oversight Committee.

Cause: Due to the lack of new candidates for the citizens' oversight committee, the District's legal counsel recommended for members, who had exceeded their term limits, to continue to stay on the Committee until new candidates could be appointed.

Recommendation: We recommend that the District set up a tracking system to review the term limits of each of the citizens' oversight committee member and actively recruit new candidates into the Committee to ensure that the District remain in compliance with the requirements set forth by the Education code 15282.

Schedule of Prior Year Findings and Recommendations from the audit:

- a. There were no prior year findings and recommendations to be reported

MAJOR TAKEAWAYS FROM 2022 - 2023

- Regarding Cash reported in the County Treasury, the District is an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer. (Education Code Section 41001)
- Committee commends the the District staff for expending bond dollars according to the ballot language requirements resulting in no fiscal audit findings.
- Despite one performance audit finding regarding the term limits of COC members, the District has put forth recruiting efforts to attract new members by posting in the Press Democrat, on the District's website, and within District Communications such as the monthly newsletter and Facilities Advisory Committee.

PHOTOS



Santa Rosa HS Roofing & HVAC



Santa Rosa HS Roofing & HVAC



CCLA Roofing & HVAC



Santa Rosa HS Roofing & HVAC



CCLA Roofing & HVAC

PHOTOS



Piner HS Restroom Remodel



Ridgway HS Restroom Remodel



Santa Rosa HS Restroom Remodel

SANTA ROSA CITY SCHOOLS

MEASURE C BONDS

AUDIT REPORT

For the Fiscal Year Ended June 30, 2023

* * *



Chavan & Associates, LLP

Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037

**SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
For the Fiscal Year Ended June 30, 2023**

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Measure C Citizens' Oversight Committee and
Governing Board Members
Santa Rosa City Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Measure C Bonds of the Santa Rosa City Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure C Bonds of the Santa Rosa City Schools, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matters

As discussed in Note 1, the financial statements of the Measure C Bonds are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2023 and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAGAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure C Bonds of Santa Rosa City Schools' basic financial statements. The Measure C Bonds Schedule of Expenditures is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Measure C Bonds Schedule of Expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the



underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Measure C Bonds Schedule of Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated March 4, 2024, on our consideration of the Schools' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Santa Rosa City Schools' internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated March 4, 2024, on our consideration of the Measure C Bonds' compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure C Bonds for the fiscal year ended June 30, 2023, and should be considered in assessing the results of our financial audit.

March 4, 2024
Morgan Hill, California

**SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Balance Sheet
June 30, 2023**

Assets	
Cash and investments	<u>\$ 100,996,306</u>
Total Assets	<u><u>\$ 100,996,306</u></u>
Fund Balance	
Restricted for capital projects	<u>\$ 100,996,306</u>
Total Fund Balance	<u><u>\$ 100,996,306</u></u>

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

SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2023

Revenues:	
Interest earnings	\$ 751,654
Net increase (decrease) in fair value of investments	<u>(3,533,094)</u>
Total Revenues	<u>(2,781,440)</u>
Expenditures:	
Classified salaries	8,326
Classified benefits	3,928
Bond issuance costs	<u>210,000</u>
Total Expenditures	<u>222,254</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,003,694)</u>
Other Financing Sources (Uses):	
Issuance from debt	<u>104,000,000</u>
Total Other Financing Sources (Uses)	<u>104,000,000</u>
Net Changes in Fund Balance	100,996,306
Fund Balance Beginning	<u>-</u>
Fund Balance Ending	<u><u>\$ 100,996,306</u></u>

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

SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

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

B. Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees.

A committee to the District’s Governing Board and Superintendent, called the Citizens’ Bond Oversight Committee was established to inform the public concerning the expenditure and uses of the District’s bond measure revenues. The committee’s legal charge is to actively review and report on the expenditure of taxpayer money for school construction in accordance with voter approved projects.

The financial statements presented are for the Measure C Bonds and are not intended to be a complete presentation of the District’s financial position on operations.

C. Basis of Presentation

Fund Financial Statements

Fund financial statements report detailed information about the District. The Measure C Bonds is reported in the District’s Building Fund which is a governmental fund and is presented as a major fund in the District’s combined financial statements. The Building Fund is used to account for proceeds from the sale of real property and account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds such as Measure C general obligation bonds.

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

SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

D. Basis of Accounting

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

Revenues - Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue

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

Unavailable Revenue

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

Expenditures

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

E. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no

SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. These budgets are revised by the District's governing board and District superintendent during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object.

F. Encumbrances

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

G. Assets, Liabilities, and Equity

1. Cash and Investments

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

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

All District-directed investments are governed by *Government Code* Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

2. Cash & Cash Equivalents

The District's cash deposits are considered to be cash on hand and cash in banks. Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

3. Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

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

4. Long-Term Liabilities

In the Measure C Bonds financial statements, bond premiums, discounts and bond issuance costs are recognized during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

5. Fund Balance Classifications

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

- Non-spendable includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of education.
- Assigned includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Assignments may be identified by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

**SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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

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

6. Accounting Estimates

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

NOTE 2 - CASH AND INVESTMENTS

Summary of Deposits

A summary of deposits as of June 30, 2023, is as follows:

	Carrying Amount	Fair Value
Cash in county treasury investment pool	\$ 100,996,306	\$ 100,996,306

Fair Value Measurements

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

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

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

Cash in County Treasury

The District is an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial

SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

statements at amounts based upon the District's pro rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Policies and Practices

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

Risk Disclosures

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

- *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains cash with the Sonoma County Investment Pool. The pool has a fair value of approximately \$3.656 billion and an amortized book value of \$3.784 billion. Average weighted maturity for this pool is 539 days.

- *Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Sonoma's investment pool is not rated, however, the investments within the pool are either not rated or rated as low as AA by Standard & Poor's Investor Services.

- *Custodial Credit Risk - Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure

**SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

- *Concentration of Credit Risk*

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

NOTE 3 - MEASURE C GENERAL OBLIGATION BONDS

The following schedule summarizes the District’s Measure C general obligation bonds as of June 30, 2023:

Bond	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2022	Issued	Adjustments & Redeemed	Bonds Outstanding June 30, 2023
2023 GOB Series A - High School	2054	4-5%	\$ 104,000,000	\$ -	\$ 104,000,000	\$ 4,510,000	\$ 99,490,000
Bond Premiums				-	6,141,998	198,129	5,943,869
Total General Obligation Bonds			\$ 104,000,000	\$ -	\$ 110,141,998	\$ 4,708,129	\$ 105,433,869

In 2022, the District issued \$104,000,000 in 2022 General Obligation Bonds, Series 2023A (High School District), with an interest rate of 4-5%, for capital projects throughout the District. The net proceeds were \$103,790,000 (including premiums of \$6,141,998 and after payment of \$496,000 in issuance cost and deposit of \$5,855,998 to debt services fund). Interest is due semi-annually on February 1 and August 1, commencing on August 1, 2023. Principal payments begin August 1, 2024 and are due annually thereafter until August 1, 2053.

SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

The following is a summary of the annual debt service requirements as of June 30, 2023:

For the Fiscal Year Ending June 30, 2023	Principal	Interest	Total
2024	\$ -	\$ 3,648,499	\$ 3,648,499
2025	5,840,000	4,462,650	10,302,650
2026	7,425,000	4,131,025	11,556,025
2027	1,925,000	3,897,275	5,822,275
2028	2,210,000	3,793,900	6,003,900
2029-2033	-	18,693,250	18,693,250
2034-2038	6,065,000	18,142,625	24,207,625
2039-2043	13,470,000	15,660,325	29,130,325
2044-2048	21,765,000	11,946,150	33,711,150
2049-2053	32,555,000	6,269,350	38,824,350
2054-2058	8,235,000	205,875	8,440,875
Total	<u>\$ 99,490,000</u>	<u>\$ 90,850,924</u>	<u>\$ 190,340,924</u>

NOTE 4 - COMMITMENTS

As of March 4, 2024, the District had encumbered \$8,156,345 of the Measure C Bonds proceeds to be spent on capital projects in the fiscal year ended June 30, 2024.

SUPPLEMENTARY INFORMATION

**SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Schedule of Expenditures
For the Fiscal Year Ended June 30, 2023**

Site	Object	Total
Secondary For Asst Sup Business	Salaries	\$ 8,326
	Benefits	3,928
Secondary For Asst Sup Business Total		12,254
Secondary District Wide	Bond Issuance Cost	210,000
Secondary District Wide Total		210,000
Grand Total		\$ 222,254

The notes to program statement are an integral part of this schedule.

**SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Notes to Program Schedule
For the Fiscal Year Ended June 30, 2023**

NOTE 1 - THE PROGRAM

Proposition 39 was enacted by the voters on November 7, 2000, and changed the required majority for local voter approval of the public school and community college general obligation bonds from two-thirds to fifty-five percent of votes. It also required school districts to provide facilities to charter schools operating within their jurisdictions.

On November 4, 2022, voters approved Santa Rosa City Schools' Measure C Bonds. Measure C authorized the District to increase its debt by \$398 million through issuing general obligation bonds in order to upgrade school classrooms and infrastructure. District officials estimated the additional property tax rate required to pay off this debt at \$30 per \$100,000 of assessed valuation.

A 55 percent supermajority vote was required for the approval of Measure C.

NOTE 2 - ORGANIZATION

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

The Board of Education and District Administrators for the fiscal year ended June 30, 2023, included the following members:

Governing Board

Member	Office	Term Expires
Stephanie Manieri	President	2026
Omar Medina	Vice-President	2026
Ever Flores	Clerk	2024
Alegria De La Cruz	Trustee	2024
Roxanne McNally	Trustee	2026
Ed Sheffield	Trustee	2024
Jeremy De La Torre	Trustee	2024

District Administration

Name	Position
Anna Trunnell	Superintendent
Lisa August	Associate Superintendent, Business Services
Vicki Zands	Assistant Superintendent, Human Resources
Dr. Roderick Castro	Assistant Superintendent, Educational Services
Joel Dontos	Executive Director, Fiscal Services

**SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Notes to Program Schedule
For the Fiscal Year Ended June 30, 2023**

NOTE 3 - CITIZEN’S OVERSIGHT COMMITTEE

Duties of the committee include ensuring that bond revenues are expended only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities. The committee must also ensure that no funds are used for any teacher or administrative salaries or other school operation expenses.

Furthermore, the committee is authorized to receive and review copies of the annual independent performance audit and the annual independent financial audit required by Article XIII A, Section 1(b)(3)(C) and Article XIII A, Section 1(b)(3)(D), respectively, of the California Constitution.

The Committee was formed by the Board of Trustees, as required by State law. During the fiscal year ended June 30, 2019, the District was unable to fill all of the committee positions, however, as required by Article XIII A, the District was actively seeking to fill these roles and publicly posted the vacancies. The Citizens’ Bond Oversight Committee was comprised of the following members as of June 30, 2023:

<u>Name</u>	<u>Representing</u>	<u>Term Expiration</u>
James Hague	Business Organization	2025
Frank Pugh	Community Member/Finance Background	2024
Michael Von der Porten	Bona Fide Taxpayers Organization Representative	2025
Jennie Bruneman	Parent or Guardian	2024
Carolina Spence	Senior Citizen’s Organization	2024
Mindy Breslin	Community Member/At Large	2024
Vacant	Parent or Guardian/Active PTO	-
Vacant	Construction Organization	-

**SCHEDULE OF FINDINGS
AND
RECOMMENDATIONS**

SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2023

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements or performance audit that are required to be reported in accordance with *Government Auditing Standards* or Appendix A of the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel.

Our tests resulted in no findings and recommendations.

**SANTA ROSA CITY SCHOOLS
MEASURE C BONDS
Schedule of Prior Year Findings and Recommendations
For the Fiscal Year Ended June 30, 2023**

There were no prior year findings and recommendations to be reported.

**OTHER INDEPENDENT
AUDITOR'S REPORTS**



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

Measure C Citizens’ Oversight Committee and
Governing Board Members
Santa Rosa City Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure C Bonds of Santa Rosa City Schools (the “District”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Santa Rosa City Schools’ Measure C Bonds financial statements, and have issued our report thereon dated March 4, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Santa Rosa City Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

C & A LLP

March 4, 2024
Morgan Hill, California



INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Measure C Facilities Bond Citizens' Oversight Committee and
Governing Board Members
Santa Rosa City Schools

Performance Audit

We were engaged to conduct a performance audit of the Santa Rosa City Schools (District) Measure C Fund (Fund) for the year ended June 30, 2023.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the 2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District expended Measure C Bond Funds only for the specific projects approved by the voters in accordance with Proposition 39, and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

This report is intended solely for the information and use of the District and is not intended to be, and should not be used by, anyone other than the specified party.



Auditor Objectives

Our audit included the following objectives:

1. Determine whether expenditures charged to the Fund have been made in accordance with the bond project list approved by the voters through the approval of the Measure C, and verify that the funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects.
2. Determine whether salary transactions charged to the Fund were in support of Measure C and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

Scope

The scope of our performance audit covered the period of July 1, 2022 to June 30, 2023. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2023 were not reviewed or included within the scope of our audit or in this report.

Methodology

To meet the objectives of our performance audit, procedures we performed included, the following methodology:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes, including transfers out.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2022 through June 30, 2023 from Measure C bond proceeds.
 - c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded approximately 5% of the total expenditures incurred.
 - d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2022 and ending June 30, 2023.



3. We examined 100% of all expenditures within the bond program to ensure they were valid, allowable, accurate, charged to the facilities projects, and expended on specific projects listed in the text of the applicable ballot measure. by vouching the actual invoices and other supporting documentation to determine that:
 - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
 - b. Expenditures were supported by proper bid documentation, as applicable.
 - c. Expenditures were expended in accordance with voter-approved bond project list.
 - d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.
4. We verified that salary transactions charged to the Fund were in support of Measure C and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General by vouching to supporting records such as offer letter, position control reports, timecards and payroll reports.
5. We verified that the District was in compliance with Assembly Bill 1908 and Ed Code Section 15278, where the District is required to establish a bond oversight committee for Proposition 39 bonds that includes one active member from each of the following sectors: a business organization, senior citizens' organization, bona fide taxpayer's association, and one parent/guardian of a child enrolled in the District and one parent/guardian of a child enrolled in the District who is also a member of a parent teacher association.
6. We verified the Citizens' Oversight Committee met pursuant to Education Code Section 15280.

Conclusion

We did not identify any exceptions to the procedures performed above, in all significant respects. Based on the procedures performed, the District has properly accounted for the expenditures held in the Measure C Fund and that such expenditures were made for authorized bond projects. Our audit was made for the purposes set forth in the Objectives section of this report and would not necessarily disclose all instances of nonperformance.

March 4, 2024
Morgan Hill, California

SANTA ROSA CITY SCHOOLS

MEASURE G BONDS

AUDIT REPORT

For the Fiscal Year Ended June 30, 2023

* * *



Chavan & Associates, LLP

Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037

**SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
For the Fiscal Year Ended June 30, 2023**

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Measure G Citizens' Oversight Committee and
Governing Board Members
Santa Rosa City Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Measure G Bonds of the Santa Rosa City Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure G Bonds of the Santa Rosa City Schools, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matters

As discussed in Note 1, the financial statements of the Measure G Bonds are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2023 and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAGAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure G Bonds of Santa Rosa City Schools' basic financial statements. The Measure G Bonds Schedule of Expenditures is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Measure G Bonds Schedule of Expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the



underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Measure G Bonds Schedule of Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated March 4, 2024, on our consideration of the Schools' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Santa Rosa City Schools' internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated March 4, 2024, on our consideration of the Measure G Bonds' compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure G Bonds for the fiscal year ended June 30, 2023, and should be considered in assessing the results of our financial audit.

March 4, 2024
Morgan Hill, California

**SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Balance Sheet
June 30, 2023**

Assets	
Cash and investments	<u>\$ 30,973,550</u>
Total Assets	<u><u>\$ 30,973,550</u></u>
Fund Balance	
Restricted for capital projects	<u>\$ 30,973,550</u>
Total Fund Balance	<u><u>\$ 30,973,550</u></u>

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

**SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2023**

Revenues:	
Interest earnings	\$ 230,949
Net increase (decrease) in fair value of investments	<u>(1,083,529)</u>
Total Revenues	<u>(852,580)</u>
Expenditures:	
Classified salaries	2,629
Classified benefits	1,240
Bond issuance costs	<u>170,000</u>
Total Expenditures	<u>173,869</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,026,450)</u>
Other Financing Sources (Uses):	
Issuance from debt	<u>32,000,000</u>
Total Other Financing Sources (Uses)	<u>32,000,000</u>
Net Changes in Fund Balance	30,973,550
Fund Balance Beginning	<u>-</u>
Fund Balance Ending	<u>\$ 30,973,550</u>

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

SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

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

B. Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees.

A committee to the District’s Governing Board and Superintendent, called the Citizens’ Bond Oversight Committee was established to inform the public concerning the expenditure and uses of the District’s bond measure revenues. The committee’s legal charge is to actively review and report on the expenditure of taxpayer money for school construction in accordance with voter approved projects.

The financial statements presented are for the Measure G Bonds and are not intended to be a complete presentation of the District’s financial position on operations.

C. Basis of Presentation

Fund Financial Statements

Fund financial statements report detailed information about the District. The Measure G Bonds is reported in the District’s Building Fund which is a governmental fund and is presented as a major fund in the District’s combined financial statements. The Building Fund is used to account for proceeds from the sale of real property and account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds such as Measure G general obligation bonds.

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

SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

D. Basis of Accounting

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

Revenues - Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue

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

Unavailable Revenue

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

Expenditures

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

E. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no

SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. These budgets are revised by the District's governing board and District superintendent during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object.

F. Encumbrances

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

G. Assets, Liabilities, and Equity

1. Cash and Investments

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

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

All District-directed investments are governed by *Government Code* Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

2. Cash & Cash Equivalents

The District's cash deposits are considered to be cash on hand and cash in banks. Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

3. Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

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

4. Long-Term Liabilities

In the Measure G Bonds financial statements, bond premiums, discounts and bond issuance costs are recognized during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

5. Fund Balance Classifications

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

- Non-spendable includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of education.
- Assigned includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Assignments may be identified by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

**SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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

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

6. Accounting Estimates

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

NOTE 2 - CASH AND INVESTMENTS

Summary of Deposits

A summary of deposits as of June 30, 2023, is as follows:

	Carrying Amount	Fair Value
Cash in county treasury investment pool	\$ 30,973,550	\$ 30,973,550

Fair Value Measurements

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

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

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

Cash in County Treasury

The District is an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section

SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Policies and Practices

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

Risk Disclosures

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

- *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains cash with the Sonoma County Investment Pool. The pool has a fair value of approximately \$3.656 billion and an amortized book value of \$3.784 billion. Average weighted maturity for this pool is 539 days.

- *Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Sonoma's investment pool is not rated, however, the investments within the pool are either not rated or rated as low as AA by Standard & Poor's Investor Services.

- *Custodial Credit Risk - Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total

**SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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

- *Concentration of Credit Risk*

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

NOTE 3 - MEASURE G GENERAL OBLIGATION BONDS

The following schedule summarizes the District’s Measure G general obligation bonds as of June 30, 2023:

Bond	Maturity Date	Interest Rate	Original Issue	Bonds			Adjustments & Redeemed	Bonds
				Outstanding July 1, 2022	Issued	Outstanding June 30, 2023		
2023 GOB Series A - Elementary	2054	4-5%	\$ 32,000,000	\$ -	\$ 32,000,000	\$ -	\$ 32,000,000	
Bond Premiums				-	888,578	28,664	859,914	
Total General Obligation Bonds			\$ 32,000,000	\$ -	\$ 32,888,578	\$ 28,664	\$ 32,859,914	

In 2022, the District issued \$32,000,000 in 2022 General Obligation Bonds, Series 2023A (Elementary School District), with an interest rate of 4-5%, for capital projects throughout the District. The net proceeds were \$31,830,000 (including premiums of \$888,578 and after payment of \$266,000 in issuance cost and deposit of \$792,578 to Debt Service Fund). Interest is due semi-annually on February 1 and August 1, commencing on August 1, 2023. Principal payments begin August 1, 2024 and are due annually thereafter until August 1, 2053.

**SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

The following is a summary of the annual debt service requirements as of June 30, 2023:

For the Fiscal Year Ending June 30, 2023	Principal	Interest	Total
2024	\$ -	\$ 1,108,024	\$ 1,108,024
2025	1,815,000	1,364,125	3,179,125
2026	2,275,000	1,261,875	3,536,875
2027	595,000	1,190,125	1,785,125
2028	695,000	1,157,875	1,852,875
2029-2033	-	5,702,500	5,702,500
2034-2038	2,005,000	5,519,875	7,524,875
2039-2043	4,380,000	4,702,000	9,082,000
2044-2048	7,120,000	3,389,125	10,509,125
2049-2053	10,520,000	1,632,600	12,152,600
2054-2058	2,595,000	51,900	2,646,900
Total	<u>\$ 32,000,000</u>	<u>\$ 27,080,024</u>	<u>\$ 59,080,024</u>

NOTE 4 - COMMITMENTS

As of March 4, 2024, the District had encumbered \$1,596,221 of the Measure G Bonds proceeds to be spent on capital projects in the fiscal year ended June 30, 2024.

SUPPLEMENTARY INFORMATION

**SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Schedule of Expenditures
For the Fiscal Year Ended June 30, 2023**

Site	Object	Total
Elementary For Asst Sup Business	Salaries	\$ 2,629
	Benefits	1,240
Elementary For Asst Sup Business Total		3,869
Elementary District Wide	Bond Issuance Cost	170,000
Elementary District Wide Total		170,000
Grand Total		\$ 173,869

The notes to program statement are an integral part of this schedule.

**SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Notes to Program Schedule
For the Fiscal Year Ended June 30, 2023**

NOTE 1 - THE PROGRAM

Proposition 39 was enacted by the voters on November 7, 2000, and changed the required majority for local voter approval of the public school and community college general obligation bonds from two-thirds to fifty-five percent of votes. It also required school districts to provide facilities to charter schools operating within their jurisdictions.

On November 8, 2022, voters approved Santa Rosa City Schools' Measure G Bonds. Measure G authorized the District to increase its debt by \$125 million through issuing general obligation bonds in order to upgrade classrooms and infrastructure. District officials estimated the additional property tax rate required to pay off this debt at \$30 per \$100,000 of assessed valuation.

A 55 percent supermajority vote was required for the approval of Measure G.

NOTE 2 - ORGANIZATION

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

The Board of Education and District Administrators for the fiscal year ended June 30, 2023, included the following members:

Governing Board

Member	Office	Term Expires
Stephanie Manieri	President	2026
Omar Medina	Vice-President	2026
Ever Flores	Clerk	2024
Alegria De La Cruz	Trustee	2024
Roxanne McNally	Trustee	2026
Ed Sheffield	Trustee	2024
Jeremy De La Torre	Trustee	2024

District Administration

Name	Position
Anna Trunnell	Superintendent
Lisa August	Associate Superintendent, Business Services
Vicki Zands	Assistant Superintendent, Human Resources
Dr. Roderick Castro	Assistant Superintendent, Educational Services
Joel Dontos	Executive Director, Fiscal Services

**SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Notes to Program Schedule
For the Fiscal Year Ended June 30, 2023**

NOTE 3 - CITIZEN’S OVERSIGHT COMMITTEE

Duties of the committee include ensuring that bond revenues are expended only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities. The committee must also ensure that no funds are used for any teacher or administrative salaries or other school operation expenses.

Furthermore, the committee is authorized to receive and review copies of the annual independent performance audit and the annual independent financial audit required by Article XIII A, Section 1(b)(3)(C) and Article XIII A, Section 1(b)(3)(D), respectively, of the California Constitution.

The Committee was formed by the Board of Trustees, as required by State law. During the fiscal year ended June 30, 2019, the District was unable to fill all of the committee positions, however, as required by Article XIII A, the District was actively seeking to fill these roles and publicly posted the vacancies. The Citizens’ Bond Oversight Committee was comprised of the following members as of June 30, 2023:

<u>Name</u>	<u>Representing</u>	<u>Term Expiration</u>
Ben Wolf	Parent or Guardian/Active PTO	2025
Frank Pugh	Community Member/Finance Background	2024
Michael Von der Porten	Bona Fide Taxpayers Organization Representative	2025
Kristin Hendricks	Community Member/At Large	2024
Vacant	Business Organization	-
Vacant	Community Member/Construction Background	-
Vacant	Senior Citizen’s Organization	-

**SCHEDULE OF FINDINGS
AND
RECOMMENDATIONS**

SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2023

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements or performance audit that are required to be reported in accordance with *Government Auditing Standards* or Appendix A of the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel.

Our tests resulted in no findings and recommendations.

**SANTA ROSA CITY SCHOOLS
MEASURE G BONDS
Schedule of Prior Year Findings and Recommendations
For the Fiscal Year Ended June 30, 2023**

There were no prior year findings and recommendations to be reported.

**OTHER INDEPENDENT
AUDITOR'S REPORTS**



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

Measure G Citizens’ Oversight Committee and
Governing Board Members
Santa Rosa City Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure G Bonds of Santa Rosa City Schools (the “District”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Santa Rosa City Schools’ Measure G Bonds financial statements, and have issued our report thereon dated March 4, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Santa Rosa City Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

C & A LLP

March 4, 2024
Morgan Hill, California



INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Measure G Facilities Bond Citizens' Oversight Committee and
Governing Board Members
Santa Rosa City Schools

Performance Audit

We were engaged to conduct a performance audit of the Santa Rosa City Schools (District) Measure G Fund (Fund) for the year ended June 30, 2023.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the 2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District expended Measure G Bond Funds only for the specific projects approved by the voters in accordance with Proposition 39, and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

This report is intended solely for the information and use of the District and is not intended to be, and should not be used by, anyone other than the specified party.



Auditor Objectives

Our audit included the following objectives:

1. Determine whether expenditures charged to the Fund have been made in accordance with the bond project list approved by the voters through the approval of the Measure G, and verify that the funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects.
2. Determine whether salary transactions charged to the Fund were in support of Measure G and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

Scope

The scope of our performance audit covered the period of July 1, 2022 to June 30, 2023. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2023 were not reviewed or included within the scope of our audit or in this report.

Methodology

To meet the objectives of our performance audit, procedures we performed included, the following methodology:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes, including transfers out.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2022 through June 30, 2023 from Measure G bond proceeds.
 - c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded approximately 5% of the total expenditures incurred.
 - d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2022 and ending June 30, 2023.



3. We examined 100% of all expenditures within the bond program to ensure they were valid, allowable, accurate, charged to the facilities projects, and expended on specific projects listed in the text of the applicable ballot measure. by vouching the actual invoices and other supporting documentation to determine that:
 - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
 - b. Expenditures were supported by proper bid documentation, as applicable.
 - c. Expenditures were expended in accordance with voter-approved bond project list.
 - d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.
4. We verified that salary transactions charged to the Fund were in support of Measure G and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General by vouching to supporting records such as offer letter, position control reports, timecards and payroll reports.
5. We verified that the District was in compliance with Assembly Bill 1908 and Ed Code Section 15278, where the District is required to establish a bond oversight committee for Proposition 39 bonds that includes one active member from each of the following sectors: a business organization, senior citizens' organization, bona fide taxpayer's association, and one parent/guardian of a child enrolled in the District and one parent/guardian of a child enrolled in the District who is also a member of a parent teacher association.
6. We verified the Citizens' Oversight Committee met pursuant to Education Code Section 15280.

Conclusion

We did not identify any exceptions to the procedures performed above, in all significant respects. Based on the procedures performed, the District has properly accounted for the expenditures held in the Measure G Fund and that such expenditures were made for authorized bond projects. Our audit was made for the purposes set forth in the Objectives section of this report and would not necessarily disclose all instances of nonperformance.

March 4, 2024
Morgan Hill, California

SANTA ROSA CITY SCHOOLS

MEASURE I BONDS

AUDIT REPORT

For the Fiscal Year Ended June 30, 2023

* * *



Chavan & Associates, LLP

Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037

**SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
For the Fiscal Year Ended June 30, 2023**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Measure I Citizens' Oversight Committee and
Governing Board Members
Santa Rosa City Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Measure I Bonds of the Santa Rosa City Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Bonds of the Santa Rosa City Schools, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matters

As discussed in Note 1, the financial statements of the Measure I Bonds are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2023 and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAGAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure I Bonds of Santa Rosa City Schools' basic financial statements. The Measure I Bonds Schedule of Expenditures is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Measure I Bonds Schedule of Expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the



underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Measure I Bonds Schedule of Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated March 4, 2024, on our consideration of the Santa Rosa City Schools' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Santa Rosa City Schools' internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated March 4, 2024, on our consideration of the Measure I Bonds' compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure I Bonds for the fiscal year ended June 30, 2023, and should be considered in assessing the results of our financial audit.

C & A LLP

March 4, 2024
Morgan Hill, California

SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Balance Sheet
June 30, 2023

Assets	
Cash and investments	<u>\$ 26,746,277</u>
Total Assets	<u><u>\$ 26,746,277</u></u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	<u>\$ 994,810</u>
Total Liabilities	<u>994,810</u>
Fund balance:	
Restricted for capital projects	<u>25,751,467</u>
Total Fund Balance	<u>25,751,467</u>
Total Liabilities and Fund Balance	<u><u>\$ 26,746,277</u></u>

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

SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2023

Revenues:	
Interest earnings	\$ 262,692
Net increase (decrease) in fair value investment	<u>(746,368)</u>
Total Revenues	<u>(483,676)</u>
Expenditures:	
Classified salaries	28,546
Classified benefits	9,098
Supplies and materials	3,514,618
Services and other operating expenditures	798,030
Capital outlay	<u>4,792,741</u>
Total Expenditures	<u>9,143,033</u>
Net Changes in Fund Balance	(9,626,709)
Fund Balance Beginning	<u>35,378,176</u>
Fund Balance Ending	<u><u>\$ 25,751,467</u></u>

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

**SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

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

B. Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees.

A committee to the District’s Governing Board and Superintendent, called the Citizens’ Bond Oversight Committee was established to inform the public concerning the expenditure and uses of the District’s bond measure revenues. The committee’s legal charge is to actively review and report on the expenditure of taxpayer money for school construction in accordance with voter approved projects.

The financial statements presented are for the Measure I Bonds and are not intended to be a complete presentation of the District’s financial position on operations.

C. Basis of Presentation

Fund Financial Statements

Fund financial statements report detailed information about the District. The Measure I Bonds is reported in the District’s Building Fund which is a governmental fund and is presented as a major fund in the District’s combined financial statements. The Building Fund is used to account for proceeds from the sale of real property and account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds such as Measure I general obligation bonds.

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

SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

D. Basis of Accounting

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

Revenues - Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue

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

Unavailable Revenue

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

Expenditures

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

E. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no

SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. These budgets are revised by the District's governing board and District superintendent during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object.

F. Encumbrances

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

G. Assets, Liabilities, and Equity

1. Cash and Investments

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

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

All District-directed investments are governed by *Government Code* Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

2. Cash & Cash Equivalents

The District's cash deposits are considered to be cash on hand and cash in banks. Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

3. Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

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

4. Long-Term Liabilities

In the Measure I Bonds financial statements, bond premiums, discounts and bond issuance costs are recognized during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

5. Fund Balance Classifications

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

- Non-spendable includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of education.
- Assigned includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Assignments may be identified by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

**SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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

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

6. Accounting Estimates

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

NOTE 2 - CASH AND INVESTMENTS

Summary of Deposits

A summary of deposits as of June 30, 2023, is as follows:

	Carrying Amount	Fair Value
Cash in county treasury investment pool	\$ 26,746,277	\$ 26,746,277

Fair Value Measurements

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

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

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

Cash in County Treasury

The District is an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section

SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Policies and Practices

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

Risk Disclosures

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

- *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains cash with the Sonoma County Investment Pool. The pool has a fair value of approximately \$3.656 billion and an amortized book value of \$3.784 billion. Average weighted maturity for this pool is 539 days.

- *Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Sonoma's investment pool is not rated, however, the investments within the pool are either not rated or rated as low as AA by Standard & Poor's Investor Services.

- *Custodial Credit Risk - Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total

**SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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

- *Concentration of Credit Risk*

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

NOTE 3 - MEASURE I GENERAL OBLIGATION BONDS

The following schedule summarizes the District’s Measure I general obligation bonds as of June 30, 2023:

Bond	Maturity Date	Interest Rate	Original Issue	Bonds		Adjustments & Redeemed	Bonds
				Outstanding July 01, 2022	Issued		Outstanding June 30, 2023
2016 GOB, Series B	2041	2-5%	\$ 50,000,000	\$ 12,725,000	\$ -	\$ 465,000	\$ 12,260,000
2018 GOB Series C	2043	4-5%	65,000,000	59,100,000	-	-	59,100,000
2021 GORB	2044	.247-2.102%	5,080,000	4,985,000	-	120,000	4,865,000
2021 GORB, Series E	2044	.22-4%	42,835,000	36,660,000	-	670,000	35,990,000
2022 GORB High School	2042	4%	23,678,000	23,678,000	-	432,000	23,246,000
Subtotal General Obligation Bonds			186,593,000	137,148,000	-	1,687,000	135,461,000
Bond Premiums				17,415,481	-	3,166,035	14,249,446
Total General Obligation Bonds			\$ 186,593,000	\$ 154,563,481	\$ -	\$ 4,853,035	\$ 149,710,446

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

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

In May 2021, the District issued \$5,080,000 of 2021 General Obligation Refunding Bonds. The net proceeds of \$4,969,662 (after issuance costs of \$110,338) were used to defease and redeem a portion of the District’s outstanding 2013 General Obligation Refunding Bonds. The amounts defeased have been removed from the government-wide Statement of Net Position. The District completed the

SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

refunding to obtain an economic gain of \$286,451. Interest is due semi-annually on February 1 and August 1, commencing August 1, 2021. Principal payments begin August 1, 2021 and are due annually thereafter until August 1, 2030.

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

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

The following is a summary of the annual debt service requirements as of June 30, 2023:

For the Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,215,000	\$ 6,985,397	\$ 9,200,397
2025	2,505,000	6,912,969	9,417,969
2026	2,820,000	6,825,585	9,645,585
2027	3,155,000	6,600,070	9,755,070
2028	3,693,000	6,349,500	10,042,500
2028-2032	22,347,000	29,091,772	51,438,772
2033-2037	34,305,000	18,698,530	53,003,530
2038-2042	51,411,000	8,908,968	60,319,968
2043-2047	13,010,000	301,500	13,311,500
Total Debt Service	<u>\$ 135,461,000</u>	<u>\$ 90,674,291</u>	<u>\$ 226,135,291</u>

NOTE 4 - COMMITMENTS

As of March 4, 2024, the District had encumbered \$5,685,922 of the Measure I Bonds proceeds to be spent on capital projects in the fiscal year ended June 30, 2024.

SUPPLEMENTARY INFORMATION

SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Schedule of Expenditures
For the Fiscal Year Ended June 30, 2023

Site	Object	Total
Cesar Chavez Language Academy	Capital Outlay	\$ 1,732,799
	Services	283,604
Cesar Chavez Language Academy Total		2,016,403
Comstock Middle School	Services	720
Comstock Middle School Total		720
Cook Middle School	Capital Outlay	98,875
Cook Middle School Total		98,875
Elsie Allen High School	Capital Outlay	183,775
	Services	720
Cook Middle School Total		184,495
Herbert Slater Middle School	Capital Outlay	352,553
	Services	15,753
Herbert Slater Middle School Total		368,306
Maria Carillo High	Capital Outlay	58,520
	Services	12,876
Maria Carillo High Total		71,396
Montgomery High	Services	4,847
Montgomery High Total		4,847
Piner High School	Capital Outlay	989,329
	Services	5,405
Piner High School Total		994,734
Ridgway High School	Capital Outlay	30,995
	Services	720
Ridgway High School Total		31,715
Rincon Valley Middle School	Capital Outlay	20,000
	Services	720
Rincon Valley Middle School Total		20,720
Santa Rosa High	Capital Outlay	990,253
	Services	185,343
Santa Rosa High Total		1,175,596
Santa Rosa Middle	Services	720
Santa Rosa Middle School Total		720
Secondary District Wide	Capital Outlay	335,641
	Salaries	286,602
	Benefits	1,537
Secondary District Wide Total		623,780
Secondary For Asst Sup Business	Salaries	19,780
	Benefits	8,155
Secondary For Asst Sup Business Total		27,935
Technology-Secondary	Salaries	8,766
	Benefits	943
	Supplies	3,513,082
Technology-Secondary Total		3,522,791
Grand Total		\$ 9,143,033

The notes to program statement are an integral part of this schedule.

SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Notes to Program Schedule
For the Fiscal Year Ended June 30, 2023

NOTE 1 - THE PROGRAM

Proposition 39 was enacted by the voters on November 7, 2000 and changed the required majority for local voter approval of the public school and community college general obligation bonds from two-thirds to fifty-five percent of votes. It also required school districts to provide facilities to charter schools operating within their jurisdictions.

On November 4, 2014, voters approved Santa Rosa City Schools' Measure I Bonds. Measure I authorized the District to increase its debt by \$175 million through issuing general obligation bonds in order to update, renovate, repair, construct and purchase district facilities and technology. District officials estimated the additional property tax rate required to pay off this debt at \$30 per \$100,000 of assessed valuation.

A 55 percent supermajority vote was required for the approval of Measure I.

NOTE 2 - ORGANIZATION

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

The Board of Education and District Administrators for the fiscal year ended June 30, 2023, included the following members:

Governing Board

Member	Office	Term Expires
Stephanie Manieri	President	2026
Omar Medina	Vice-President	2026
Ever Flores	Clerk	2024
Alegria De La Cruz	Trustee	2024
Roxanne McNally	Trustee	2026
Ed Sheffield	Trustee	2024
Jeremy De La Torre	Trustee	2024

District Administration

Name	Position
Anna Trunnell	Superintendent
Lisa August	Associate Superintendent, Business Services
Vicki Zands	Assistant Superintendent, Human Resources
Dr. Roderick Castro	Assistant Superintendent, Educational Services
Joel Dontos	Executive Director, Fiscal Services

SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Notes to Program Schedule
For the Fiscal Year Ended June 30, 2023

NOTE 3 - CITIZEN'S OVERSIGHT COMMITTEE

Duties of the committee include ensuring that bond revenues are expended only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities. The committee must also ensure that no funds are used for any teacher or administrative salaries or other school operation expenses.

Furthermore, the committee is authorized to receive and review copies of the annual independent performance audit and the annual independent financial audit required by Article XIII A, Section 1(b)(3)(C) and Article XIII A, Section 1(b)(3)(D), respectively, of the California Constitution.

The Committee was formed by the Board of Trustees, as required by State law. During the fiscal year ended June 30, 2023, the District was unable to fill all of the committee positions, however, as required by Article XIII A, the District was actively seeking to fill these roles and publicly posted the vacancies. The Citizens' Bond Oversight Committee was comprised of the following members as of June 30, 2023:

<u>Name</u>	<u>Representing</u>	<u>Term Expiration</u>
James Hague	Business Organization	2025
Kristin Hendricks	Parent or Guardian/Active PTO	2024
Frank Pugh	Community Member/Finance Background	2024
Michael Von der Porten	Bona Fide Taxpayers Organization Representative	2025
Jennie Bruneman	Parent or Guardian	2024
Carolina Spence	Senior Citizen's Organization	2024
Mindy Breslin	Community Member/At Large	2024
Vacant	Construction Background	-

**SCHEDULE OF FINDINGS
AND
RECOMMENDATIONS**

SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2023

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements or performance audit that are required to be reported in accordance with *Government Auditing Standards* or Appendix A of the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel.

A. Financial Statement Findings

Our tests resulted in no findings and recommendations.

B. Performance Audit Findings

Finding 2023-001: Citizens' Oversight Committee

Criteria: Education code 15282 requires that the citizens' oversight committee (the Committee) consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms.

Condition: During our testing of the citizens' oversight committee members' term limits, we noted that two members had served more than 3 consecutive 2-year terms since the fiscal year 2016-2017.

Effect: The District is not in compliance with Education code 15282.

Cause: Due to the lack of new candidates for the citizens' oversight committee, the District's legal counsel recommended for members, who had exceeded their term limits, to continue to stay on the Committee until new candidates could be appointed.

Recommendation: We recommend that the District set up a tracking system to review the term limits of each of the citizens' oversight committee member and actively recruit new candidates into the Committee to ensure that the District remain in compliance with the requirements set forth by the Education code 15282.

Corrective Action Plan: The District will take steps to review and monitor the citizens' oversight committee members' term limits and recruit new members as needed for the implementation of these recommendations.

**SANTA ROSA CITY SCHOOLS
MEASURE I BONDS
Schedule of Prior Year Findings and Recommendations
For the Fiscal Year Ended June 30, 2023**

There were no prior year findings and recommendations to be reported.

**OTHER INDEPENDENT
AUDITOR'S REPORTS**



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

Measure I Citizens’ Oversight Committee and
Governing Board Members
Santa Rosa City Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure I Bonds of Santa Rosa City Schools (the “District”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Santa Rosa City Schools’ Measure I Bonds financial statements, and have issued our report thereon dated March 4, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations as item 2023-001 that we consider to be a material weakness.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Santa Rosa City Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items 2023-001.

Purpose of this Report

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

C & A LLP

March 4, 2024
Morgan Hill, California



INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Measure I Citizens' Oversight Committee and
Governing Board Members
Santa Rosa City Schools

Performance Audit

We were engaged to conduct a performance audit of the Santa Rosa City Schools (District) Measure I Fund (Fund) for the year ended June 30, 2023.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District expended 2016 Measure I Funds only for the specific projects approved by the voters in accordance with Proposition 39, and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

This report is intended solely for the information and use of the District and is not intended to be, and should not be used by, anyone other than the specified party.



Auditor Objectives

Our audit included the following objectives:

1. Determine whether expenditures charged to the Fund have been made in accordance with the bond project list approved by the voters through the approval of the Measure I, and verify that the funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects.
2. Determine whether salary transactions charged to the Fund were in support of Measure I and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

Scope

The scope of our performance audit covered the period of July 1, 2022 to June 30, 2023. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2023 were not reviewed or included within the scope of our audit or in this report.

Methodology

To meet the objectives of our performance audit, procedures we performed included, the following methodology:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes, including transfers out.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2022 through June 30, 2023 from Measure I bond proceeds.
 - c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded approximately 5% of the total expenditures incurred.
 - d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2022 and ending June 30, 2023.



3. We examined 97% of all expenditures within the bond program to ensure they were valid, allowable, accurate, charged to the facilities projects, and expended on specific projects listed in the text of the applicable ballot measure. by vouching the actual invoices and other supporting documentation to determine that:
 - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receiving goods or services.
 - b. Expenditures were supported by proper bid documentation, as applicable.
 - c. Expenditures were expended in accordance with voter-approved bond project list.
 - d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District
4. We verified that salary transactions charged to the Fund were in support of Measure I and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General by vouching to supporting records such as offer letter, position control reports, timecards and payroll reports.
5. We verified that the District was in compliance with Assembly Bill 1908 and Ed Code Section 15278, where the District is required to establish a bond oversight committee for Proposition 39 bonds that includes one active member from each of the following sectors: a business organization, senior citizens' organization, bona fide taxpayer's association, and one parent/guardian of a child enrolled in the District and one parent/guardian of a child enrolled in the District who is also a member of a parent teacher association. In performing these procedures, we noted that two members exceeded their term limits as set by Ed Code Section 15282. See Finding 2023-001 in the accompanying schedule of findings and recommendations.
6. We verified the Citizens' Oversight Committee met pursuant to Education Code Section 15280.

Conclusion

We did not identify any exceptions to the procedures performed above, in all significant respects, other than the finding noted above and described in Finding 2023-001 of the accompanying schedule of findings and recommendations. Based on the procedures performed, the District has properly accounted for the expenditures held in the Measure I Fund and that such expenditures were made for authorized bond projects. Our audit was made for the purposes set forth in the Objectives section of this report and would not necessarily disclose all instances of nonperformance.

C & A LLP

March 4, 2024
Morgan Hill, California

SANTA ROSA CITY SCHOOLS

MEASURE L BONDS

AUDIT REPORT

For the Fiscal Year Ended June 30, 2023

* * *



Chavan & Associates, LLP

Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037

**SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
For the Fiscal Year Ended June 30, 2023**

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Measure L Citizens' Oversight Committee and
Governing Board Members
Santa Rosa City Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Measure L Bonds of the Santa Rosa City Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure L Bonds of the Santa Rosa City Schools, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matters

As discussed in Note 1, the financial statements of the Measure L Bonds are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2023 and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAGAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure L Bonds of Santa Rosa City Schools' basic financial statements. The Measure L Bonds Schedule of Expenditures is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Measure L Bonds Schedule of Expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the



underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Measure L Bonds Schedule of Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated March 4, 2024, on our consideration of the Schools' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Santa Rosa City Schools' internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated March 4, 2024, on our consideration of the Measure L Bonds' compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure L Bonds for the fiscal year ended June 30, 2023, and should be considered in assessing the results of our financial audit.

March 4, 2024
Morgan Hill, California

**SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Balance Sheet
June 30, 2023**

Assets	
Cash and investments	<u>\$ 14,401,570</u>
Total Assets	<u><u>\$ 14,401,570</u></u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	<u>\$ 204,528</u>
Total Liabilities	<u>204,528</u>
Fund balance:	
Restricted for capital projects	<u>14,197,042</u>
Total Fund Balance	<u>14,197,042</u>
Total Liabilities and Fund Balance	<u><u>\$ 14,401,570</u></u>

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

SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2023

Revenues:	
Interest earnings	\$ 129,369
Net increase (decrease) in fair value of investments	<u>(179,655)</u>
 Total Revenues	 <u>(50,286)</u>
 Expenditures:	
Classified salaries	19,009
Classified benefits	4,274
Supplies and materials	1,893,920
Services and other operating expenditures	252,847
Capital outlay	825,414
Debt service	<u>227,046</u>
 Total Expenditures	 <u>3,222,510</u>
 Net Changes in Fund Balance	 (3,272,796)
 Fund Balance Beginning	 <u>17,469,838</u>
 Fund Balance Ending	 <u><u>\$ 14,197,042</u></u>

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

SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

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

B. Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees.

A committee to the District’s Governing Board and Superintendent, called the Citizens’ Bond Oversight Committee was established to inform the public concerning the expenditure and uses of the District’s bond measure revenues. The committee’s legal charge is to actively review and report on the expenditure of taxpayer money for school construction in accordance with voter approved projects.

The financial statements presented are for the Measure L Bonds and are not intended to be a complete presentation of the District’s financial position on operations.

C. Basis of Presentation

Fund Financial Statements

Fund financial statements report detailed information about the District. The Measure L Bonds is reported in the District’s Building Fund which is a governmental fund and is presented as a major fund in the District’s combined financial statements. The Building Fund is used to account for proceeds from the sale of real property and account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds such as Measure L general obligation bonds.

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

SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

D. Basis of Accounting

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

Revenues - Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue

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

Unavailable Revenue

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

Expenditures

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

E. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no

SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. These budgets are revised by the District's governing board and District superintendent during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object.

F. Encumbrances

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

G. Assets, Liabilities, and Equity

1. Cash and Investments

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

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

All District-directed investments are governed by *Government Code* Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

2. Cash & Cash Equivalents

The District's cash deposits are considered to be cash on hand and cash in banks. Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

3. Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

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

4. Long-Term Liabilities

In the Measure L Bonds financial statements, bond premiums, discounts and bond issuance costs are recognized during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

5. Fund Balance Classifications

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

- Non-spendable includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of education.
- Assigned includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Assignments may be identified by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

**SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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

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

6. Accounting Estimates

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

NOTE 2 - CASH AND INVESTMENTS

Summary of Deposits

A summary of deposits as of June 30, 2023, is as follows:

	Carrying Amount	Fair Value
Cash in county treasury investment pool	\$ 14,401,570	\$ 14,401,570

Fair Value Measurements

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

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

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

Cash in County Treasury

The District is an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section

SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Policies and Practices

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

Risk Disclosures

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

- *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains cash with the Sonoma County Investment Pool. The pool has a fair value of approximately \$3.656 billion and an amortized book value of \$3.784 billion. Average weighted maturity for this pool is 539 days.

- *Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Sonoma's investment pool is not rated, however, the investments within the pool are either not rated or rated as low as AA by Standard & Poor's Investor Services.

- *Custodial Credit Risk - Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total

**SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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

- *Concentration of Credit Risk*

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

NOTE 3 - MEASURE L GENERAL OBLIGATION BONDS

The following schedule summarizes the District’s Measure L general obligation bonds as of June 30, 2023:

Bond	Maturity Date	Interest Rate	Original Issue	Bonds		Adjustments & Redeemed	Bonds
				Outstanding July 1, 2022	Issued		Outstanding June 30, 2023
2016 GOB, Series A	2035	2-5%	\$ 5,700,000	\$ 3,310,000	\$ -	\$ 185,000	\$ 3,125,000
2016 GOB, Series C	2041	2-5%	15,000,000	940,000	-	125,000	815,000
2018 GOB, Series D	2043	5%	10,000,000	160,000	-	-	160,000
2021 GORB Series A	2027	4.00%	1,830,000	1,830,000	-	335,000	1,495,000
2021 GORB Series B	2031	.297-2.182%	5,325,000	5,255,000	-	75,000	5,180,000
2021 GOB, Series F	2044	.25-4%	16,500,000	14,195,000	-	75,000	14,120,000
2022 GORB Elementary	2043	3.82%	22,849,000	22,849,000	-	422,000	22,427,000
Subtotal General Obligation Bonds			80,204,000	48,539,000	-	1,217,000	47,322,000
Bond Premiums				2,571,037	-	(36,810)	2,607,847
Total General Obligation Bonds			\$ 80,204,000	\$ 51,110,037	\$ -	\$ 1,180,190	\$ 49,929,847

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

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

In May 2018, the District issued \$10,000,000 and \$3,000,000 in 2014 General Obligation Bonds, Series 2018D and 2018E, (Elementary School District), with an interest rate of 3-5%, for capital projects throughout the District. The net proceeds were \$14,276,898 (after payment of \$280,955 in issuance costs and premiums of \$1,557,853). Interest is due semi-annually on February 1 and August 1,

SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

commencing August 1, 2018. For Series 2018D, principal payments begin August 1, 2026 and are due annually thereafter until August 1, 2043. For Series 2018E, principal payments begin August 1, 2019 and are due annually thereafter until August 1, 2021.

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

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

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

In June 2022, the District issued \$22,849,000 of 2022 General Obligation Refunding Bonds. The net proceeds of \$22,673,526 (after issuance costs of \$175,474) were used to defease and redeem a portion of the District's outstanding 2016 General Obligation Refunding Bonds, Series C, and 2018 General Obligation Refunding Bonds, Series D. The amounts defeased have been removed from the government-wide Statement of Net Position. The District completed the refunding to obtain an economic gain of \$499,724. Interest is due semi-annually on February 1 and August 1. Principal payments begin August 1, 2022 and are due annually thereafter until August 1, 2043.

SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

The following is a summary of the annual debt service requirements as of June 30, 2023:

For the Fiscal Year Ending June 30, 2023	Principal	Interest	Total
2024	\$ 1,598,000	\$ 2,735,324	\$ 4,333,324
2025	1,695,000	2,694,837	4,389,837
2026	1,817,000	2,645,765	4,462,765
2027	1,944,000	2,473,014	4,417,014
2028	1,894,000	1,260,267	3,154,267
2029-2033	9,041,000	5,497,160	14,538,160
2034-2038	11,134,000	4,009,345	15,143,345
2039-2043	15,719,000	1,882,436	17,601,436
2044-2048	2,480,000	49,600	2,529,600
Total	\$ 47,322,000	\$ 23,247,748	\$ 70,569,748

NOTE 4 - COMMITMENTS

As of March 4, 2024, the District had encumbered \$3,243,000 of the Measure L Bonds proceeds to be spent on capital projects in the fiscal year ended June 30, 2024.

SUPPLEMENTARY INFORMATION

SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Schedule of Expenditures
For the Fiscal Year Ended June 30, 2023

Site	Object	Total
Albert F. Biella Elementary School	Services	\$ 720
Albert F. Biella Elementary School Total		720
Brookhill	Capital Outlay	202,964
	Services	113,983
Brookhill Total		316,947
Cesar Chavez Language Academy	Capital Outlay	30,995
Cesar Chavez Language Academy Total		30,995
Charter School For The Arts	Capital Outlay	755
	Other Outgo	227,045
	Services	720
Charter School For The Arts Total		228,520
Elementary District Wide	Capital Outlay	214,453
	Services	124,899
	Supplies	1,019,449
Elementary District Wide Total		1,358,801
Elementary For Asst Sup Business	Salaries	7,316
	Benefits	3,016
Elementary For Asst Sup Business Total		10,332
Helen Lehman Elementary School	Capital Outlay	30,674
	Services	720
Helen Lehman Elementary School Total		31,394
Hidden Valley Elementary School	Services	720
Hidden Valley Elementary School Total		720
Lewis Early Learning Academy	Services	1,440
Lewis Early Learning Academy Total		1,440
Lincoln Elementary School	Services	720
Lincoln Elementary School Total		720
Monroe Elementary School	Services	720
Monroe Elementary School Total		720
Santa Rosa Accelerated Charter School	Capital Outlay	755
Santa Rosa Accelerated Charter School Total		755
SR French American Charter School	Capital Outlay	755
SR French American Charter School Total		755
Steele Lane Elementary School	Capital Outlay	344,064
	Services	8,205
Steele Lane Elementary School Total		352,269
Technology-Elementary School	Salaries	11,694
	Benefits	1,258
	Supplies	874,470
Santa Rosa Accelerated Charter School Total		887,422
Grand Total		\$ 3,222,510

The notes to program statement are an integral part of this schedule.

SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Notes to Program Schedule
For the Fiscal Year Ended June 30, 2023

NOTE 1 - THE PROGRAM

Proposition 39 was enacted by the voters on November 7, 2000, and changed the required majority for local voter approval of the public school and community college general obligation bonds from two-thirds to fifty-five percent of votes. It also required school districts to provide facilities to charter schools operating within their jurisdictions.

On November 4, 2014, voters approved Santa Rosa City Schools' Measure L Bonds. Measure L authorized the District to increase its debt by \$54 million through issuing general obligation bonds in order to update, renovate, repair, construct and purchase district facilities and technology. District officials estimated the additional property tax rate required to pay off this debt at \$30 per \$100,000 of assessed valuation.

A 55 percent supermajority vote was required for the approval of Measure L.

NOTE 2 - ORGANIZATION

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

The Board of Education and District Administrators for the fiscal year ended June 30, 2023, included the following members:

Governing Board

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Stephanie Manieri	President	2026
Omar Medina	Vice-President	2026
Ever Flores	Clerk	2024
Alegria De La Cruz	Trustee	2024
Roxanne McNally	Trustee	2026
Ed Sheffield	Trustee	2024
Jeremy De La Torre	Trustee	2024

District Administration

<u>Name</u>	<u>Position</u>
Anna Trunnell	Superintendent
Lisa August	Associate Superintendent, Business Services
Vicki Zands	Assistant Superintendent, Human Resources
Dr. Roderick Castro	Assistant Superintendent, Educational Services
Joel Dontos	Executive Director, Fiscal Services

**SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Notes to Program Schedule
For the Fiscal Year Ended June 30, 2023**

NOTE 3 - CITIZEN'S OVERSIGHT COMMITTEE

Duties of the committee include ensuring that bond revenues are expended only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities. The committee must also ensure that no funds are used for any teacher or administrative salaries or other school operation expenses.

Furthermore, the committee is authorized to receive and review copies of the annual independent performance audit and the annual independent financial audit required by Article XIII A, Section 1(b)(3)(C) and Article XIII A, Section 1(b)(3)(D), respectively, of the California Constitution.

The Committee was formed by the Board of Trustees, as required by State law. During the fiscal year ended June 30, 2019, the District was unable to fill all of the committee positions, however, as required by Article XIII A, the District was actively seeking to fill these roles and publicly posted the vacancies. The Citizens' Bond Oversight Committee was comprised of the following members as of June 30, 2023:

<u>Name</u>	<u>Representing</u>	<u>Term Expiration</u>
Ben Wolf	Parent or Guardian/Active PTO	2025
Frank Pugh	Community Member/Finance Background	2024
Michael Von der Porten	Bona Fide Taxpayers' Organization Representative	2025
Kristin Hendricks	Community Member/At Large	2024
Vacant	Business Organization	-
Vacant	Community Member/Construction Background	-
Vacant	Senior Citizen's Organization	-

**SCHEDULE OF FINDINGS
AND
RECOMMENDATIONS**

SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2023

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements or performance audit that are required to be reported in accordance with *Government Auditing Standards* or Appendix A of the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel.

A. Financial Statement Findings

Our tests resulted in no findings and recommendations.

B. Performance Audit Findings

Finding 2023-001: Citizens' Oversight Committee

Criteria: Education code 15282 requires that the citizens' oversight committee (the Committee) consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms.

Condition: During our testing of the citizens' oversight committee members' term limits, we noted that one member had served more than 3 consecutive 2-year terms since the fiscal year 2016-2017.

Effect: The District is not in compliance with Education code 15282.

Cause: Due to the lack of new candidates for the citizens' oversight committee, the District's legal counsel recommended for members, who had exceeded their term limits, to continue to stay on the Committee until new candidates could be appointed.

Recommendation: We recommend that the District set up a tracking system to review the term limits of each of the citizens' oversight committee member and actively recruit new candidates into the Committee to ensure that the District remain in compliance with the requirements set forth by the Education code 15282.

Corrective Action Plan: The District will take steps to review and monitor the citizens' oversight committee members' term limits and recruit new members as needed for the implementation of these recommendations.

**SANTA ROSA CITY SCHOOLS
MEASURE L BONDS
Schedule of Prior Year Findings and Recommendations
For the Fiscal Year Ended June 30, 2023**

There were no prior year findings and recommendations to be reported.

**OTHER INDEPENDENT
AUDITOR'S REPORTS**



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

Measure L Citizens’ Oversight Committee and
Governing Board Members
Santa Rosa City Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure L Bonds of Santa Rosa City Schools (the “District”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Santa Rosa City Schools’ Measure L Bonds financial statements, and have issued our report thereon dated March 4, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations as item 2023-001 that we consider to be a material weakness.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Santa Rosa City Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items 2023-001.

Purpose of this Report

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

C & A LLP

March 4, 2024
Morgan Hill, California



INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Measure L Facilities Bond Citizens' Oversight Committee and
Governing Board Members
Santa Rosa City Schools

Performance Audit

We were engaged to conduct a performance audit of the Santa Rosa City Schools (District) Measure L Fund (Fund) for the year ended June 30, 2023.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the 2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District expended Measure L Bond Funds only for the specific projects approved by the voters in accordance with Proposition 39, and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

This report is intended solely for the information and use of the District and is not intended to be, and should not be used by, anyone other than the specified party.



Auditor Objectives

Our audit included the following objectives:

1. Determine whether expenditures charged to the Fund have been made in accordance with the bond project list approved by the voters through the approval of the Measure L, and verify that the funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects.
2. Determine whether salary transactions charged to the Fund were in support of Measure L and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

Scope

The scope of our performance audit covered the period of July 1, 2022 to June 30, 2023. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2023 were not reviewed or included within the scope of our audit or in this report.

Methodology

To meet the objectives of our performance audit, procedures we performed included, the following methodology:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes, including transfers out.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2022 through June 30, 2023 from Measure L bond proceeds.
 - c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded approximately 5% of the total expenditures incurred.
 - d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2022 and ending June 30, 2023.



3. We examined 73% of all expenditures within the bond program to ensure they were valid, allowable, accurate, charged to the facilities projects, and expended on specific projects listed in the text of the applicable ballot measure. by vouching the actual invoices and other supporting documentation to determine that:
 - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
 - b. Expenditures were supported by proper bid documentation, as applicable.
 - c. Expenditures were expended in accordance with voter-approved bond project list.
 - d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.
4. We verified that salary transactions charged to the Fund were in support of Measure L and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General by vouching to supporting records such as offer letter, position control reports, timecards and payroll reports.
5. We verified that the District was in compliance with Assembly Bill 1908 and Ed Code Section 15278, where the District is required to establish a bond oversight committee for Proposition 39 bonds that includes one active member from each of the following sectors: a business organization, senior citizens' organization, bona fide taxpayer's association, and one parent/guardian of a child enrolled in the District and one parent/guardian of a child enrolled in the District who is also a member of a parent teacher association. In performing these procedures, we noted that one member exceeded their term limit as set by Ed Code Section 15282. See Finding 2023-001 in the accompanying schedule of findings and recommendations.
6. We verified the Citizens' Oversight Committee met pursuant to Education Code Section 15280.

Conclusion

We did not identify any exceptions to the procedures performed above, in all significant respects, other than the finding noted above and described in Finding 2023-001 of the accompanying schedule of findings and recommendations. Based on the procedures performed, the District has properly accounted for the expenditures held in the Measure L Fund and that such expenditures were made for authorized bond projects. Our audit was made for the purposes set forth in the Objectives section of this report and would not necessarily disclose all instances of nonperformance.

C & A LLP

March 4, 2024
Morgan Hill, California