

[In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Refunding Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Refunding Bonds. See "TAX MATTERS" herein.]

\$258,000,000*

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
General Obligation Refunding Bonds, Series 2021
(Federally Taxable)**

Dated: Date of Delivery

Due: As shown herein

This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The San Ramon Valley Unified School District (Contra Costa County, California) General Obligation Refunding Bonds, Series 2021 (Federally Taxable) (the "Refunding Bonds"), are being issued by the San Ramon Valley Unified School District (the "District"), located in the County of Contra Costa, California (the "County"), (i) to refund a portion of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Refunding Bonds, Series 2013, (ii) to refund all of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2012, Series 2013, (iii) to refund a portion of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2012, Series 2015, and (iv) to pay costs of issuance of the Refunding Bonds. The Refunding Bonds are being issued under the laws of the State of California (the "State") and pursuant to a resolution of the Board of Education of the District, adopted on October 5, 2021.

The Refunding Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County is empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Refunding Bonds, all as more fully described herein. See "SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS" herein.

The Refunding Bonds will be issued as current interest bonds, as set forth on the inside front cover hereof. Interest on the Refunding Bonds is payable on each February 1 and August 1 to maturity or earlier redemption thereof, commencing February 1, 2022. Principal of the Refunding Bonds is payable in each of the years and in the amounts set forth on the inside front cover hereof.

The Refunding Bonds will be issued in denominations of \$5,000 principal amount, or any integral multiple thereof as shown on the inside front cover hereof.

The Refunding Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Refunding Bonds. Individual purchases of the Refunding Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Refunding Bonds purchased by them. See "THE REFUNDING BONDS – Form and Registration" herein. Payments of the principal of and interest on the Refunding Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as paying agent, registrar and transfer agent with respect to the Refunding Bonds, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the beneficial owners of the Refunding Bonds. See "THE REFUNDING BONDS – Payment of Principal and Interest" herein.

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

The Refunding Bonds will be offered when, as and if issued by the District and received by the Underwriters, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Irvine, California, Bond Counsel to the District. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Irvine, California, as Disclosure Counsel to the District; and for the Underwriters by Kutak Rock LLP, Denver, Colorado. It is anticipated that the Refunding Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about November 3, 2021.

* Preliminary; subject to change.

Stifel

Barclays

Dated _____, 2021.

MATURITY SCHEDULE*
BASE CUSIP†: 799408

\$258,000,000*
SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
General Obligation Refunding Bonds, Series 2021
(Federally Taxable)

\$ _____ **Serial Refunding Bonds**

<u>Maturity (August 1,)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number†</u>
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				

\$ _____ **Term Refunding Bonds due August 1, 20__ - Yield _____% - CUSIP Number† _____**

\$ _____ **Term Refunding Bonds due August 1, 20__ - Yield _____% - CUSIP Number† _____**

* *Preliminary; subject to change.*

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SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)

BOARD OF EDUCATION

Susanna Ordway, *President*
Ken Mintz, *Vice President*
Rachel Hurd, *Clerk*
Laura Bratt, *Member*
Shelley Clark, *Member*

DISTRICT ADMINISTRATORS

Dr. John Malloy, *Superintendent*
Gregory Medici, *Chief Business Officer*
Christine Huajardo, *Assistant Superintendent of Educational Services*
Keith Rogenski, *Assistant Superintendent of Human Resources*
Danny Hillman, *Assistant Superintendent of Business Operations & Facilities*

PROFESSIONAL SERVICES

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Bond Counsel and Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
Irvine, California

Paying Agent, Registrar, Transfer Agent and Escrow Bank

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

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

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

The Refunding Bonds are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Refunding Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

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

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur.

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

In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market prices of the Refunding Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Refunding Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside front cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

\$258,000,000*
SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
General Obligation Refunding Bonds, Series 2021
(Federally Taxable)

INTRODUCTION

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

General

This Official Statement, which includes the cover page, inside cover pages and appendices hereto, is provided to furnish information in connection with the sale of \$258,000,000* aggregate principal amount of San Ramon Valley Unified School District (Contra Costa County, California) General Obligation Refunding Bonds, Series 2021 (Federally Taxable) (the “Refunding Bonds”), all as indicated on the inside cover pages hereof, to be offered by the San Ramon Valley Unified School District (the “District”).

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The District has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificate to be executed by the District. See “OTHER LEGAL MATTERS – Continuing Disclosure” and APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

The Refunding Bonds are general obligation bonds of the District secured by and payable from *ad valorem* taxes to be levied upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). The Refunding Bonds are not a debt or obligation of the County of Contra Costa (the “County”) or of the General Fund of the District. See “SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS.”

The purpose of this Official Statement is to supply information to prospective buyers of the Refunding Bonds. Quotations from and summaries and explanations of the Refunding Bonds, the resolution of the Board of Education of the District providing for the issuance of the Refunding Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

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

Copies of documents referred to herein and information concerning the Refunding Bonds are available from the District by contacting: San Ramon Valley Unified School District, 699 Old Orchard

* Preliminary; subject to change.

Drive, Danville, California 94526, Attention: Chief Business Officer. The District may impose a charge for copying, handling and mailing such requested documents.

The District

The District, located in central Contra Costa County, California, encompasses an area of approximately 104 square miles with a population of approximately 157,400 residents, and serves students from the incorporated City of San Ramon, the Town of Danville, and the unincorporated communities of Alamo, Diablo and Blackhawk, as well as a small portion of the City of Walnut Creek. The District is located about 30 miles east of San Francisco in the San Ramon Valley, a largely residential area at the western and southern flanks of Mt. Diablo, which, with an elevation of 3,849 feet, is one of the highest peaks in the San Francisco Bay area.

The District operates 22 elementary schools, eight middle schools, four high schools, an independent study program, a preschool and a continuation high school program. Total enrollment in the District was approximately 30,726 students in fiscal year 2020-21 and is budgeted to be approximately 30,552 students in fiscal year 2021-22. The District operates under the jurisdiction of the Contra Costa County Superintendent of Schools. The District has a fiscal year 2021-22 assessed valuation of \$56,199,937,434.

For additional information about the District, see APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET” and APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.”

For specific information on the impact of the Coronavirus Disease 2019 (“COVID-19”) pandemic (i) on the security and source of payment for the Refunding Bonds, see “SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS – Assessed Valuation of Property Within the District” and “– Tax Charges and Delinquencies,” (ii) on the District’s operations and finances, see APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *Infectious Disease Outbreak*,” and (iii) on the fiscal year 2021-22 State budget, see APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *2021-22 State Budget*.”

THE REFUNDING BONDS

Authority for Issuance; Plan of Refunding

Authority for Issuance. The Refunding Bonds are issued by the District pursuant to the Constitution and laws of the State, including Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable provisions of law, and pursuant to a resolution adopted by the Board of Education of the District on October 5, 2021, providing for the issuance of the Refunding Bonds (the “Resolution”).

Plan of Refunding. Proceeds from the Refunding Bonds will be used (i) to refund a portion of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Refunding Bonds, Series 2013 (the “Series 2013 Refunding Bonds”), (ii) to refund all of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2012, Series 2013 (the “Series 2013 New Money Bonds”), (iii) to refund a portion of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2012, Series 2015 (the “Series 2015 Bonds”), and (iv) to pay costs

of issuance of the Refunding Bonds. See “– Plan of Refunding” and “– Estimated Sources and Uses of Funds” below.

Form and Registration

The Refunding Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 principal amount or integral multiples thereof. The Refunding Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Refunding Bonds. Purchases of the Refunding Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in the Refunding Bonds will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Refunding Bonds, beneficial owners of the Refunding Bonds (“Beneficial Owners”) will not receive physical certificates representing their ownership interests. See APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

Payment of Principal and Interest

Interest. The Refunding Bonds will be dated as of their date of delivery, and bear interest at the rates set forth on the inside front cover page of this Official Statement, payable on February 1 and August 1 of each year (each, an “Interest Payment Date”), commencing on February 1, 2022, computed on the basis of a 360-day year consisting of twelve 30-day months. Each Refunding Bond will bear interest from the Interest Payment Date for such Refunding Bond next preceding the date of authentication thereof, unless it is authenticated after the close of business on the 15th day of the calendar month immediately preceding an Interest Payment Date for such Refunding Bond (the “Record Date”) and on or prior to the succeeding Interest Payment Date for such Refunding Bond, in which event it will bear interest from such Interest Payment Date for such Refunding Bond, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date for such Refunding Bond, in which event it will bear interest from its dated date; provided, however, that if, at the time of authentication of any Refunding Bond, interest is in default on any outstanding Refunding Bonds, such Refunding Bond will bear interest from the Interest Payment Date for such Refunding Bond to which interest has previously been paid or made available for payment on the outstanding Refunding Bonds.

Payment of Refunding Bonds. The principal of the Refunding Bonds is payable in lawful money of the United States of America to the registered owner thereof (the “Owner”), upon the surrender thereof at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., as paying agent (the “Paying Agent”) at the maturity thereof or upon redemption prior to maturity.

Interest on the Refunding Bonds is payable on each Interest Payment Date in lawful money of the United States of America to the Owner thereof as of the Record Date preceding such Interest Payment Date, such interest to be paid by check or draft mailed on such Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to Owner thereof at such Owner’s address as it appears on the bond registration books kept by the Paying Agent or at such address as the Owner may have filed with the Paying Agent for that purpose, except that the payment will be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 in principal amount of outstanding Refunding Bonds who have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Payment Date. So long as the Refunding Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer. See APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

Redemption*

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

Mandatory Sinking Fund Redemption. The \$_____ term Refunding Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$
†	
† Maturity.	

The principal amount of the \$_____ term Refunding Bonds maturing on August 1, 20__, to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of such term Refunding Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

The \$_____ term Refunding Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$
†	
† Maturity.	

The principal amount of the \$_____ term Refunding Bonds maturing on August 1, 20__, to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of such term Refunding Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

* Preliminary; subject to change.

Selection of Refunding Bonds for Redemption. If less than all of the Refunding Bonds, if any, are subject to redemption and are called for redemption, such Refunding Bonds will be redeemed in inverse order of maturities or as otherwise directed by the District. Whenever less than all of the outstanding Refunding Bonds of any given maturity are designated for redemption, the Paying Agent will select the portions of such Refunding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Refunding Bond will be deemed to consist of individual Refunding Bonds of denominations of \$5,000 principal amount, each, which may be separately redeemed.

Notice of Redemption. Notice of any redemption of the Refunding Bonds will be given by the Paying Agent, postage prepaid, not less than 20 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the bond registration books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate with respect to the Refunding Bonds. See APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Each notice of redemption is to contain the following information: (i) the date of such notice; (ii) the name of the Refunding Bonds and the date of issue of such Refunding Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Refunding Bonds to be redeemed; (vi) if less than all of the Refunding Bonds of any maturity are to be redeemed, the distinctive numbers of the Refunding Bonds of each maturity to be redeemed; (vii) in the case of Refunding Bonds redeemed in part only, the respective portions of the principal amount of the Refunding Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Refunding Bonds to be redeemed; (ix) a statement that such Refunding Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Refunding Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice. The actual receipt by the Owner of any Refunding Bond or by any securities depository or information service of notice of redemption will not be a condition precedent to redemption. Neither the failure to receive such notice of redemption, nor any defect in such notice is to affect the sufficiency of the proceedings for the redemption of such Refunding Bonds called for redemption or the cessation of interest on the date fixed for redemption.

Effect of Notice of Redemption. When notice of redemption has been given substantially as described above, and when the redemption price of the Refunding Bonds called for redemption is set aside for the purpose of redeeming the Refunding Bonds, the Refunding Bonds designated for redemption become due and payable on the specified redemption date and interest ceases to accrue thereon as of the redemption date, and upon presentation and surrender of such Refunding Bonds at the place specified in the notice of redemption, such Refunding Bonds are to be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Refunding Bonds so called for redemption after such redemption date are entitled to payment of such Refunding Bonds and the redemption premium thereon, if any, only from monies on deposit for such purpose in the interest and sinking fund of the District within the County treasury (the “Interest and Sinking Fund”) or the trust fund established for such purpose. All Refunding Bonds redeemed are to be cancelled forthwith by the Paying Agent and are not to be reissued.

Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Refunding Bonds so called for redemption. Any optional redemption and notice thereof may be rescinded if for any reason on the date fixed for redemption monies are not available in the Interest and Sinking Fund of the District or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Refunding Bonds

called for redemption. Notice of rescission of redemption is to be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Refunding Bond of notice of such rescission is not a condition precedent to rescission, and failure to receive such notice or any defect in such notice does not affect the validity of the rescission.

Funds for Redemption. Prior to or on the redemption date of any Refunding Bonds there is to be available in the Interest and Sinking Fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as provided in the Resolution, the Refunding Bonds designated in the notice of redemption. Such monies are to be applied on or after the redemption date solely for payment of principal of, interest and premium, if any, on the Refunding Bonds to be redeemed upon presentation and surrender of such Refunding Bonds, provided that all monies in the Interest and Sinking Fund of the District are to be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date is to be paid from the Interest and Sinking Fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Refunding Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Interest and Sinking Fund of the District or otherwise held in trust for the payment of redemption price of the Refunding Bonds, the monies are to be held in or returned or transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of bonds of the District, the monies are to be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies are to be transferred to the general fund of the District as provided and permitted by law.

Defeasance of Refunding Bonds

The Resolution provides that if at any time the District will pay or cause to be paid or there will otherwise be paid to the Owners of any or all of the outstanding Refunding Bonds all or any part of the principal of and interest and premium, if any, on the Refunding Bonds at the times and in the manner provided in the Resolution and in the Refunding Bonds, or as described in the following paragraph, or as otherwise provided by law consistent with the provisions of the Resolution, then such Owners of such Refunding Bonds will cease to be entitled to the obligation of the District and the County as provided in the Resolution, and such obligation and all agreements and covenants of the District and of the County to such Owners thereunder and under the Refunding Bonds will thereupon be satisfied and discharged and will terminate, except only that the District will remain liable for payment of all principal, interest and premium, if any, represented by the Refunding Bonds, but only out of monies on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment; and provided further, however, that the provisions of the Resolution described below under “– Unclaimed Monies” will apply.

The District may pay and discharge any or all of the Refunding Bonds by depositing in trust with the Paying Agent or an escrow agent selected by the District at or before maturity, money and/or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the Interest and Sinking Fund of the District, be fully sufficient to pay and discharge the indebtedness on such Refunding Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

Unclaimed Monies

Any money held in any fund created pursuant to the Resolution or by the Paying Agent or an escrow agent in trust for the payment of the principal of, redemption premium, if any, or interest on the Refunding Bonds and remaining unclaimed for two years after the principal of all of such Refunding Bonds has become due and payable (whether by maturity or upon prior redemption) is required to be transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said monies are required to be transferred to the general fund of the District as provided and permitted by law.

Plan of Refunding*

The Refunding Bonds will be issued (i) to refund a portion of the outstanding Series 2013 Refunding Bonds, maturing on August 1 in the years 2024 through 2031, inclusive, as set forth below (the “Refunded 2013 Refunding Bonds”), (ii) to refund all of the outstanding Series 2013 New Money Bonds, maturing on August 1 in the years 2027 through 2029, inclusive, 2031, 2033, and 2037, as set forth below (the “Refunded 2013 New Money Bonds”), (iii) to refund a portion of the outstanding Series 2015 Bonds, maturing on August 1 in the years 2026 through 2036, inclusive, and 2040, as set forth below (the “Refunded Series 2015 Bonds” and together with the Refunded 2013 Refunding Bonds and the Refunded 2013 New Money Bonds, the “Refunded Bonds”), and (iv) to pay costs of issuance of the Refunding Bonds.

REFUNDED 2013 REFUNDING BONDS

Maturity Date (August 1,)	Principal Amount	Interest Rate	Redemption Price	Redemption Date	CUSIP Number†
2024	\$ 3,820,000	5.000%	100.000%	August 1, 2023	799408 S34
2025	4,555,000	4.000	100.000	August 1, 2023	799408 S42
2026	6,775,000	5.000	100.000	August 1, 2023	799408 S59
2027	4,160,000	5.000	100.000	August 1, 2023	799408 S67
2028	4,150,000	4.000	100.000	August 1, 2023	799408 S75
2029	7,020,000	4.000	100.000	August 1, 2023	799408 S83
2030	4,070,000	3.000	100.000	August 1, 2023	799408 S91
2031	3,710,000	3.000	100.000	August 1, 2023	799408 T25

REFUNDED 2013 NEW MONEY BONDS

Maturity Date (August 1,)	Principal Amount	Interest Rate	Redemption Price	Redemption Date	CUSIP Number†
2027	\$ 4,040,000	4.000%	100.000%	August 1, 2023	799408 U80
2028	4,480,000	4.000	100.000	August 1, 2023	799408 U98
2029	4,910,000	3.000	100.000	August 1, 2023	799408 V22
2031	11,075,000	3.000	100.000	August 1, 2023	799408 V48
2033	13,040,000	3.125	100.000	August 1, 2023	799408 V63
2037	33,460,000	4.000	100.000	August 1, 2023	799408 W21

* Preliminary; subject to change.

† CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriters or their agents or counsel assumes responsibility for the accuracy of such CUSIP numbers.

REFUNDED SERIES 2015 BONDS

Maturity Date (August 1,)	Principal Amount	Interest Rate	Redemption Price	Redemption Date	CUSIP Number [†]
2026	\$ 1,255,000	5.000%	100.000%	August 1, 2025	799408 W62
2027	3,340,000	5.000	100.000	August 1, 2025	799408 W70
2028	3,885,000	5.000	100.000	August 1, 2025	799408 W88
2029	4,435,000	4.000	100.000	August 1, 2025	799408 W96
2030	4,990,000	4.000	100.000	August 1, 2025	799408 X20
2031	5,565,000	4.000	100.000	August 1, 2025	799408 X38
2032	6,170,000	4.000	100.000	August 1, 2025	799408 X46
2033	6,815,000	4.000	100.000	August 1, 2025	799408 X53
2034	7,495,000	4.000	100.000	August 1, 2025	799408 X61
2035	8,225,000	4.000	100.000	August 1, 2025	799408 X79
2036	9,010,000	4.000	100.000	August 1, 2025	799408 X87
2040	61,240,000	4.000	100.000	August 1, 2025	799408 X95

The maturities of the District's outstanding Series 2013 Refunding Bonds and Series 2015 Bonds listed in the tables below will not be refunded with proceeds of the Refunding Bonds.

UNREFUNDED SERIES 2013 REFUNDING BONDS

Maturity Date (August 1,)	Principal Amount	Interest Rate	CUSIP Number [†]
2022	\$ 6,360,000	4.000%	799408 R92
2023	4,005,000	5.000	799408 S26

UNREFUNDED SERIES 2015 BONDS

Maturity Date (August 1,)	Principal Amount	Interest Rate	CUSIP Number [†]
2022	\$ 125,000	5.000%	799408 Y29
2023	640,000	5.000	799408 W39
2024	875,000	5.000	799408 W47
2025	935,000	4.000	799408 W54

The District and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank") will enter into the Escrow Agreement, dated as of [____], 2021 (the "Escrow Agreement"), with respect to the Refunded Bonds, pursuant to which the District will deposit a portion of the proceeds from the sale of the Refunding Bonds into a special fund to be held by the Escrow Bank. The amounts deposited with the Escrow Bank with respect to the Refunded Bonds, which will be held pursuant to the Escrow Agreement, will be used to purchase non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America (collectively, "Defeasance Securities"), in an amount which principal, together with the interest accrued thereon and any uninvested amount, will be sufficient to enable the Escrow Bank (i) to pay, when due, the interest on the Refunded 2013 Refunding Bonds to February 1, 2023 and to redeem, on an advance basis, the Refunded 2013 Refunding Bonds on August 1, 2023 (the "2013 Refunding Redemption Date") at a redemption price (the "2013 Refunding Redemption Price") equal to the principal amount of the Refunded 2013 Refunding Bonds to be redeemed, without premium, plus

[†] CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriters or their agents or counsel assumes responsibility for the accuracy of such CUSIP numbers.

accrued interest thereon to the 2013 Refunding Redemption Date, (ii) to pay, when due, the interest on the Refunded 2013 New Money Bonds to February 1, 2023 and to redeem, on an advance basis, the Refunded 2013 New Money Bonds on August 1, 2023 (the “2013 New Money Redemption Date”) at a redemption price (the “2013 New Money Redemption Price”) equal to the principal amount of the Refunded 2013 New Money Bonds called for redemption, together with interest accrued thereon to the 2013 New Money Redemption Date, without premium, and (iii) to pay, when due, the interest on the Refunded Series 2015 Bonds to February 1, 2025 and to redeem, on an advance basis, the Refunded Series 2015 Bonds on August 1, 2025 (the “2015 Redemption Date”) at a redemption price (the “2015 Redemption Price”) equal to the principal amount of the Refunded Series 2015 Bonds called for redemption, together with interest accrued thereon to the 2015 Redemption Date, without premium. See “ESCROW VERIFICATION” herein. Amounts on deposit with the Escrow Bank pursuant to the Escrow Agreement are not available to pay debt service on the Refunding Bonds.

Estimated Sources and Uses of Funds

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

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
General Obligation Refunding Bonds, Series 2021
(Federally Taxable)**

Estimated Sources and Uses of Funds

Sources of Funds:

Aggregate Principal Amount of Refunding Bonds	\$
Total Sources of Funds	\$

Uses of Funds:

Escrow Fund	\$
Underwriters' Discount	
Costs of Issuance ⁽¹⁾	
Total Uses of Funds	\$

⁽¹⁾ Includes legal fees, municipal advisor fees, rating agency fees, verification agent fees, printing fees and other miscellaneous expenses.

Debt Service

Debt service on the Refunding Bonds, assuming no early optional redemptions, is as set forth in the following table.

SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
General Obligation Refunding Bonds, Series 2021
(Federally Taxable)

Year Ending August 1,	Principal	Interest	Total Debt Service
2022	\$	\$	\$
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
Total:	\$	\$	\$

Outstanding Bonds

In addition to the Refunding Bonds (and not accounting for the planned refunding of the Refunded Bonds with proceeds of the Refunding Bonds), the District has six series of general obligation bonds outstanding, each of which is secured by *ad valorem* taxes levied upon all property subject to taxation by the District on a parity with the Refunding Bonds.

2002 Authorization. At an election held on November 5, 2002, the District received authorization under Measure A to issue bonds of the District in an aggregate principal amount not to exceed \$260,000,000 to finance specific construction and modernization projects approved by the voters (the “2002 Authorization”). On March 20, 2003, the County, at the request of the District, issued the San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2002, Series 2003 (the “Series 2003 Bonds”) in the aggregate principal amount of \$72,000,000, as the first series of bonds to be issued under the 2002 Authorization. On October 28, 2004, the County, at the request of the District, issued the San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2002, Series 2004 (the “Series 2004 Bonds”) in the aggregate principal amount of \$100,000,000, as the second series of bonds to be issued under the 2002 Authorization. On August 2, 2006, the County, at the request of the District, issued the San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2002, Series 2006 (the “Series 2006 Bonds”) in the aggregate principal amount of \$88,000,000, as the third and final series of bonds to be issued under the 2002 Authorization.

2012 Authorization. At an election held on November 6, 2012, the District received authorization under Measure D to issue bonds of the District in an aggregate principal amount not to exceed \$260,000,000 to improve local elementary, middle and high school classrooms, labs and learning facilities by adding classrooms to prevent school overcrowding; upgrading fire, security and earthquake safety; updating science labs, and instructional technology infrastructure for 21st-century learning; improving energy

efficiency; and renovating, constructing and equipping schools, facilities and classrooms (the “2012 Authorization”). Measure D required approval by at least 55% of the votes cast by eligible voters within the District and received an approval vote of approximately 56.83%. On March 13, 2013, the District issued the Series 2013 New Money Bonds in the aggregate principal amount of \$74,995,000 as its first series of bonds to be issued under the 2012 Authorization. On April 23, 2015, the District issued the Series 2015 Bonds in the aggregate principal amount of \$125,000,000 as its second series of bonds to be issued under the 2012 Authorization. On December 20, 2018, the District issued the San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2012, Series 2018 (the “Series 2018 Bonds”) in the aggregate principal amount of \$60,005,000 as the third and final series of bonds to be issued under the 2012 Authorization.

Refunding Bonds. On July 17, 2012, the District issued the San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Refunding Bonds, Series 2012 (the “Series 2012 Refunding Bonds”) in the aggregate principal amount of \$167,945,000 to refund and defease a portion of the Series 2003 Bonds, a portion of the Series 2004 Bonds and a portion of the Series 2006 Bonds. On February 14, 2013, the District issued the Series 2013 Refunding Bonds in the aggregate principal amount of \$52,200,000 to refund and defease the Series 2006 Bonds maturing on and after August 1, 2017. On October 20, 2020, the District issued the San Ramon Valley Unified School District (Contra Costa County, California) General Obligation Refunding Bonds, Series 2020 (the “Series 2020 Refunding Bonds”) in the aggregate principal amount of \$105,165,000 to refund and defease a portion of the Series 2012 Refunding Bonds.

A summary of the District’s outstanding general obligation bonded debt is set forth on the following page.

Aggregate Debt Service

The following table sets forth the annual aggregate debt service requirements of all outstanding general obligation bonds of the District, including the Refunding Bonds, assuming no early optional redemptions.

SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT (Contra Costa County, California) General Obligation Bonds – Aggregate Debt Service

Year Ending August 1,	Series 2012 Refunding Bonds	Series 2013 Refunding Bonds ⁽¹⁾	Series 2013 New Money Bonds ⁽²⁾	Series 2015 Bonds ⁽³⁾	Series 2018 Bonds	Series 2020 Refunding Bonds	Refunding Bonds	Aggregate Total Debt Service
2022	\$11,523,750.00	\$ 8,414,800.00	\$ 2,566,250.00	\$ 5,226,200.00	\$ 7,650,750.00	\$ 4,530,176.16	\$	\$
2023	-	5,805,400.00	2,566,250.00	5,734,950.00	8,175,000.00	18,424,382.00		
2024	-	5,420,150.00	2,566,250.00	5,937,950.00	8,403,250.00	19,169,643.20		
2025	-	5,964,150.00	2,566,250.00	5,954,200.00	8,543,250.00	20,097,633.20		
2026	-	8,001,950.00	2,566,250.00	6,236,800.00	7,308,000.00	20,718,444.20		
2027	-	5,048,200.00	6,606,250.00	8,259,050.00	-	22,139,059.20		
2028	-	4,830,200.00	6,884,650.00	8,637,050.00	-	-		
2029	-	7,534,200.00	7,135,450.00	8,992,800.00	-	-		
2030	-	4,303,400.00	7,388,150.00	9,370,400.00	-	-		
2031	-	3,821,300.00	7,683,850.00	9,745,800.00	-	-		
2032	-	-	8,005,900.00	10,128,200.00	-	-		
2033	-	-	8,330,275.00	10,526,400.00	-	-		
2034	-	-	8,698,400.00	10,933,800.00	-	-		
2035	-	-	9,049,000.00	11,364,000.00	-	-		
2036	-	-	9,408,800.00	11,820,000.00	-	-		
2037	-	-	9,786,400.00	12,294,600.00	-	-		
2038	-	-	-	17,815,800.00	-	-		
2039	-	-	-	18,530,400.00	-	-		
2040	-	-	-	19,271,200.00	-	-		
Total:	<u>\$11,523,750.00</u>	<u>\$59,143,750.00</u>	<u>\$101,808,375.00</u>	<u>\$196,779,600.00</u>	<u>\$40,080,250.00</u>	<u>\$105,079,337.96</u>	<u>\$</u>	<u>\$</u>

⁽¹⁾ Does not reflect the planned refunding of the Refunded 2013 Refunding Bonds with proceeds of the Refunding Bonds.

⁽²⁾ Does not reflect the planned refunding of the Refunded 2013 New Money Bonds with proceeds of the Refunding Bonds.

⁽³⁾ Does not reflect the planned refunding of the Refunded Series 2015 Bonds with proceeds of the Refunding Bonds.

Source: Fieldman, Rolapp & Associates, Inc.

SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS

General

In order to provide sufficient funds for repayment of principal and interest when due on the Refunding Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District. When collected, the tax revenues will be deposited by the County in the Interest and Sinking Fund of the District, which is required to be maintained by the County and to be used solely for the payment of bonds of the District.

The Refunding Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law, and are not a debt or obligation of the County. No fund of the County is pledged or obligated to repayment of the Refunding Bonds.

Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016), all general obligation bonds issued by local agencies, including refunding bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are executed and delivered. Section 53515 further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

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

Pledge of Tax Revenues

The District has pledged all revenues from the property taxes collected from the levy by the Board of Supervisors of the County for the payment of all bonds, including the Refunding Bonds (collectively, the "Bonds"), of the District heretofore or hereafter issued pursuant to voter approved measures of the District and amounts on deposit in the Interest and Sinking Fund of the District to the payment of the principal or redemption price of and interest on the Bonds. The Resolution provides that the property taxes and amounts held in the Interest and Sinking Fund of the District will be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the Interest and Sinking Fund of the District to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The Resolution provides that this pledge constitutes an agreement between the District and the owners of the Bonds to provide security for the Bonds in addition to any

statutory lien that may exist, and the Bonds secured by the pledge are or were issued to finance (or refinance) one or more of the projects specified in the applicable voter-approved measure.

The pledge of tax revenues provided for in the Resolution specifies that said pledge and lien secures the Refunding Bonds and other general obligations bonds, including refunding bonds, previously issued or that may be issued in the future pursuant to voter-approved measures. Previous general obligation bonds of the District have been issued under resolutions that pledge tax revenues to secure the general obligation bonds and the general obligation refunding bonds issued thereunder, and the District may provide for a similar pledge of tax revenues in resolutions adopted in the future that authorize general obligation bonds and general obligation refunding bonds. The Resolution does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the lien of the pledges.

Property Taxation System

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

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

Assessed Valuation of Property Within the District

General. Taxable property located in the District has a fiscal year 2021-22 assessed value of \$56,199,937,434. All property (real, personal and intangible) is taxable unless an exemption is granted by the California Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real property. Most taxable property is assessed by the assessor of the county in which the property is located. Some special classes of property are assessed by the State Board of Equalization, as described below.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared

so that taxes can be levied on the new assessed value before the next regular assessment roll is completed. See “–Appeals of Assessed Valuation; Blanket Reductions of Assessed Values” below.

Under the State Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property’s value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State’s methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Locally taxed property is classified either as “secured” or “unsecured,” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is “unsecured,” and is assessed on the “unsecured roll.” Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as “utility” property.

The table on the following page sets forth the assessed valuation of the various classes of property in the District’s boundaries from fiscal years 2000-01 through 2021-22, each as of the date the equalized assessment roll is established in August of each year.

SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Assessed Valuations
Fiscal Years 2000-01 through 2021-22

Fiscal Year	Local Secured	Utility	Unsecured	Total Valuation	Annual % Change
2000-01	\$17,044,335,109	\$359,772	\$432,459,995	\$17,477,154,876	9.57%
2001-02	18,973,640,814	381,584	513,646,741	19,487,669,139	11.50
2002-03	20,591,112,709	381,584	495,773,772	21,087,268,065	8.21
2005-06	27,477,540,099	488,365	447,158,445	27,925,186,909	11.97
2006-07	30,951,805,499	801,750	503,065,924	31,455,673,173	12.64
2007-08	33,490,205,068	488,449	537,016,253	34,027,709,770	8.18
2008-09	34,803,049,136	488,449	566,872,339	35,370,409,924	3.95
2009-10	34,176,245,890	1,645,966	545,779,373	34,723,671,229	-1.83
2010-11	33,391,709,563	483,521	513,314,478	33,905,510,562	-2.36
2011-12	33,484,556,273	1,279,399	513,915,184	33,999,750,856	0.28
2012-13	33,557,398,093	1,279,399	498,698,616	34,057,376,108	0.17
2013-14	35,593,547,414	1,279,399	538,150,593	36,132,977,406	6.09
2014-15	38,480,663,138	1,122,298	553,439,841	39,035,225,277	8.03
2015-16	41,488,028,449	425,894	519,849,412	42,008,303,755	7.62
2016-17	43,945,708,242	425,894	554,969,830	44,501,103,966	5.93
2017-18	46,463,173,966	426,830	507,796,729	46,971,394,525	5.55
2018-19	48,934,659,024	1,020,072	519,538,560	49,455,217,656	5.29
2019-20	51,486,187,377	1,020,072	555,856,031	52,043,063,480	5.23
2020-21	53,836,674,266	1,020,072	536,180,795	54,373,875,133	4.48
2021-22	55,671,923,397	935,825	527,078,212	56,199,937,434	3.36

% Change, 2000-01 to 2021-22 221.56%

Average Annual Compound Growth, 2000-01 to 2021-22 5.72%

Source: Assessed valuation information from California Municipal Statistics, Inc.; Annual % change, % change, 2000-01 to 2021-22 and Average Annual Compound Growth, 2000-01 to 2021-22 provided by Stifel, Nicolaus & Company, Incorporated.

Risk of Decline in Property Values. Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control, such as a general market decline in property values including potential market declines caused by the effects of a reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, drought, flood, landslide, liquefaction, levee failure, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also “– *Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

Risk of Changing Economic Conditions. Property values could be reduced by factors beyond the District's control, including a depressed real estate market due to general economic conditions in the County, the region, and the State. A pandemic, like the COVID-19 pandemic, may result in an economic recession or depression that causes a general market decline in property values therefore affecting the assessed value of the property in the District. For more information on the impact of the COVID-19 pandemic, see APPENDIX A – “INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *Infectious Disease Outbreak*.”

Risk of Climate Change. The change in the Earth’s average atmospheric temperature, generally referred to as “climate change,” is expected to, among other things, increase the frequency of extreme weather events. The direct risks posed by climate change currently include or are expected to include more extreme heat events, increased incidence of wildfire and drought, rising sea levels, changes in precipitation levels, and more intense storms. As greenhouse gas emissions continue to accumulate, climate change will intensify and increase the frequency of such extreme weather events. One or more of such extreme weather events could negatively impact the assessed value of the property within the District. The District cannot predict the timing, extent, or severity of climate change and its impact on property values in the District.

Risk of Earthquake. The District is located in a seismically active region. The most notable earthquake faults include the San Andreas and Hayward faults. Property values could be reduced by the complete or partial destruction of taxable property as a result of an earthquake.

Risk of Drought. In recent years California has experienced severe drought conditions. In January 2014, the Governor declared a state-wide Drought State of Emergency due to the State facing serious water shortfalls as a result of the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The California State Water Resources Control Board (the “State Water Board”) subsequently issued a Statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. On March 5, 2021, the Secretary of the United States Department of Agriculture designated 50 of 58 counties in California, including the County, as primary natural disaster areas due to drought. On April 21, 2021, the Governor proclaimed a regional drought emergency in the counties of Sonoma and Mendocino due to record drought conditions over the past two years in the Russian River Watershed. The Governor expanded this declaration on May 10, 2021 to include an additional 39 counties, including the County, citing drought conditions in the Klamath River, Sacramento-San Joaquin Delta and Tulare Lake watersheds. The Governor further expanded this proclamation on July 8, 2021 to include an additional nine counties citing drought conditions in the region north of the Tehachapi Mountains. This declaration directs state agencies to take action to increase drought resiliency and requests the State Water Board to reconsider regulations for reservoir releases and water diversions to maintain water supply. On July 8, 2021, the Governor also signed Executive Order N-10-21 calling on a state-wide voluntary reduction in water use of 15% from 2020 levels. The District cannot predict the extent to which drought conditions within the County or any of the adjoining counties could cause reduced economic activity within the boundaries of the District or the extent to which drought conditions may impact District facilities or the assessed value of taxable property within the District.

Risk of Wildfire. Property damage due to wildfire could result in a significant damage to, destruction of, and significant decreases in the assessed value of taxable property within the boundaries of the District, as well as in damage to or destruction of District facilities and property. In recent years, portions of California, including the County and adjacent counties, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. Notable incidents that have impacted the County and adjacent counties in recent years include the LNU Lightning Complex Fire and SCU Lightning Complex Fire. Within the boundaries of the District, no facilities or property was damaged or destroyed by said wildfires or other recent wildfires. The adjacent counties of Alameda, San Joaquin and Solano have also been impacted by the wildfires mentioned above. The District cannot predict the extent to which any future wildfires within the District, the County, or any of the adjoining counties could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact District facilities or the assessed value of taxable property within the District.

Prospective purchasers of the Refunding Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to

pay debt service on the Refunding Bonds. The consequence of any decrease in assessed valuation is a corresponding increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to cover debt service on the Refunding Bonds in full.

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction or reconstruction activity occurs. Any base year appeal must be made within four years of the change of ownership or new construction date.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must submit an application to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (such pre-reduction level escalated by the annual inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then-current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis. According to representatives of the County assessor's office, the County has in the past, pursuant to Article XIII A of the State Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single family residential properties when the value of the property has declined below the current assessed value as calculated by the County.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

See APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues" for a discussion of other limitations on the valuation of real property with respect to *ad valorem* taxes.

Bonding Capacity. As a unified school district, the District may issue bonds in an amount up to 2.50% of the assessed valuation of taxable property within its boundaries. The District’s fiscal year 2021-22 gross bonding capacity (also commonly referred to as the “bonding limit” or “debt limit”) is approximately \$1.40 billion and its net bonding capacity is approximately \$1.01 billion (taking into account current outstanding debt before the issuance of the Refunding Bonds and not accounting for the refunding of the Refunded Bonds). Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the District’s bonding capacity.

Assessed Valuation by Jurisdiction. The following table describes the percentage and value of the total assessed valuation of the property within the District’s boundaries by jurisdiction in the Town of Danville, City of San Ramon, City of Walnut Creek and unincorporated portions of the County for fiscal year 2021-22.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Fiscal Year 2021-22 Assessed Valuation by Jurisdiction**

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
Town of Danville	\$15,084,893,191	26.84%	\$15,084,893,191	100.00%
City of San Ramon	24,951,070,604	44.40	24,951,070,604	100.00
City of Walnut Creek	373,414,149	0.66	21,679,192,799	1.72
Unincorporated County of Contra Costa	15,790,559,490	28.10	44,022,520,483	35.87
Total District	\$56,199,937,434	100.00%		
County of Contra Costa	\$56,199,937,434	100.00%	\$234,056,282,127	24.01%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table sets forth a distribution of taxable property located in the District on the fiscal year 2021-22 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Fiscal Year 2021-22 Assessed Valuation and Parcels by Land Use**

	2021-22 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total	No. of Taxable Parcels	% of Total
<u>Non-Residential:</u>						
Agricultural/Rural	\$ 468,790,045	0.84%	360	0.65%	302	0.57%
Commercial/Office	3,912,328,310	7.03	559	1.00	540	1.02
Vacant Commercial	53,771,552	0.10	27	0.05	25	0.05
Industrial	292,626,713	0.53	45	0.08	45	0.08
Vacant Industrial	1,288,223	0.00	3	0.01	3	0.01
Recreational	113,299,087	0.20	105	0.19	104	0.20
Government/Social/Institutional	1,432,711	0.00	545	0.98	291	0.55
Miscellaneous	244,695,472	0.44	2,126	3.82	255	0.48
Subtotal Non-Residential	\$ 5,088,232,113	9.14%	3,770	6.78%	1,565	2.94%
<u>Residential:</u>						
Single Family Residence	\$43,891,503,287	78.84%	41,078	73.85%	41,051	77.18%
Condominium/Townhouse	5,260,510,329	9.45	9,649	17.35	9,647	18.14
2-4 Residential Units	52,030,439	0.09	50	0.09	50	0.09
5+ Residential Units/Apartments	1,165,697,661	2.09	117	0.21	117	0.22
Vacant Residential	213,949,568	0.38	960	1.73	760	1.43
Subtotal Residential	\$50,583,691,284	90.86%	51,854	93.22%	51,625	97.06%
TOTAL	\$55,671,923,397	100.00%	55,624	100.00%	53,190	100.00%

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

Assessed Valuation of Single-Family Homes. The following table sets forth the assessed valuation of single-family homes in the District's boundaries for fiscal year 2021-22, including the average and median per parcel assessed value.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Fiscal Year 2021-22 Per Parcel Assessed Valuation of Single Family Homes**

	Number of Parcels	2021-22 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	41,051	\$43,891,503,287	\$1,069,194	\$1,001,038

2021-22 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$99,999	392	0.955%	0.955%	\$ 31,250,151	0.071%	0.071%
\$100,000 - \$199,999	1,352	3.293	4.248	198,798,542	0.453	0.524
\$200,000 - \$299,999	1,112	2.709	6.957	278,896,227	0.635	1.160
\$300,000 - \$399,999	1,453	3.539	10.497	514,761,943	1.173	2.332
\$400,000 - \$499,999	1,942	4.731	15.227	876,673,453	1.997	4.330
\$500,000 - \$599,999	2,397	5.839	21.066	1,317,703,547	3.002	7.332
\$600,000 - \$699,999	2,607	6.351	27.417	1,691,109,390	3.853	11.185
\$700,000 - \$799,999	2,524	6.148	33.566	1,895,627,002	4.319	15.504
\$800,000 - \$899,999	3,076	7.493	41.059	2,621,404,761	5.972	21.476
\$900,000 - \$999,999	3,616	8.809	49.867	3,439,196,692	7.836	29.312
\$1,000,000 - \$1,099,999	3,633	8.850	58.717	3,810,415,047	8.681	37.993
\$1,100,000 - \$1,199,999	3,131	7.627	66.344	3,595,395,660	8.192	46.185
\$1,200,000 - \$1,299,999	2,608	6.353	72.697	3,253,365,505	7.412	53.597
\$1,300,000 - \$1,399,999	2,253	5.488	78.186	3,038,691,459	6.923	60.520
\$1,400,000 - \$1,499,999	1,789	4.358	82.544	2,590,772,403	5.903	66.423
\$1,500,000 - \$1,599,999	1,461	3.559	86.103	2,260,549,238	5.150	71.573
\$1,600,000 - \$1,699,999	1,090	2.655	88.758	1,795,597,048	4.091	75.664
\$1,700,000 - \$1,799,999	825	2.010	90.768	1,440,682,478	3.282	78.947
\$1,800,000 - \$1,899,999	672	1.637	92.405	1,241,848,979	2.829	81.776
\$1,900,000 - \$1,999,999	545	1.328	93.732	1,061,207,732	2.418	84.194
\$2,000,000 and greater	2,573	6.268	100.000	6,937,556,030	15.806	100.000
Total	41,051	100.000%		\$43,891,503,287	100.000%	

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

Largest Secured Taxpayers in District. The following table sets forth the 20 taxpayers with the greatest combined ownership of taxable property in the District on the fiscal year 2021-22 tax roll, and the assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District, are set forth below.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Largest Fiscal Year 2021-22 Local Secured Taxpayers**

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	Percent of Total ⁽¹⁾
1.	Sunset Land Company LLC / Sunset Building Company LLC	Office Building	\$ 450,575,008	0.81%
2.	Chevron USA Inc.	Office Building	381,626,750	0.69
3.	Shapell Industries Inc.	Residential Properties	355,976,336	0.64
4.	2600 CR LLC	Office Building	339,502,046	0.61
5.	Essex Portfolio LP / Essex San Ramon Partners LP	Apartments	292,389,682	0.53
6.	SDC 7	Office Building	183,613,541	0.33
7.	Faria Preserve LLC	Residential Properties	139,103,344	0.25
8.	BRE Properties Inc.	Apartments	135,932,533	0.24
9.	ROIC California LLC	Shopping Center	129,308,188	0.23
10.	DS Properties 17 LP	Shopping Center	111,223,752	0.20
11.	Alexander Properties Co.	Office Building	110,817,695	0.20
12.	Clancy Investment Company LLC	Office Building	108,419,551	0.19
13.	Aeonian Partners LP	Commercial	106,854,363	0.19
14.	MM Danville Apartments LLC	Apartments	100,747,938	0.18
15.	Federal Realty Investment Trust	Shopping Center	99,560,495	0.18
16.	San Ramon Regional Medical Center	Hospital	98,261,297	0.18
17.	Plaza San Ramon LLC	Office Building	75,875,115	0.14
18.	Ardenwood Development Association	Apartments	60,554,953	0.11
19.	Cedar Grove Apartments	Apartments	57,294,825	0.10
20.	GMS Five LLC	Shopping Center	49,605,853	0.09
			<u>\$3,387,243,265</u>	<u>6.08%</u>

⁽¹⁾ The fiscal year 2021-22 local secured assessed valuation is \$55,671,923,397.
Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control. See "*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*" above.

Tax Rates

General. The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Refunding Bonds in a given year depends on the assessed value of taxable property in that year. (The rate of tax imposed on unsecured property for repayment of the Refunding Bonds is based on the prior year's secured property tax rate.) Economic and other factors beyond the District's control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as

exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, drought, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Refunding Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

Typical Tax Rate Area. The following table sets forth *ad valorem* property tax rates for the last five fiscal years in a typical tax rate area of the District (TRA 16-002) located in the Town of Danville. TRA 16-002 comprises approximately [_____] % of the total assessed value of taxable property the District for fiscal year 2020-21.

SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Typical Total Tax Rates per \$100 of Assessed Valuation (TRA 16-002)
Fiscal Years 2016-17 through 2020-21

[Updated information for table to come.]

	2016-17	2017-18	2018-19	2019-20	2020-21
General Tax Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000	
Bay Area Rapid Transit	0.0080	0.0084	0.0070	0.0120	
East Bay Regional Park	0.0032	0.0021	0.0021	0.0094	
San Ramon Valley Unified School District	0.0652	0.0552	0.0750	0.0750	
Contra Costa Community College District	0.0120	0.0114	0.0110	0.0188	
Total Tax Rate	\$1.0884	\$1.0771	\$1.0951	\$1.1152	

Source: California Municipal Statistics, Inc.

Tax Charges and Delinquencies

General. A school district's share of the 1% countywide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in fiscal year 1978-79, as adjusted according to a complicated statutory process enacted since that time. Revenues derived from special *ad valorem* taxes for voter-approved indebtedness, including the Refunding Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The county treasurer-tax collector prepares the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and becomes delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a 10% penalty attaches and a \$10 fee plus a \$20.00 administrative charge is added to unpaid second installments. If taxes remain unpaid by June 30, the tax is deemed to be in default, and a \$15 state redemption fee applies. Interest then begins to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the county treasurer-tax collector. The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

Property taxes on the unsecured roll are due in one payment on the lien date, January 1, and become delinquent after August 31. A 10% penalty and a \$30 fee attaches to delinquent taxes on property on the

unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the county treasurer-tax collector may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the County, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The county treasurer-tax collector may also bring a civil suit against the taxpayer for payment. In light of the financial hardship that many taxpayers experienced due to COVID-19, the Governor issued Executive Order N-61-20, which suspended until May 6, 2021, the statutory requirements for the imposition of penalties, costs, and interest for the failure to pay property taxes on the secured or unsecured roll, or to pay a supplemental bill provided certain conditions were met.

Property tax delinquencies may be impacted by economic and other factors beyond the District's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or a natural or manmade disaster, such as earthquake, drought, flood, fire or toxic dumping. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. For more information on the impact of the COVID-19 pandemic, see APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *Infectious Disease Outbreak*." If delinquencies increase substantially as a result of the unprecedented events of the COVID-19 pandemic or other events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

Secured Tax Charges and Delinquencies. The real property tax charges and corresponding delinquencies for the 1% general fund apportionment, with respect to the property located in the County, and for the District's general obligation bond debt service levy, with respect to the property located in the District, for fiscal years 2016-17 through 2020-21, are set forth below. See "– Teeter Plan" below.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Secured Tax Charges and Delinquencies
Fiscal Years 2016-17 through 2020-21**

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Delinquent June 30	% Delinquent June 30
2016-17	\$28,525,522.18	\$160,679.74	0.56%
2017-18	25,539,499.92	111,173.87	0.44
2018-19	36,515,778.38	195,610.50	0.54
2019-20	38,438,745.20	259,742.03	0.68
2020-21	40,199,996.73	197,712.29	0.49

Fiscal Year	Secured Tax Charge ⁽²⁾	Amount Delinquent June 30	% Delinquent June 30
2016-17	\$141,650,035.46	\$973,894.07	0.69%
2017-18	149,923,099.17	910,446.12	0.61
2018-19	158,018,179.70	1,016,742.04	0.64
2019-20	166,283,167.00	1,358,938.79	0.82
2020-21	174,116,347.36	1,238,830.89	0.71

⁽¹⁾ General obligation bonds debt service levy.

⁽²⁾ 1% General Fund apportionment.

Source: California Municipal Statistics, Inc.

Teeter Plan

The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 and following of the State Revenue and Taxation Code. Under the Teeter Plan, each participating local agency levying property taxes in the County, including school districts, receives the full amount of uncollected taxes levied on the secured tax roll credited to its fund, in the same manner as if the full amount due from taxpayers had been collected. In return, the County receives and retains delinquent payments, penalties and interest as collected that would have been due the local agency. The County applies the Teeter Plan to taxes levied for repayment of school district general obligation bonds on the secured roll. There can be no assurances that the County will have sufficient funds available to distribute the full amount of the District’s share of property tax collections to the District. However, State law requires the County to levy *ad valorem* property taxes sufficient to pay the Refunding Bonds when due.

The Teeter Plan is applicable to the Refunding Bonds and to all tax levies for which the County acts as the tax-levying or tax-collecting agency, or for which the county treasuries are the legal depository of tax collections. As adopted by the County, the Teeter Plan excludes Mello-Roos Community Facilities Districts and special assessment districts which provide for the accelerated judicial foreclosure of property for which assessments are delinquent.

The *ad valorem* property tax to be levied on secured property to pay the interest on and principal of the Refunding Bonds will be subject to the Teeter Plan, beginning in the first year of such levy in fiscal year 2021-22. Irrespective of actual delinquencies in the collection of tax by the County, the County will transfer to the Interest and Sinking Fund an amount sufficient to pay debt service on the Refunding Bonds.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the County. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in that agency. The District is not aware of any plans by the Board of Supervisors of the County to discontinue the Teeter Plan.

Direct and Overlapping Debt

Set forth on the following page is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. effective September 3, 2021 for debt outstanding as of October 1, 2021. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule and whose territory overlaps the District in whole or in part. Column two sets forth the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not set forth in the table) produces the amount set forth in column three, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

The schedule generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations

secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

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SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Statement of Direct and Overlapping Bonded Debt

September 3, 2021

2021-22 Assessed Valuation: \$56,199,937,434

	<u>% Applicable</u>	<u>Debt 10/1/21</u>
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Bay Area Rapid Transit District	6.316%	\$115,888,494
Chabot-Las Positas Community College District	0.477	3,842,688
Contra Costa Community College District	23.794	135,335,513
San Ramon Valley Unified School District	100.000	391,760,000 ⁽¹⁾
East Bay Regional Park District	10.086	12,690,710
Contra Costa County Community Facilities District No. 2001-1	100.000	3,295,000
Association of Bay Area Governments Community Facilities District No. 2004-2	100.000	27,664,398
Special District 1915 Act Bonds	100.000	55,582,616
TOTAL DISTRICT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$746,059,419
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Contra Costa County General Fund Obligations	24.011%	\$ 61,124,803
Contra Costa County Pension Obligation Bonds	24.011	10,786,942
San Ramon Valley Unified School District General Fund Obligations	100.000	19,748,534
Town of Danville Certificates of Participation	100.000	5,415,000
City of San Ramon Certificates of Participation and Pension Obligation Bonds	100.000	35,885,000
City of Walnut Creek General Fund Obligations	1.722	34,086
San Ramon Valley Fire Protection District Certificates of Participation	99.861	48,190,094
Contra Costa Fire Protection District Pension Obligation Bonds	0.351	38,259
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$181,222,718
Less: Contra Costa County obligations supported by revenue funds		9,840,360
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$171,382,358
<u>OVERLAPPING TAX INCREMENT DEBT:</u>		
Successor Agency to Danville Redevelopment Agency Downtown Project Area	100.000%	\$ 1,910,000
Successor Agency to San Ramon Redevelopment Agency	100.000	53,068,606
TOTAL OVERLAPPING TAX INCREMENT DEBT		\$ 54,978,606
 GROSS COMBINED TOTAL DEBT		 \$982,260,743 ⁽²⁾
NET COMBINED TOTAL DEBT		\$972,420,383

Ratios to 2021-22 Assessed Valuation:

Direct Debt (\$391,760,000)	0.70%
Total Direct and Overlapping Tax and Assessment Debt	1.33%
Combined Direct Debt (\$411,508,534)	0.73%
Gross Combined Total Debt	1.75%
Net Combined Total Debt	1.73%

Ratios to Redevelopment Incremental Valuation (\$1,845,907,736):

Total Overlapping Tax Increment Debt	2.98%
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⁽¹⁾ Excludes the Refunding Bonds; includes the Refunded Bonds.

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

Source: California Municipal Statistics, Inc.

TAX MATTERS

[In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Refunding Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Refunding Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix D hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to holders of the Refunding Bonds that acquire their Refunding Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the “IRS”) with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Refunding Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Refunding Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Refunding Bonds pursuant to this offering for the issue price that is applicable to such Refunding Bonds (i.e., the price at which a substantial amount of the Refunding Bonds are sold to the public) and who will hold their Refunding Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Refunding Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Refunding Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Refunding Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Refunding Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Refunding Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Refunding Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Refunding Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

Refunding Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Refunding Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Refunding Bond.

Sale or Other Taxable Disposition of the Refunding Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition of a Refunding Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Refunding Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Refunding Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Refunding Bond (generally, the purchase price paid by the U.S. Holder for the Refunding Bond, decreased by any amortized premium). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Refunding Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Refunding Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Refunding Bonds. If the District defeases any Refunding Bond, the Refunding Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted U.S. federal income tax basis in the Refunding Bond.

Information Reporting and Backup Withholding. Payments on the Refunding Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Refunding Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Refunding Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Refunding Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding.

A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders,” payments of principal of, and interest on, any Refunding Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation described in Section 881(c)(3)(C) of the Code and (2) a bank which acquires such Refunding Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Refunding Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Disposition of the Refunding Bonds. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the District or a deemed retirement due to defeasance of the Refunding Bond) or other disposition of a Refunding Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading “Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders,” under current U.S. Treasury Regulations, payments of principal and interest on any Refunding Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Refunding Bond or a financial institution holding the Refunding Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act (“FATCA”)—U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on

the Refunding Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain “passthru” payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term “foreign passthru payments.” Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Refunding Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Refunding Bonds, including the application and effect of state, local, non-U.S., and other tax laws.]

CERTAIN ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain restrictions on employee pension and welfare benefit plans subject to ERISA (“ERISA Plans”) regarding prohibited transactions, and also imposes certain obligations on those persons who are fiduciaries with respect to ERISA Plans. Section 4975 of the Code imposes similar prohibited transaction restrictions on certain plans, including (i) tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code and which are not governmental or church plans as defined herein (“Qualified Retirement Plans”), and (ii) individual retirement accounts (“IRAs”) described in Section 408(b) of the Code (the foregoing in clauses (i) and (ii), “Tax-Favored Plans”). Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements or Section 4975 of the Code, but may be subject to requirements or prohibitions under applicable federal, state, local, non-U.S. or other laws or regulations that are, to a material extent, similar to the requirements of ERISA and Section 4975 of the Code (“Similar Law”).

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan’s investment be made in accordance with the documents governing the plan, ERISA Plans are subject to prohibited transaction restrictions imposed by Section 406 of ERISA. ERISA Plans and Tax-Favored Plans are also subject to prohibited transaction restrictions imposed by Section 4975 of the Code. These rules generally prohibit a broad range of transactions between (i) ERISA Plans, Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, “Benefit Plans”) and (ii) persons who have certain specified relationships to the Benefit Plans (such persons are referred to as “Parties in Interest” or “Disqualified Persons”), in each case unless a statutory, regulatory or administrative exemption is available. The definitions of “Party in Interest” and “Disqualified Person” are expansive. While other entities may be encompassed by those definitions, they include most notably: (1) a fiduciary with respect to a Benefit Plan; (2) a person providing services to a Benefit Plan; (3) an employer or employee organization any of whose employees or members are covered by a Benefit Plan; and (4) an owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a non-exempt prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory, regulatory or administrative exemption is available. Without an exemption, an owner of an IRA may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Refunding Bonds might be deemed to constitute prohibited transactions under ERISA and the Code if assets of the District were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the “Plan Assets

Regulation”), the assets of the District would be treated as plan assets of a Benefit Plan for the purposes of ERISA and the Code if the Benefit Plan acquires an “equity interest” in the District and none of the exceptions contained in the Plan Assets Regulation are applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although there can be no assurances in this regard, it appears that the Refunding Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation and accordingly the assets of the District should not be treated as the assets of Benefit Plans investing in the Refunding Bonds. The debt treatment of the Refunding Bonds for ERISA purposes could change subsequent to issuance of the Refunding Bonds. In the event of a withdrawal or downgrade to below investment grade of the rating of the Refunding Bonds or a characterization of the Refunding Bonds as other than indebtedness under applicable local law, the subsequent purchase of the Refunding Bonds or any interest therein by a Benefit Plan is prohibited.

However, without regard to whether the Refunding Bonds are treated as an equity interest for such purposes, the acquisition or holding of Refunding Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the District or the Paying Agent, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan. The fiduciary of a Benefit Plan that proposes to purchase and hold any Refunding Bonds should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a Party in Interest or a Disqualified Person, (ii) the sale or exchange of any property between a Benefit Plan and a Party in Interest or a Disqualified Person, or (iii) the transfer to, or use by or for the benefit of, a Party in Interest or a Disqualified Person, of any Benefit Plan assets.

Certain status-based exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Refunding Bond. These are commonly referred to as prohibited transaction class exemptions or “PTCEs”. Included among these exemptions are:

PTCE 75-1, which exempts certain transactions between a Benefit Plan and certain brokers-dealers, reporting dealers and banks;

PTCE 96-23, which exempts transactions effected at the sole discretion of an “in-house asset manager”;

PTCE 90-1, which exempts certain investments by an insurance company pooled separate account;

PTCE 95-60, which exempts certain investments effected on behalf of an “insurance company general account”;

PTCE 91-38, which exempts certain investments by bank collective investment funds; and

PTCE 84-14, which exempts certain transactions effected at the sole discretion of a “qualified professional asset manager.”

In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code generally provide for a statutory exemption from the prohibitions of Section 406(a) of ERISA and Section 4975 of the Code, commonly referred to as the “Service Provider Exemption”. The Service Provider Exemption covers transactions involving “adequate consideration” between Benefit Plans and persons who are Parties in Interest or Disqualified Persons solely by reason of providing services to such Benefit Plans or who are persons affiliated with such service providers, provided generally that such persons are not fiduciaries with

respect to “plan assets” of any Benefit Plan involved in the transaction and that certain other conditions are satisfied.

The availability of each of these PTCEs and/or the Service Provider Exemption is subject to a number of important conditions which the Benefit Plan’s fiduciary must consider in determining whether such exemptions apply. There can be no assurance that all the conditions of any such exemptions will be satisfied at the time that the Refunding Bonds are acquired by a purchaser, or thereafter, if the facts relied upon for utilizing a prohibited transaction exemption change, or that the scope of relief provided by these exemptions will necessarily cover all acts that might be construed as prohibited transactions. Therefore, a Benefit Plan fiduciary considering an investment in the Refunding Bond should consult with its counsel prior to making such purchase.

By its acceptance of a Refunding Bond (or an interest therein), each purchaser and transferee (and if the purchaser or transferee is a Benefit Plan, its fiduciary) will be deemed to have represented and warranted that either (i) no “plan assets” of any Benefit Plan or a plan subject to Similar Law have been used to purchase such Refunding Bond or (ii) the purchase and holding of such Refunding Bonds is exempt from the prohibited transaction restrictions of ERISA and Section 4975 of the Code pursuant to a statutory, regulatory or administrative exemption and will not violate Similar Law. A purchaser or transferee who acquires Refunding Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

None of the District, the Paying Agent, or the Underwriter is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the acquisition or transfer of the Refunding Bonds by any Benefit Plan.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that any Benefit Plan fiduciary or other person considering whether to purchase Refunding Bonds on behalf of a Benefit Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code to such investment and the availability of any exemption. In addition, persons responsible for considering the purchase of Refunding Bonds by a governmental plan, non-electing church plan or non-U.S. plan should consult with their counsel regarding the applicability of any Similar Law to such an investment.

OTHER LEGAL MATTERS

Legal Opinion

The validity of the Refunding Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District. Bond Counsel expects to deliver an opinion with respect to the Refunding Bonds at the time of issuance substantially in the form set forth in Appendix D. Bond Counsel, as such, undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District, and for the Underwriters by Kutak Rock LLP, Denver, Colorado.

Legality for Investment in California

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

Continuing Disclosure

The District has covenanted for the benefit of the holders and Beneficial Owners of the Refunding Bonds to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or such other electronic system designated by the Municipal Securities Rulemaking Board (the “EMMA System”) certain annual financial information and operating data relating to the District (the “Annual Report”) by not later than nine months following the end of the District’s fiscal year (currently ending June 30), commencing with the report for the fiscal year 2020-21 (which is due no later than April 1, 2022) and notice of the occurrence of certain enumerated events (“Notice Events”) in a timely manner not in excess of ten business days after the occurrence of such a Notice Event. The specific nature of the information to be contained in the Annual Report and the notices of Notice Events is set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Rule”).

Due to the impact of COVID-19 on California school district operations during fiscal year 2019-20, California Senate Bill 98 extended the deadline for school districts to file their audited financial statements for fiscal year 2019-20 with the State to March 31, 2021. As a result, at the time of filing the District’s Annual Report for fiscal year 2019-20, the District’s audited financial statements for fiscal year 2019-20 were not yet available, but the District filed its unaudited financial statements for fiscal year 2019-20. The District’s audited financial statements for fiscal year 2019-20 were subsequently filed to EMMA on May 5, 2021.

Fieldman, Rolapp & Associates, Inc. doing business as Applied Best Practices, currently serves as the District’s dissemination agent in connection with each of the District’s prior continuing disclosure undertakings pursuant to the Rule and will serve as dissemination agent in connection with the continuing disclosure undertaking pursuant to the Rule relating to the Refunding Bonds.

Litigation

No litigation is pending or threatened concerning or contesting the validity of the Refunding Bonds or the District’s ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District’s ability to issue and retire the Refunding Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District officers who will execute the Refunding Bonds or District officials who will sign certifications relating to the Refunding Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Underwriters at the time of the original delivery of the Refunding Bonds.

The District is occasionally subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

ESCROW VERIFICATION

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriters (defined herein) relating to the computation of projected receipts of principal and interest on the Defeasance Securities, and the projected payments of principal, redemption premium, if any, and interest to retire the Refunded Bonds will be verified by Causey Demgen & Moore P.C., Denver, Colorado (the “Verification Agent”). Such computations will be based solely on assumptions and information supplied by the District and the Underwriters. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome.

MISCELLANEOUS

Ratings

Moody’s Investors Services (“Moody’s”) and S&P Global Ratings (“S&P”) have assigned their respective ratings of “[]” and “[],” respectively, to the Refunding Bonds. Rating agencies generally base their ratings on their own investigations, studies and assumptions as well as information and materials furnished to them (which may include information and materials from the District, which are not included in this Official Statement). The ratings reflect only the view of the rating agency furnishing the same, and any explanation of the significance of such ratings should be obtained only from the rating agency providing the same. Such ratings are not a recommendation to buy, sell or hold the Refunding Bonds. There is no assurance that any ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency providing the same, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Refunding Bonds. Neither the Underwriters (defined below) nor the District has undertaken any responsibility after the offering of the Refunding Bonds to assure the maintenance of the ratings or to oppose any such revision or withdrawal.

Professionals Involved in the Offering

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel and Disclosure Counsel with respect to the Refunding Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Refunding Bonds. Fieldman, Rolapp & Associates, Inc. is acting as the District’s municipal advisor (the “Municipal Advisor”) with respect to the Refunding Bonds. Kutak Rock LLP, Denver, Colorado, is acting as counsel to the Underwriters with respect to the Refunding Bonds. Payment of the fees and expenses of the Municipal Advisor and counsel to the Underwriters is also contingent upon the sale and delivery of the Refunding Bonds.

Underwriting

The Refunding Bonds are being purchased for reoffering to the public by Stifel, Nicolaus & Company, Incorporated, for its own behalf and as representative of Barclays Capital Inc. (together, the “Underwriters”), pursuant to the terms of a bond purchase agreement executed on [], 2021 (the “Purchase Agreement”), by and between the Underwriters and the District. The Underwriters have agreed to purchase the Refunding Bonds at a price of \$[] (which represents the aggregate principal amount of the Refunding Bonds, and less an Underwriters’ discount in the amount of \$). The Purchase Agreement provides that the Underwriters will purchase all of the Refunding Bonds, subject to certain terms and conditions set forth in the Purchase Agreement, including the approval of certain legal matters by counsel.

The Underwriters may offer and sell the Refunding Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices set forth on the inside front cover page of this Official Statement. The public offering prices may be changed from time to time by the Underwriters.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to purchasers of the Refunding Bonds. Quotations from and summaries and explanations of the Refunding Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements of their provisions.

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

The District has duly authorized the delivery of this Official Statement.

**SAN RAMON VALLEY UNIFIED SCHOOL
DISTRICT**

By: _____
Superintendent

APPENDIX A
INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

APPENDIX A

INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

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The information in this appendix concerning the operations of the San Ramon Valley Unified School District (the “District”), the District’s finances, and State of California (the “State”) funding of education, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Refunding Bonds is payable from the general fund of the District or from State revenues. The Refunding Bonds are payable from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and State Constitutional requirements, and required to be levied by the County of Contra Costa (the “County”) on property within the District in an amount sufficient for the timely payment of principal of and interest on the Refunding Bonds. See “SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS” in the front portion of this Official Statement.

THE DISTRICT

Introduction

The District, located in central Contra Costa County, California, encompasses an area of approximately 104 square miles with a population of approximately 157,400 residents, and serves students from the incorporated City of San Ramon, the Town of Danville, and the unincorporated communities of Alamo, Diablo and Blackhawk, as well as a small portion of the City of Walnut Creek. The District is located about 30 miles east of San Francisco in the San Ramon Valley, a largely residential area at the western and southern flanks of Mt. Diablo, which, with an elevation of 3,849 feet, is one of the highest peaks in the San Francisco Bay area.

The District operates 22 elementary schools, eight middle schools, four high schools, an independent study program, a preschool and a continuation high school program. Total enrollment in the District was approximately 30,726 students in fiscal year 2020-21 and is budgeted to be approximately 30,552 students in fiscal year 2021-22. The District operates under the jurisdiction of the Contra Costa County Superintendent of Schools. The District has a fiscal year 2021-22 assessed valuation of \$56,199,937,434.

Board of Education

The District is governed by a Board of Education (the “Board of Education”) consisting of five voting members and one nonvoting student member. The voting members are elected to four-year terms by trustee area. Elections for positions to the Board of Education are held every two years, alternating between two and three available positions. Each December, the Board of Education elects a President, Vice President and Clerk to serve one-year terms. Current members of the Board of Education, together with their office and the date their current term expires, are set forth in the table on the following page.

SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)

Board of Education

Name	Office	Term Expires
Susanna Ordway	President	December 2022
Ken Mintz	Vice President	December 2022
Rachel Hurd	Clerk	December 2022
Laura Bratt	Member	December 2024
Shelley Clark	Member	December 2024

Superintendent and Business Services Personnel

The Superintendent of the District and the Chief Business Officer are appointed by the Board of Education. The Superintendent reports directly to the Board of Education. The Chief Business Officer reports directly to the Superintendent. The Superintendent is responsible for management of the District's day-to-day operations and supervises the work of other key District administrators. Dr. John Malloy was appointed by the Board of Education to serve as Superintendent in June 2020. The Chief Business Officer is responsible for management of the District's finances and business operations. Gregory Medici has served as Chief Business Officer since August 2017.

Dr. John Malloy, Superintendent. Dr. John Malloy joined the District after having served as Superintendent of the Toronto School District in Toronto, Canada. Prior to his work at the Toronto School District, Dr. Malloy was the Assistant Deputy Minister of Education/Chief Student Achievement Officer at the Ontario Ministry of Education and was Superintendent of the Hamilton-Wentworth School District in Ontario, Canada. During his career, he has been a principal, vice principal, English teacher and guidance counselor. Dr. Malloy holds a bachelor's degree in English from the University of Dayton, a Master of Education in guidance and counseling from Xavier University, and a Master of Theological Studies from the University of St. Michael's College. Dr. Malloy earned his Doctorate of Education from the University of Toronto.

Gregory Medici, Chief Business Officer. Mr. Medici joined the District as Chief Business Officer in August 2017. Mr. Medici's prior public school administrative experience includes similar business responsibilities as Los Gatos-Saratoga Union High School District's Assistant Superintendent of Business Services, St. Helena Unified School District's Chief Business Official and Napa Valley Unified School District's Business Manager. Mr. Medici led general obligation bond offerings during his tenure in all three previous school districts. Prior to joining schools in 2010, Mr. Medici practiced law full time, including as a corporate finance associate with Jones Day. Mr. Medici received his law degree from Loyola Law School and a bachelor's degree in Business Economics from UCLA.

Cybersecurity

School districts, like other governmental and business entities, face significant risks relating to the use and application of computer software and hardware for educational and operational and management purposes. The District also collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, and contractors. As the custodian of such information, the District may face cybersecurity threats from time to time. The District is not aware of any major cybersecurity attack or breach off its systems during the last five years. The District employs security systems to protect against cyberattacks and maintains a policy on acceptable use of technology that is applicable to students and employees. As a result, the District expects that any disruptions caused by a

cybersecurity attack would be temporary in nature. In the event of a cybersecurity attack, the District maintains cybersecurity insurance. There can be no assurance that a future cyberattack or attempted cyberattack would not compromise the personal information that the District collects, processes and stores or cause a disruption in District operations, particularly given that students, teachers, and staff are accessing District computer systems and platforms remotely which may increase the risks of intrusion by third parties.

DISTRICT FINANCIAL MATTERS

State Funding of Education; State Budget Process

General. As is true for all school districts in California, the District's operating income consists primarily of two components: a State portion funded from the State's general fund in accordance with the Local Control Funding Formula (the "Local Control Funding Formula" or "LCFF") (see "*Allocation of State Funding to School Districts; Local Control Funding Formula*") and a local portion derived from the District's share of the 1% local *ad valorem* tax authorized by the State Constitution (see "*Local Sources of Education Funding*"). In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District received approximately 37.10% of its general fund revenues from State funds (not including the local portion derived from the District's share of the local *ad valorem* tax), at approximately \$138.47 million in fiscal year 2020-21 (unaudited). The District has budgeted to receive approximately 37.31% of its general fund revenues from State funds (not including the local portion derived from the District's share of the local *ad valorem* tax), budgeted at approximately \$136.27 million in fiscal year 2021-22. Such amount includes both the State funding provided under the LCFF as well as other State revenues (see "*Allocation of State Funding to School Districts; Local Control Funding Formula*", "*Enrollment, Attendance and LCFF*" and "*Other District Revenues – Other State Revenues*" below). As a result, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may significantly affect the District's revenues and operations.

Under Proposition 98, a constitutional and statutory amendment adopted by the State's voters in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution), a minimum level of funding is guaranteed to school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs. Recent years have seen frequent disruptions in State personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of the State's general fund expenditures, it is generally at the center of annual budget negotiations and adjustments.

In connection with the State Budget Act for fiscal year 2013-14, the State and local education agencies therein implemented the LCFF. Funding from the LCFF replaced the revenue limit funding system and most categorical programs. See "*Allocation of State Funding to School Districts; Local Control Funding Formula*" for more information.

State Budget Process. According to the State Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. The budget requires a simple majority vote of each house of the State Legislature for passage. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. A two-thirds vote of the State Legislature is required to override any veto by the Governor. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the fiscal year 2021-22 State budget (the "2021-22 State Budget") on July 12, 2021.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district's State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State Constitution (such as appropriations for salaries of elected State officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. Should the State Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White v. Davis* decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White v. Davis* decision to have any long-term effect on its operating budgets.

Aggregate State Education Funding. The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State's share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year's budget, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor."

Although the California Constitution requires the State to approve a balanced State Budget Act each fiscal year, the State's response to fiscal difficulties in some years has had a significant impact upon the Proposition 98 minimum guarantee and the treatment of settle-up payments with respect to years in which the Proposition 98 minimum guarantee was suspended. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against

subsequent years' Proposition 98 minimum funding levels rather than current year increases; by deferring apportionments of Proposition 98 funds from one fiscal year to the next, as the State did in fiscal years 2019-20 and 2020-21 (see “– 2021-22 State Budget” below for further information); by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The District cannot predict how State income or State education funding will vary over the term to maturity of the Refunding Bonds, and the District takes no responsibility for informing owners of the Refunding Bonds as to actions the State Legislature or Governor may take affecting the current year's budget after its adoption. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading “California Budget.” An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, www.treasurer.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

2021-22 State Budget. The Governor signed the 2021-22 State Budget on July 12, 2021, which reflects the State's strong fiscal position as economic recovery from the Coronavirus Disease 2019 (“COVID-19”) pandemic is underway. To aid recovery while avoiding overcommitting to ongoing programs, the 2021-22 State Budget prioritizes one-time spending over ongoing spending by allocating 85% of discretionary funds to one-time spending. The 2021-22 State Budget's multi-year forecast reflects a budget roughly in balance; however, risks to the economic forecast remain, including a decline in the stock market, which would significantly reduce State revenues. The 2021-22 State Budget acknowledges such risks and includes a phase-in of certain investments that can be adjusted annually through the budget process.

The 2021-22 State Budget projects that total resources available in fiscal year 2020-21 will be approximately \$194.3 billion, including revenues and transfers of approximately \$188.8 billion and a prior year balance of approximately \$5.6 billion, and total expenditures in fiscal year 2020-21 will be approximately \$166.1 billion. The 2021-22 State Budget projects total resources available for fiscal year 2021-22 of approximately \$203.6 billion, inclusive of revenues and transfers of approximately \$175.3 billion and a prior year balance of approximately \$28.2 billion. The 2021-22 State Budget projects total expenditures in fiscal year 2021-22 of approximately \$196.4 billion, inclusive of non-Proposition 98 expenditures of approximately \$130.1 billion and Proposition 98 expenditures of approximately \$66.4 billion. The 2021-22 State Budget includes \$25.2 billion in reserves in fiscal year 2021-22 and allocates reserves as follows: approximately \$15.8 billion in the State's Rainy Day Fund (the “State Rainy Day Fund”) for fiscal emergencies, approximately \$900 million in the Safety Net Reserve, approximately \$4.5 billion in the Public School System Stabilization Account (also known as, the “Proposition 98 Rainy Day Fund”), and approximately \$4.0 billion in the State's Special Fund for Economic Uncertainties. In addition, the 2021-22 State Budget allocates approximately \$3.2 billion of the State's general fund balance in fiscal year 2021-22 to the State's Reserve for Liquidation of Encumbrances.

The 2021-22 State Budget allocates resources to continue to pay down the State's long-term retirement liabilities, with \$3.4 billion in payments required by Proposition 2 in fiscal year 2021-22, plus \$7.9 billion in additional payments over the next three years. The improved revenue forecast also allows for the 2021-22 State Budget to eliminate \$2.0 billion in program suspensions enacted in prior budgets.

The 2021-22 State Budget also completely pays off Proposition 98 deferrals that were implemented in fiscal year 2020-21 as a strategy to avoid reductions to school spending. By paying off Proposition 98 deferrals, the 2021-22 State Budget provides greater cash flow stability to school districts, which may alleviate the need for school districts to continue borrowing funds to support programmatic needs. The 2021-22 State Budget projects that the State will be below its appropriations limit (referred to as the “Gann Limit”) for fiscal years 2020-21 and 2021-22, based in part on statutory changes enacted as part of the 2021-22 State Budget that more accurately account for selected expenditures under both State and local limits and revised the level of excluded spending. The State’s estimate of its appropriations for fiscal years 2020-21 and 2021-22 will continue to be revised until May 2023.

The 2021-22 State Budget includes total funding of \$123.9 billion for all K-12 education programs, including \$65.5 billion from the State’s general fund and \$58.4 billion from other funds, which is the highest level of funding for school districts in California’s history. Per-pupil funding is also at the highest levels for school districts in California’s history, totaling \$13,976 per pupil in Proposition 98 funding and \$21,555 per pupil when accounting for all funding sources.

Certain budgeted programs and adjustments for K-12 education set forth in the 2021-22 State Budget include the following:

- Proposition 98 Minimum Guarantee. The 2021-22 State Budget projects increased Proposition 98 funding, resulting in funding estimates of \$79.3 billion in fiscal year 2019-20, \$93.4 billion in fiscal year 2020-21, and \$93.7 billion in fiscal year 2021-22, due to a significant increase in projected revenues for fiscal years 2020-21 and 2021-22. Such funding represents a historically high three-year increase in the minimum guarantee of \$47 billion over the level funded in the fiscal year 2020-21 State budget.
- Proposition 98 Rainy Day Fund (Public School System Stabilization Account). The 2021-22 State Budget includes payments required to be made to the Proposition 98 Rainy Day Fund between fiscal years 2020-21 and 2021-22 for a total account balance of \$4.5 billion at the end of fiscal year 2021-22. The balance of \$4.5 billion in fiscal year 2021-22 triggers school district reserve caps beginning in fiscal year 2022-23.
- Local Control Funding Formula. The 2021-22 State Budget includes a LCFF cost-of-living adjustment of 4.05%, representing a fiscal year 2020-21 cost-of-living adjustment of 2.31% and a fiscal year 2021-22 cost-of-living adjustment of 1.7%. The 2021-22 State Budget also includes \$520 million in Proposition 98 general fund resources to provide a 1% increase in LCFF base funding. This discretionary increase, together with the compounded cost-of-living adjustment, results in growth in the LCFF of 5.07% above the fiscal year 2020-21 levels.
- Deferrals. Recession-driven revenue reductions anticipated at the fiscal year 2020-21 State budget drove the need to defer LCFF apportionments in the amounts of \$1.9 billion in fiscal year 2019-20, and growing to more than \$11 billion in fiscal year 2020-21. As noted above, the 2021-22 State Budget eliminates all K-12 deferrals in fiscal year 2021-22.
- In-Person Instruction and Independent Study. The 2021-22 State Budget requires that all school districts return to full-time in-person instruction for the 2021-22 school year. In-person instruction will be the default for all students, and generally one of only two ways in which local educational agencies can earn State apportionment funding in fiscal year 2021-22. To give families a non-classroom based instruction option, and to provide local educational agencies with an option to generate State funding by serving students outside the classroom, the 2021-22 State Budget requires

school districts and county offices of education to provide students with an independent study option and includes a series of improvements to the State's existing independent study programs.

- Expanded Learning Time. The 2021-22 State Budget includes an initial \$1.8 billion investment of Proposition 98 general fund resources as part of a multi-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and youth in foster care. Local educational agencies with the highest concentrations of such students will receive a higher funding rate, and such agencies will be required to offer expanded learning opportunities to the students generating the funds. The 2021-22 State Budget estimates that the Proposition 98 general fund costs to implement this proposal will grow to \$5.0 billion by fiscal year 2025-26. Over the implementation period, per pupil funding will increase and more local educational agencies will be expected to expand access to all students.
- Universal Transitional Kindergarten. The 2021-22 State Budget includes a series of investments beginning in fiscal year 2022-23 to incrementally establish Statewide transitional kindergarten by fiscal year 2025-26. The costs of this plan are anticipated to be approximately \$600 million in general fund resources in fiscal year 2022-23, growing to \$2.7 billion in fiscal year 2025-26. In addition, the 2021-22 State Budget includes \$200 million of one-time Proposition 98 general fund resources to provide planning and implementation grants for all local educational agencies and \$100 million of one-time Proposition 98 general fund resources for local educational agencies to train and increase the number of early childhood educators. The 2021-22 State Budget also proposes new ongoing Proposition 98 general fund resources beginning in fiscal year 2022-23 to provide one additional certificated or classified staff person in each transitional kindergarten classroom. Finally, the 2021-22 State Budget includes \$130 million of Proposition 98 general fund resources for State preschool providers to meet the additional demands of providing wraparound care for their income-eligible students under the universal transitional kindergarten program, such funds to be used for additional student access, as well as increasing reimbursement rates to more closely reflect regional differences in the cost of providing care.
- Comprehensive Student Supports. The 2021-22 State Budget includes \$3.0 billion in Proposition 98 general fund resources, available over several years, to expand and strengthen the implementation and use of the community school model to all schools in communities with high levels of poverty. In addition, the 2021-22 State Budget includes an ongoing increase to the LCFF concentration grant of \$1.1 billion in Proposition 98 general fund resources to increase the number of adults providing direct services to students on school campuses, and includes \$30 million in one-time Proposition 98 general fund resources for county offices of education to coordinate and provide services to youth in foster care. Finally, the 2021-22 State Budget provides \$547.5 million in one-time Proposition 98 general fund resources for the A-G Completion Improvement Grant Program, which will fund high schools to increase the number of students, particularly students eligible for free and/or reduced price meals, English learners, and foster youth, who graduate from high school having completed the A-G series of classes required for admission to the California State University and the University of California.
- Educator Preparation, Retention, and Training. To further expand the State's educator preparation and training infrastructure, including to meet the need for additional early childhood educators, the 2021-22 State Budget provides approximately \$2.9 billion to support educator initiatives, including approximately \$1.0 billion in one-time Proposition 98 general fund resources for educator preparation and approximately \$1.9 billion in one-time Proposition 98 general fund resources for educator retention and training.

- **Nutrition.** The 2021-22 State Budget provides an additional \$54 million in Proposition 98 general fund resources to reimburse all meals served to students, including for those who would not normally qualify for reimbursement under the State meal program. Beginning in fiscal year 2022-23, all schools will be required to provide two free meals per day to any student who requests a meal, regardless of income eligibility, and all schools eligible for the federal universal meals provision will be required to apply for the program by June 30, 2022 to reduce volatility in costs to the State and to ensure the State is not responsible for costs reimbursable at the federal level. The 2021-22 State Budget estimates costs of \$650 million in Proposition 98 general fund resources annually to cover any remaining unreimbursed costs up to the federal free per-meal rate. In addition, the 2021-22 State Budget provides \$150 million in one-time Proposition 98 general fund resources for school districts to provide school kitchen infrastructure and equipment upgrades and training for food service employees.
- **Special Education.** The 2021-22 State Budget includes the following for special education programs: approximately \$465 million in one-time Proposition 98 general fund resources for local education agencies to provide learning recovery support for students with disabilities and to improve delivery of inclusive practices; approximately \$396.9 million in one-time Proposition 98 general fund resources to increase the Statewide base rate for special education funding; approximately \$297 million in federal Individuals with Disabilities Education Act funds to support special education programs; approximately \$260 million in ongoing Proposition 98 general fund resources to support early intervention services for preschool-aged children; approximately \$186.1 million in ongoing Proposition 98 general fund resources to provide a 4.05% cost-of-living adjustment for State special education funding; and approximately \$100 million in Proposition 98 general fund resources for alternative dispute resolution of special education services complaints.
- **Career Technical Education.** The 2021-22 State Budget includes an increase of \$150 million in ongoing Proposition 98 general fund resources to augment opportunities for local educational agencies to participate in the Career Technical Education Incentive Grant Program, as well as an increase of \$86.4 million in one-time Proposition 98 general fund resources for career technical education regional occupational centers or programs operated by a joint powers authority to address costs associated with the COVID-19 pandemic.

The complete 2021-22 State Budget is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Future Budgets and Budgetary Actions. The District cannot predict what future actions will be taken by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District's ability to predict or control, including but not limited to the COVID-19 pandemic. Certain actions could result in a significant shortfall of revenue and cash and could impair the State's ability to fund schools during fiscal year 2021-22 and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the Refunding Bonds are payable from *ad valorem* property taxes, the State budget is not expected to have an impact on the payment of the Refunding Bonds.

School District Reserves. The 2021-22 State Budget projects an improved economic outlook for the State that results in deposits into the Public School System Stabilization Account as opposed to drawdowns (see “– 2021-22 State Budget”); however, school districts may still need to access their local

reserves in light of increased expenses resulting from the COVID-19 pandemic. The District, which has an average daily attendance (“A.D.A.”) of less than 30,000 (but greater than 1,001), is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses. At the time of preparation of the District’s original adopted budget for fiscal year 2021-22, the District projected it would meet the 3% statutory reserve requirement in fiscal years 2021-22 through 2023-24. Based on the District’s original adopted budget for fiscal year 2021-22, the District projects it may need to access its reserves in fiscal years 2021-22 through 2023-24 to meet its obligations.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund (“ERAF”) in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State’s voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of an initiative constitutional amendment at the November 2010 election, known as “Proposition 22.”

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. One effect of this amendment has been to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Assembly Bill No. 26 & *California Redevelopment Association v. Matosantos*”). Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 1, 2010. Because Proposition 22 reduces the State’s authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s general fund.

Allocation of State Funding to School Districts; Local Control Funding Formula. Prior to the implementation of the Local Control Funding Formula in fiscal year 2013-14, under California Education Code Section 42238 and following, each school district was determined to have a target funding level: a “base revenue limit” per student multiplied by the district’s student enrollment measured in units of average daily attendance. The base revenue limit was calculated from the district’s prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district was the amount needed to reach that district’s base revenue limit after taking into account certain other revenues, in particular, locally generated property

taxes. This is referred to as State “equalization aid.” To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State’s contribution; ultimately, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State equalization aid, and received only its special categorical aid, which is deemed to include the “basic aid” of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as “basic aid districts,” which are now referred to as “community funded districts.” School districts that received some equalization aid were commonly referred to as “revenue limit districts,” which are now referred to as “LCFF districts.” The District is a LCFF district.

Beginning in fiscal year 2013-14, the LCFF replaced the revenue limit funding system and most categorical programs, and distributes combined resources to school districts through a base grant (“Base Grant”) per unit of A.D.A. with additional supplemental funding (the “Supplemental Grant”) allocated to local educational agencies based on their proportion of English language learners, students from low-income families and foster youth. The LCFF was projected to have an eight-year implementation program to incrementally close the gap between actual funding and the target level of funding, as described below, but achieved full implementation ahead of schedule in fiscal year 2018-19. The LCFF includes the following components:

- A Base Grant for each local education agency (“LEA”). The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2020-21, the LCFF provided to school districts and charter schools: (a) a Target Base Grant for each LEA equivalent to \$8,503 per A.D.A. for kindergarten through grade 3; (b) a Target Base Grant for each LEA equivalent to \$7,818 per A.D.A. for grades 4 through 6; (c) a Target Base Grant for each LEA equivalent to \$8,050 per A.D.A. for grades 7 and 8; (d) a Target Base Grant for each LEA equivalent to \$9,572 per A.D.A. for grades 9 through 12. However, the amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants will be subject to the discretion of the State. This amount includes an adjustment of 10.4% to the Base Grant to support lowering class sizes in grades K-3, and an adjustment of 2.6% to reflect the cost of operating career technical education programs in grades 9-12. The fiscal year 2020-21 State budget suspended the statutory cost-of-living adjustment for such fiscal year. The 2021-22 State Budget includes a cost-of-living adjustment of 4.05%, representing a fiscal year 2020-21 cost-of-living adjustment of approximately 2.3% and a fiscal year 2021-22 cost-of-living adjustment of approximately 1.7%. The 2021-22 State Budget also includes \$520 million in Proposition 98 general fund resources to provide a 1% increase in LCFF base funding. Such discretionary increase, together with the compounded cost-of-living adjustment, results in growth of LCFF of 5.07% above the fiscal year 2020-21 levels.
- A 20% Supplemental Grant for the unduplicated number of English language learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional Concentration Grant of up to 50% of a LEA’s Base Grant, based on the number of English language learners, students from low-income families and foster youth served by the LEA that comprise more than 55% of enrollment.
- An Economic Recovery Target (the “ERT”) that is intended to ensure that almost every LEA receives at least their pre-recession funding level (i.e., the fiscal year 2007-08 revenue limit per unit of A.D.A.), adjusted for inflation, at full implementation of the LCFF in fiscal year 2018-19. Upon full implementation in fiscal year 2018-19, LEAs now receive the greater of the Base Grant or the ERT.

Under LCFF, for community funded districts, local property tax revenues would be used to offset up to the entire allocation under the new formula. However, community funded districts would continue to receive the same level of State aid as allocated in fiscal year 2012-13.

Local Control Accountability Plans. A feature of the LCFF is a system of support and intervention for local educational agencies. School districts, county offices of education and charter schools are required to develop, implement and annually update a three-year LCAP. Each LCAP must be developed with input from teachers, parents and the community, and should describe local goals as they pertain to eight areas identified as state priorities, including student achievement, parent engagement and school climate, as well as detail a course of action to attain those goals. Moreover, the LCAPs must be designed to align with the district's budget to ensure adequate funding is allocated for the planned actions.

Typically, each school district must submit its LCAP annually on or before July 1 for approval by its county superintendent. The county superintendent then has until August 15 to seek clarification regarding the contents of the LCAP, and the school district must respond in writing. The county superintendent can submit recommendations for amending the LCAP, and such recommendations must be considered, but are not mandatory. A school district's LCAP must be approved by its county superintendent by October 8 of each year if such superintendent finds (i) the LCAP adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the strategies outlined in the LCAP.

Performance evaluations are to be conducted to assess progress toward goals and guide future actions. County superintendents are expected to review and provide support to the school districts under their jurisdiction, while the State Superintendent of Public Instruction performs a corresponding role for county offices of education. The California Collaborative for Education Excellence (the "Collaborative"), a newly established body of educational specialists, was created to advise and assist local education agencies in achieving the goals identified in their LCAPs. For local education agencies that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent of Public Instruction would have authority to make changes to a local education agency's LCAP.

Enrollment, Attendance and LCFF. The following table sets forth the District’s actual and budgeted A.D.A., enrollment (including the percentage of students who are English language learners, from low-income families and/or foster youth (collectively, “EL/LI Students”)), and targeted Base Grant per unit of A.D.A. for fiscal years 2016-17 through 2020-21, respectively, and the District’s budgeted A.D.A., enrollment (including the percentage of EL/LI Students), and targeted Base Grant per unit of A.D.A. for fiscal year 2021-22. The A.D.A. and enrollment numbers reflected in the following table include special education students but exclude adult education and preschool attendance.

SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Average Daily Attendance, Enrollment and Targeted Base Grant
Fiscal Years 2016-17 through 2021-22

Fiscal Year		A.D.A./Base Grant					Enrollment ⁽¹⁰⁾	
		K-3	4-6	7-8	9-12	Total A.D.A.	Total Enrollment	Unduplicated Percentage of EL/LI Students
2016-17	A.D.A. ⁽¹⁾ :	8,783.61	7,423.01	5,208.05	10,056.90	31,471.57	32,425	8.14%
	Targeted Base Grant ⁽²⁾⁽³⁾ :	\$7,820	\$7,189	\$7,403	\$8,801	--	--	--
2017-18	A.D.A. ⁽¹⁾ :	8,578.21	7,334.57	5,210.06	10,360.08	31,482.92	32,504	8.80%
	Targeted Base Grant ⁽²⁾⁽⁴⁾ :	\$7,941	\$7,301	\$7,518	\$8,939	--	--	--
2018-19	A.D.A. ⁽¹⁾ :	8,577.31	7,329.71	5,208.17	10,359.72	31,474.91	32,138	9.47%
	Targeted Base Grant ⁽²⁾⁽⁵⁾ :	\$8,235	\$7,571	\$7,796	\$9,269	--	--	--
2019-20	A.D.A. ⁽¹⁾ :	8,305.84	7,032.10	5,276.54	10,520.17	31,134.65	31,911	9.76%
	Targeted Base Grant ⁽²⁾⁽⁶⁾ :	\$8,503	\$7,818	\$8,050	\$9,572	--	--	--
2020-21	A.D.A. ⁽¹⁾ :	8,100.00	6,900.00	5,100.00	10,500.00	30,600.00	30,726	9.53%
	Targeted Base Grant ⁽²⁾⁽⁷⁾ :	\$8,503	\$7,818	\$8,050	\$9,572	--	--	--
2021-22 ⁽⁸⁾	A.D.A. ⁽¹⁾ :	7,500.00	6,600.00	4,600.00	10,100.00	28,800.00	30,552	9.50%
	Targeted Base Grant ⁽²⁾⁽⁹⁾ :	\$8,935	\$8,215	\$8,458	\$10,057	--	--	--

⁽¹⁾ A.D.A. for the second period of attendance, typically in mid-April of each school year, which does not reflect subsequent revisions related to days deemed later by the California Department of Education to have a “material decrease” in attendance or attendance at Saturday school.

⁽²⁾ Such amounts represent the targeted amount of Base Grant per unit of A.D.A., and include the grade span adjustment, but do not include any supplemental and concentration grants under the LCFF. Such amounts were not expected to be fully funded in fiscal years shown above. However, the LCFF was fully implemented as of fiscal year 2018-19, two years ahead of its anticipated implementation.

⁽³⁾ Targeted fiscal year 2016-17 Base Grant amount reflects a 0.00% cost-of-living adjustment from targeted fiscal year 2015-16 Base Grant amounts.

⁽⁴⁾ Targeted fiscal year 2017-18 Base Grant amount reflects a 1.56% cost-of-living adjustment from targeted fiscal year 2016-17 Base Grant amounts.

⁽⁵⁾ Targeted fiscal year 2018-19 Base Grant amount reflects a 3.70% cost-of-living adjustment from targeted fiscal year 2017-18 Base Grant amounts. This “super COLA” amount was authorized by the 2018-19 State Budget and exceeds the statutory 2.71% cost-of-living adjustment.

⁽⁶⁾ Targeted fiscal year 2019-20 Base Grant amount reflects a 3.26% cost-of-living adjustment from targeted fiscal year 2018-19 Base Grant amounts.

⁽⁷⁾ Targeted fiscal year 2020-21 Base Grant amount reflects a 0% cost-of-living adjustment from targeted fiscal year 2019-20 Base Grant amounts.

⁽⁸⁾ Figures are projections.

⁽⁹⁾ Targeted fiscal year 2021-22 Base Grant amount reflects a 5.07% adjustment from targeted fiscal year 2020-21 Base Grant amounts, which includes a 4.05% cost-of-living adjustment and a discretionary 1% increase in LCFF base funding. See “– 2021-22 State Budget.”

⁽¹⁰⁾ Reflects enrollment as of October report submitted to the California Longitudinal Pupil Achievement Data System. A school district’s percentage of unduplicated EL/LI Students is based on a rolling average of such school district’s EL/LI Students enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

Source: San Ramon Valley Unified School District.

To ensure funding stability regardless of instructional model in light of the COVID-19 pandemic, the fiscal year 2020-21 State budget included a hold harmless provision for the purpose of calculating apportionments in fiscal year 2020-21, and it provided that average daily attendance for fiscal year 2020-21 is based on fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020). However, the 2021-22 State Budget does not include an extension of the A.D.A. hold-harmless provision in fiscal year 2021-22. See “– State Funding of Education; State Budget Process – 2021-22 State Budget.” Nonetheless, school districts with enrollment declines in fiscal year 2021-22 will continue to retain the ability to receive their apportionment based on the higher of their fiscal year 2019-20 or fiscal year 2020-21 A.D.A. as provided under the LCFF. See “– State Funding of Education; State Budget Process – Allocation of State Funding to School Districts; Local Control Funding Formula.”

Since fiscal year 2017-19, the District has experienced a decline in enrollment, which has been exacerbated by the COVID-19 pandemic. In fiscal year 2020-21, the District expected total enrollment would continue to decrease in fiscal years 2020-21 through 2022-23. In response, the Board of Education took action to set aside \$5 million in reserves to mitigate the impacts of declining enrollment. As of the beginning of fiscal year 2021-22, the District has not used such reserves to mitigate declining enrollment. The District currently expects it will maintain the ability to right size its operations using natural attrition of employees to balance the impact of declining enrollment. However, the District’s original adopted budget for fiscal year 2021-22 projects that the District may need to transfer in such reserves to the general fund in fiscal year 2022-23 to mitigate the impacts of declining enrollment.

The District received approximately \$275.87 million in aggregate revenues reported under LCFF sources in fiscal year 2019-20 and has received approximately \$274.42 million (unaudited) in aggregate revenues reported under LCFF sources in fiscal year 2020-21 (or approximately 73.53% of its general fund revenues in fiscal year 2020-21). Such amount includes supplemental grants for targeted groups of approximately \$5.09 million (unaudited) in fiscal year 2020-21. The District has budgeted to receive approximately \$287.99 million in aggregate revenues under the LCFF in fiscal year 2021-22 (or approximately 78.86% of its general fund revenues in fiscal year 2021-22). Such amount includes supplemental grants budgeted to be approximately \$5.11 million in fiscal year 2021-22.

Infectious Disease Outbreak. In general, the outbreak of a highly contagious disease or epidemic disease could harm the District’s financial results or result in a temporary shutdown of the District’s facilities. As discussed above, school districts in California are funded based on the LCFF, which allocates a base grant per unit of average daily attendance with additional supplemental grants based on certain factors. See “– Allocation of State Funding to School District; Local Control Funding Formula.” Thus, a temporary shutdown of a school or an entire school district would reduce the average daily attendance and could impact the funding a school district receives unless the State legislature or California Department of Education takes action to exclude such days from the calculations for funding purposes or the District applies for and receives a waiver. Further, any impact on the State’s tax and other revenue receipts as a result of a highly contagious or epidemic disease may in turn impact other educational funding that the District receives from the State. See “– Future Budgets and Budgetary Actions.” In addition, the District may incur increased operational costs to conduct distance learning or to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

COVID-19 Background. The outbreak of the respiratory disease caused by COVID-19 has been declared a pandemic by the World Health Organization, a national emergency by former President Trump and a state of emergency by the Governor of the State.

Federal Response. On March 22, 2020, former President Trump approved the Major Disaster Declaration for the State of California’s COVID-19 pandemic, authorizing federal emergency aid related to COVID-19 administered through the Federal Emergency Management Agency (“FEMA”). Local

educational agencies may submit a request for FEMA public assistance through the California Office of Emergency Services for reimbursement of certain costs incurred as a result of COVID-19. The District has not submitted a FEMA request for public assistance and does not plan to submit such request.

On March 27, 2020, the U.S. House of Representatives approved and former President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”). The CARES Act provides \$30 billion to education, specifically \$3 billion allocated to state governors to be used at their discretion to address the emergency, \$13.5 billion for K-12 education, and \$14.25 billion for postsecondary institutions. School districts will be able to use their share of the \$13.5 billion K-12 education allocation under the CARES Act, which will be based on the proportion of Title I funding received for the most recent fiscal year, for purposes authorized by federal law and other specified uses.

The District expects to receive approximately \$11.8 million under the CARES Act, which includes approximately \$8.01 million from the Coronavirus Relief Fund for learning loss mitigation provided from CARES Act funding administered through the State, approximately \$1.42 million from the Governor’s Emergency Education Relief Fund for learning loss mitigation provided from CARES Act funding administered through the State, and approximately \$2.35 million from the State’s general fund for learning loss mitigation provided from CARES Act funding administered through the State. The District received approximately \$401,694 under the CARES Act in fiscal year 2019-20 and received the remaining installments due under the CARES Act in fiscal year 2020-21.

On December 27, 2020, HR 133 was enacted, which includes a \$900 billion COVID-19 relief package. HR 133 provides approximately \$81.9 billion to education, specifically about \$4.1 billion allocated to state governors to be used at their discretion to address the emergency, of which approximately \$2.75 billion is reserved for private K-12 education, about \$54.3 billion for K-12 education, around \$22.7 billion for postsecondary institutions, and about \$819 million for outlying areas and Bureau of Indian Affairs schools. School districts will be able to use their share of the approximately \$54.3 billion K-12 education allocation under HR 133, which will be based on the proportion of Title I funding received for the most recent fiscal year, for purposes authorized by federal law and other specified uses. The District expects to receive approximately \$1.5 million under HR 133. The District received \$151,855 in fiscal year 2020-21 and expects to receive the remaining installments due under HR 133 in fiscal year 2021-22.

On March 11, 2021, the American Rescue Plan Act of 2021 (“HR 1319”), a \$1.9 trillion COVID-19 relief package, was enacted. HR 1319 provides approximately \$165.15 billion to education, specifically about \$122.8 billion to public K-12 education, around \$2.75 billion to private K-12 education and about \$39.6 billion to postsecondary institutions. Of the approximately \$122.8 billion in K-12 funding, about \$7.2 billion is set aside for purchasing technology to support digital learning and around \$800 million is set aside for supporting homeless students. HB 1319 allocates K-12 funding to states and school districts according to the proportion of Title I funding received for the most recent fiscal year. It further stipulates that of the K-12 funds received by states, 90% must be distributed to local educational agencies, 5% must be used to address learning loss, 1% must be used for summer enrichment programs and 1% must be used for comprehensive afterschool programs, and of the K-12 funds received by school districts, 20% must be used to address learning loss. HR 1319 allocates postsecondary funding based on the relative share of students receiving Federal Pell Grants at an institution. It also requires that at least 50% of postsecondary funding must be spent on emergency, need-based financial aid grants to students and that a portion of remaining funds must be used to implement practices that monitor and suppress COVID-19. The District expects to receive approximately \$3.4 million under HR 1319 in fiscal year 2021-22.

State Legislation Relating to School Districts. On March 17, 2020, the Governor signed Senate Bill 117 (“SB 117”) as urgency legislation effective immediately. For purposes of school district funding for fiscal year 2019-20, SB 117 limits the average daily attendance reported to the California Department

of Education to include the full school months from July 1, 2019, to February 29, 2020. This condensed A.D.A. period applies to school districts that comply with Executive Order N-26-20, which provides that school districts that initiate a school closure to address COVID-19 will continue to receive State funding to support certain enumerated school functions during the period of closure. SB 117 further states the intent of the State Legislature that a school district's employees and contractors are paid during the period of a school closure due to COVID-19. SB 117 also waives instructional time penalties that would otherwise accrue, as long as the school district superintendent, county superintendent or charter school administrator certify that the closure due to COVID-19 caused the school district to fall below applicable instructional time requirements. SB 117 also includes \$100 million in additional funding to school districts for certain costs incurred as a result of COVID-19. The District received \$540,750 from such additional State funding in fiscal year 2019-20.

The Governor signed Assembly Bill 86 ("AB 86") into law on March 5, 2021. AB 86 provides approximately \$6.6 billion to local educational agencies to encourage a return to in-person education, with a focus on students who are younger (TK-2) and most disproportionately impacted by the COVID-19 pandemic. Funding is distributed as follows: \$725 per student, an additional \$1,000 per homeless student, and funds remaining after these apportionments are distributed proportionally based on LCFF. \$2 billion is set aside as incentive for school districts that return to in-person instruction by March 31, 2021 for at least TK-2 and ramping up to include higher grades if county transmission rates allow. Beginning April 1, 2021, school districts' apportioned incentive funding is reduced by 1% for every academic calendar day they do not offer in-person education until May 15, 2021, after which school districts forfeit their entire apportionment of incentive funding. AB 86 allocates approximately \$4.6 billion to local educational agencies to support expanded learning opportunities that target learning loss resulting from the COVID-19 pandemic. School districts must implement learning recovery programs that include, at minimum, supplemental instruction, resources for social and emotional well-being and meal programs. AB 86 also establishes reporting requirements to monitor COVID-19 cases and in-person education status and apportions \$25 million to the State's "Safe Schools For All Team" to provide technical assistance, community engagement, oversight and accountability to school districts. AB 86 further sets aside 10% of the State's vaccine supply for childcare and TK-12 education sector staff. Under AB 86, the District expects to receive approximately \$9.03 million in incentive funding for returning to in-person instruction and approximately \$17.15 million in expanded learning opportunities funding. Such incentive funding expectation under AB 86 is based on the District's return to in-person instruction in March 2021. In fiscal year 2020-21, the District received \$4.51 million in incentive funding and \$9.53 million in expanded learning opportunities funding; the District expects to receive the remaining installments in fiscal year 2021-22.

District Response. As a result of the outbreak of COVID-19, the District closed its schools for in-person instruction in March 2020 for the remainder of the 2019-20 school year and implemented a distance learning model. The District started the 2020-21 school year on August 13, 2020 using the distance learning model and planned for a phased reopening. Phase 1 began on October 27, 2020, with certain Special Day Class students and preschool students returning to in-person instruction. Under Phase 2, additional Special Day Class students, English Language Learners, and students requiring interventions returned to in-person instruction on November 17, 2020. General education students were given a choice between two learning models for Phase 3: full remote learning or in-person hybrid learning. The hybrid model included two days a week in person, one day per week of synchronous remote learning, and two days of asynchronous time. Though Phase 3 was scheduled to begin on January 5, 2021, students who selected the hybrid model returned to campus on March 17, 2021. On March 26, 2021, the Board of Education voted to return hybrid students to full-day, in-person instruction four days per week, beginning on March 29, 2021 for secondary students and March 30, 2021 for TK-K and elementary students. The District started the 2021-22 school year with full-time, in-person instruction on August 10, 2021. The District is offering distance learning

through a virtual academy for students in grades K-12 who do not wish to return to in-person instruction for the 2021-22 school year.

In fiscal year 2019-20, the District recorded \$1.50 million in COVID-19 related expenditures, largely resulting from distance learning and food service related financial impacts. In fiscal year 2020-21, the District recorded approximately \$16.5 million (unaudited) for additional COVID-19 related expenditures for distance learning, reopening scenarios and investments, and other COVID-19 related financial impacts. In fiscal year 2021-22, the District is budgeting approximately \$18.0 million for additional COVID-19 related expenditures for certificated and classified staffing, protective equipment, supplies, technology, software, training, and consultants. Pursuant to the COVID-19 relief measures described above, the District has been allocated State and federal funding to mitigate the impact of COVID-19 during fiscal years 2019-20 through 2021-22, which the District currently anticipates will cover the increased expenditures relating to COVID-19 that the District plans to incur in such fiscal years.

While SB 117, the CARES Act, HR 133, HR 1319 and AB 86 have provided and will continue to provide some immediate relief to school districts, including the District, the short-term and long-term impacts of the COVID-19 outbreak are unknown as the situation continues to evolve. The District cannot predict whether similar legislation would be enacted in the event the outbreak of COVID-19 continues or a similar or other outbreak of a highly contagious disease or epidemic disease were to occur in the future.

Local Sources of Education Funding

The principal component of local revenues is a school district's property tax revenues, i.e., each district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. California Education Code Section 42238(h) itemizes the local revenues that are counted towards the amount allocated under the LCFF (and formerly, the base revenue limit) before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to receive. Prior to the implementation of the LCFF, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State aid, and received only its special categorical aid which is deemed to include the "basic aid" of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as "basic aid districts," which are now referred to as "community funded districts." School districts that received some State equalization aid were commonly referred to as "revenue limit districts." The District was a revenue limit district and is now referred to as a LCFF district.

Under the LCFF, local property tax revenues are used to offset up to the entire State aid collection under the new formula; however, community funded districts would continue to receive, at a minimum, the same level of State aid as allotted in fiscal year 2012-13. See "State Funding of Education; State Budget Process –*Allocation of State Funding to School Districts; Local Control Funding Formula*" for more information about the LCFF.

Local property tax revenues account for approximately 72.03% of the District's aggregate revenues reported under LCFF sources and are approximately \$197.66 million, or 52.96% of total general fund revenues in fiscal year 2020-21 (unaudited). Local property tax revenues are budgeted to account for approximately 68.70% of the District's aggregate revenues reported under LCFF sources and are budgeted to be approximately \$197.84 million, or 54.17% of total general fund revenues in fiscal year 2021-22.

For information about the property taxation system in California and the District's property tax base, see "– Property Taxation System," "– Assessed Valuation of Property Within the District," and "– Tax Charges and Delinquencies" under the caption "SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS" in the front portion of the Official Statement.

For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS” below.

Effect of Changes in Enrollment. Changes in local property tax income and A.D.A. affect LCFF districts and community funded districts differently.

In a LCFF district, such as the District, increasing enrollment increases the total amount distributed under the LCFF and thus generally increases a district’s entitlement to State equalization aid, while increases in property taxes do nothing to increase district revenues, but only offset the State funding requirement of equalization aid. Operating costs increase disproportionately slowly to enrollment growth; and only at the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State equalization aid, while operating costs decrease slowly and only when, for example, the district decides to lay off teachers or close schools.

In a community funded district, the opposite is generally true: increasing enrollment increases the amount to which the district would be entitled were it a LCFF district, but since all LCFF income (and more) is already generated by local property taxes, there is no increase in State income, other than the \$120 per student in basic aid, as described above. Meanwhile, as new students impose increased operating costs, property tax income is stretched further. Declining enrollment does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

Other District Revenues

Federal Revenues. The federal government provides funding for several District programs, including special education programs. Federal revenues, most of which are restricted, comprise approximately 4.21% (or approximately \$15.73 million) of the District’s general fund revenues for fiscal year 2020-21 (unaudited), and approximately 1.88% (or approximately \$6.85 million) of the District’s general fund budgeted revenues for fiscal year 2021-22.

Other State Revenues. In addition to State apportionments for Proposition 98 funding through the Local Control Funding Formula, the District receives other State revenues, consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into LCFF. Categorical funding for certain programs was excluded from LCFF, and school districts will continue to receive restricted State revenues to fund these programs. Other State revenues comprise approximately 16.53% (or approximately \$61.71 million) of the District’s general fund revenues for fiscal year 2020-21 (unaudited), and approximately 12.63% (or approximately \$46.11 million) of the District’s general budgeted revenues for fiscal year 2021-22.

A portion of such other State revenues are amounts the District expects to receive from State lottery funds, a portion of which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. The District’s State lottery revenue was approximately \$7.67 million for fiscal year 2020-21 (unaudited) and is budgeted at approximately \$6.43 million for fiscal year 2021-22.

Other Local Revenues. In addition to *ad valorem* property taxes, the District receives additional local revenues from sources, such as interest income, leases and rentals, educational foundations, donations and sales of property. Other local revenues comprised approximately 5.72% (or approximately \$21.35

million) of the District's general fund revenues for fiscal year 2020-21 (unaudited) and comprise approximately 6.64% (or approximately \$24.25 million) of the District's general fund budgeted revenues for fiscal year 2021-22.

Parcel Tax. In May 2015 at an all-mailed ballot election held in the District, over two-thirds of those voting approved a qualified special tax (usually referred to as a "parcel tax") of not more than \$144 per parcel per year for nine years beginning on July 1, 2016 and ending on June 30, 2025. An exemption is provided to parcels owned and occupied by taxpayers aged 65 and older, upon proper application. The 2015 tax measure extended a measure approved in 2009 at \$144 per parcel per year that was set to expire on June 30, 2016. In fiscal year 2020-21 (unaudited), the District received approximately \$6.87 million in parcel tax revenues (approximately 1.84% of total general fund revenue). Revenues from the tax in 2021-22 are budgeted to be approximately \$6.75 million (approximately 1.85% of projected total general fund revenue). These may be used to retain and develop teachers, and to maintain math, science, literacy and other academic programs. In fiscal years 2016-17 through 2020-21, the District applied such funds to teacher salaries and benefits.

Local Donations. The District receives revenue in the form of local donations to District schools for various specified purposes. Such donations, in the aggregate, totaled approximately \$20.87 million, \$18.76 million and \$11.08 million in fiscal years 2018-19, 2019-20 and 2020-2021 (unaudited), respectively. Such amounts are restricted funds and are generally given for a specific purpose for a specific school site, and such amounts are not available to pay debt service on the District's bonds, including the Refunding Bonds.

The revenues described in this section are based on the District's unaudited actuals for fiscal year 2020-21 and original adopted budget for fiscal year 2021-22 and do not reflect receipt or allocation of certain of the COVID-19 relief funds described above.

Significant Accounting Policies and Audited Financial Statements

The State Department of Education imposes by law uniform financial reporting and budgeting requirements for K-12 districts. Financial transactions are accounted for in accordance with the Department of Education's California School Accounting Manual. This manual, according to Section 41010 of the Education Code, is to be followed by all California school districts, including the District. Significant accounting policies followed by the District are explained in Note 1 to the District's audited financial statements for the fiscal year ended June 30, 2020, which are included as Appendix B.

Independently audited financial statements are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30 close of each fiscal year. Typically, school districts in the State are required to file their audited financial statements for the preceding fiscal year with the State Controller's Office, the State Superintendent of Public Instruction, and the county superintendent of schools by December 15 of each year. However, in response to the COVID-19 pandemic and the challenges it presents for school district operations, Senate Bill 98 (Chapter 24, enacted on June 29, 2020, as an urgency bill) provided that a school district's audited financial statements for fiscal year 2019-20 were not due until March 31, 2021. Accordingly, the District filed its audited financial statements for fiscal year 2019-20 with the State Controller's Office, the State Superintendent of Public Instruction, and the county superintendent of schools on May 5, 2021. Pursuant to Assembly Bill 130 (Chapter 44, enacted on July 9, 2021), the deadline for school districts to file their audited financial statements for fiscal year 2020-21 has been extended to January 31, 2022.

The following tables contain data abstracted from financial statements prepared by the District's former independent auditor, Vavrinek, Trine, Day & Co., LLP, Pleasanton, California ("VTD"), for fiscal years 2015-16 through 2017-18, and by the District's current independent auditor, Eide Bailly LLP, San Ramon, California ("Eide Bailly"), for fiscal years 2018-19 and 2019-20. On July 22, 2019, VTD joined Eide Bailly.

VTD and Eide Bailly have not been requested to consent to the use or to the inclusion of their respective reports in this Official Statement, and they have not audited nor reviewed this Official Statement.

The table on the following page sets forth the statement of revenues, expenditures and changes in fund balances for the District's general fund for fiscal years 2015-16 through 2019-20.

SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Statement of General Fund Revenues, Expenditures and Changes in Fund Balance
Fiscal Years 2015-16 through 2019-20

	Fiscal Year 2015-16 <u>Audited Actuals</u>	Fiscal Year 2016-17 <u>Audited Actuals</u>	Fiscal Year 2017-18 <u>Audited Actuals</u>	Fiscal Year 2018-19 <u>Audited Actuals</u>	Fiscal Year 2019-20 <u>Audited Actuals</u>
REVENUES					
LCFF sources	\$232,401,343	\$245,283,515	\$251,527,726	\$269,524,511	\$275,886,818
Federal sources	6,110,032	6,343,067	6,209,631	6,486,218	6,505,900
Other state sources	56,767,578	46,321,972	50,959,048	49,049,808	50,815,529
Other local sources	33,140,437	33,646,112	33,929,742	35,454,717	31,489,234
Total Revenues	<u>328,419,390</u>	<u>331,594,666</u>	<u>342,626,147</u>	<u>360,515,254</u>	<u>364,697,481</u>
EXPENDITURES					
Current					
Instruction	198,287,631	208,044,842	215,828,777	219,441,321	227,690,083
Instruction-related activities:					
Supervision of instruction	9,114,321	9,119,099	8,073,818	8,054,010	9,613,323
Instructional library, media and technology	5,222,604	6,056,328	6,477,097	6,296,479	6,539,477
School site administration	22,412,563	23,201,067	24,935,926	25,227,157	24,891,187
Pupil services:					
Home-to-school transportation	5,012,550	5,220,324	5,928,433	6,797,299	7,671,952
Food services	3,658	47	790	306	172,683
All other pupil services	16,291,136	17,981,253	19,731,746	20,954,422	23,419,805
Administration:					
Data processing	2,685,846	2,315,408	3,013,590	4,538,071	3,775,035
All other administration	11,482,771	12,614,699	11,973,042	13,509,738	14,293,352
Plant services	30,324,365	31,966,949	33,117,091	35,646,758	33,855,907
Facility acquisition and construction	221,787	2,261,918	547,817	4,503,241	29,521
Ancillary services	3,605,128	3,927,174	3,830,031	4,230,668	3,857,260
Community services	639,726	920,184	871,860	1,093,150	1,092,670
Other outgo	1,625,995	1,601,060	1,345,681	1,523,108	-
Debt service:					
Principal	195,143	66,671	65,181	67,647	70,207
Interest and Other	5,193	10,058	7,682	5,216	2,656
Total Expenditures	<u>307,130,417</u>	<u>325,307,081</u>	<u>335,748,562</u>	<u>351,888,591</u>	<u>356,975,118</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>21,288,973</u>	<u>6,287,585</u>	<u>6,877,585</u>	<u>8,626,663</u>	<u>7,722,363</u>
Other Financing Sources (Uses):					
Transfers in ⁽¹⁾	-	475,000	-	-	767,763
Other sources ⁽²⁾	299,445	-	-	-	(1,413,249)
Transfers out ⁽³⁾	(3,068,800)	(3,455,582)	(3,245,878)	(31,297,194)	(4,183,726)
Net Financing Sources (Uses)	<u>(2,769,355)</u>	<u>(2,980,582)</u>	<u>(3,245,878)</u>	<u>(31,297,194)</u>	<u>(4,829,212)</u>
NET CHANGE IN FUND BALANCES	18,519,618	3,307,003	3,631,707	(22,670,531)	2,893,151
Fund Balances, July 1	<u>37,264,430</u>	<u>55,784,048</u>	<u>59,091,051</u>	<u>62,722,758</u>	<u>56,991,546</u>
Fund Balances, June 30⁽⁴⁾	<u>\$ 55,784,048</u>	<u>\$ 59,091,051</u>	<u>\$ 62,722,758</u>	<u>\$ 40,052,227</u>	<u>\$ 59,884,697</u>

⁽¹⁾ Inter-fund transfers in during fiscal year 2016-17 reflect [transfer to foot services and capital solar debt payments]. Inter-fund transfers in during fiscal year 2019-20 reflect [____]. *[District to review and provide updates.]*

⁽²⁾ Other uses in fiscal year 2015-16 reflect [____]. Other uses in fiscal year 2019-20 reflect [____]. *[District to review and provide updates.]*

- (3) The transfers out of the District's General Fund to other funds and accounts of the District are to pay for current and future expenditures, including expenditures related to food service, debt service on the District's solar equipment financing (as described in more detail in "DISTRICT FINANCIAL MATTERS – District Debt Structure – Private Placement Solar Lease" herein) and maintenance and infrastructure. Transfers out in fiscal year 2018-19 were due to the establishment of the Special Reserve for Capital Outlay Fund as well as an increase in special reserves outside of the District's General Fund. Transfers out in fiscal year 2019-20 were due to [_____]. *[District to review and provide updates.]*

- (4) *[What is the reason for the difference in the ending fund balance for FY 18-19 and the beginning fund balance in FY 19-20?]*

Source: San Ramon Valley Unified School District Audited Financial Statements for fiscal years 2015-16 through 2019-20.

The following table sets forth the general fund balance sheet of the District for fiscal years 2015-16 through 2019-20.

SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Summary of General Fund Balance Sheet
Fiscal Years 2015-16 through 2019-20

	Fiscal Year 2015-16 Audited Actuals	Fiscal Year 2016-17 Audited Actuals	Fiscal Year 2017-18 Audited Actuals	Fiscal Year 2018-19 Audited Actuals	Fiscal Year 2019-20 Audited Actuals
ASSETS					
Deposits and investments	\$41,859,227	\$66,339,934	\$57,321,940	\$45,374,277	\$48,502,137
Receivables	23,186,668	6,292,908	11,405,307	10,001,114	18,122,678
Due from other funds	2,178,469	-	4,792,924	939,770	259,495
Prepaid expenditures	210,608	170,492	785,693	1,138,302	549,309
Stores inventories	49,538	55,037	59,253	79,254	73,054
Total Assets	\$67,484,510	\$72,858,371	\$74,365,117	\$57,532,717	\$67,506,673
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 5,408,628	\$12,580,720	\$5,341,396	\$12,461,546	\$5,030,253
Due to other funds	6,234,264	546,009	5,769,572	4,918,113	2,472,216
Unearned Revenue	57,570	640,591	531,391	100,831	119,507
Total Liabilities	11,700,462	13,767,320	11,642,359	17,480,490	7,621,976
Fund Balances:					
Nonspendable	323,146	334,529	954,846	1,332,456	777,263
Restricted	11,600,332	9,044,385	11,684,143	10,831,434	12,811,677
Assigned	10,687,598	18,250,152	19,123,706	15,949,018	35,061,010
Unassigned	33,172,972	31,461,985	30,960,063	11,939,319	11,234,747
Total Fund Balances	55,784,048	59,091,051	62,722,758	40,052,227	\$59,884,697
Total Liabilities and Fund Balances	\$67,484,510	\$72,858,371	\$74,365,117	\$57,532,717	\$67,506,673

Source: San Ramon Valley Unified School District Audited Financial Statements for fiscal years 2015-16 through 2019-20.

District Budget Process and County Review

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

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the County of Contra Costa Superintendent of Schools.

The county superintendent must review and approve, conditionally approve or disapprove the budget no later than September 15. The county superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. In the event that the county superintendent conditionally approves or disapproves the school district's budget, the county superintendent will submit to the governing board of the school district no later than September 15 of such year written recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent can approve that budget.

The governing board of the school district, together with the county superintendent, must review and respond to the recommendations of the county superintendent on or before October 8 at a regular meeting of the governing board of the school district. The county superintendent will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent disapproves a revised budget, the county superintendent will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the Superintendent of Public Instruction (the "State Superintendent") may impose a budget and will report such school district to the State Legislature and the Department of Finance.

Subsequent to approval, the county superintendent will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations. If, after taking various remedial actions, the county superintendent determines that a school district cannot meet its current or the subsequent year's obligations, the county superintendent will notify the school district's governing board, the State Superintendent and the president of the State board (or the president's designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the State Superintendent and the school district's governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district's governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district's governing board, a budget for the subsequent fiscal year, and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent will also make a report to the State Superintendent and the president of the State board or the president's designee about the financial condition of the school district and the remedial actions proposed by the county superintendent. However, the county superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent assumed authority.

Interim Reporting. A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 *et seq.*), each school district is required to file two interim certifications with the county superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district

that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, will not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent, the State Controller and the State Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30.

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

County and State Response to School Districts Under Financial Distress. For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the State Superintendent and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the State Superintendent will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

The District's Interim Reporting and Recent Correspondence from Contra Costa County Office of Education. In the past five years, the District has not received a negative or qualified certification for an interim financial report. In its communications regarding the District's recent budgets and interim reports for fiscal years 2020-21 and 2021-22, the Contra Costa County Office of Education ("CCCOE")

has noted that the District projects operating deficits in its multi-year projections. According to CCCOE's most recent interim letter regarding the District's second interim report for fiscal year 2020-21, the District is projecting deficit spending in the third year of its multi-year projection. CCCOE advised that districts should take steps to eliminate ongoing operating deficits and maintain ending reserves well above the State minimum reserve requirement to protect from unforeseen financial hardships. In its most recent letter approving the District's original adopted budget for fiscal year 2021-22, CCCOE recommends that districts closely monitor A.D.A. and its impact on the district's funding, as many districts are experiencing declining enrollment and lower attendance rates of all students.

District's Fiscal Year 2020-21 Budget. The District's fiscal year 2020-21 original adopted budget, which is described throughout this Appendix A, reflects the assumptions contained in the Governor's May revision to the proposed fiscal year 2020-21 State budget, which were significantly revised in the fiscal year 2020-21 State budget. After analyzing the revised assumptions included in the fiscal year 2020-21 State budget, District officials presented an update to the Board of Education on August 25, 2020 describing the expected impact of such assumptions on the District's fiscal year 2020-21 budget, which include:

- LCFF: An additional \$21.75 million in LCFF revenue;
- Other State Revenue: An additional \$1.96 million in Other State Revenue due to reductions in Lottery and the addition of a State grant for COVID-19 LEA Response;
- Federal Stimulus: An additional \$9.83 million in learning loss mitigation funding;
- Expenditures: An increase of \$1.15 million in Service and Other Operating Expense due to COVID-19 grant expenditures.

District's Fiscal Year 2021-22 Budget. The District's original adopted budget for fiscal year 2021-22, which was adopted by the Board of Education on June 15, 2021, is included in the table below and described throughout this Appendix A. The District's original adopted budget for fiscal year 2021-22 reflects the assumptions contained in the Governor's May revision to the proposed fiscal year 2021-22 State budget, which were not significantly revised in the 2021-22 State Budget. The District's original adopted budget for fiscal year 2021-22 is subject to change throughout the current fiscal year as additional information becomes available.

The table on the following page sets forth the District's original adopted general fund budgets for fiscal years 2018-19 through 2021-22, and unaudited actuals for fiscal years 2018-19 through 2020-21.

SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
General Fund Budgets for Fiscal Years 2018-19 through 2021-22
and Unaudited Actuals for Fiscal Years 2018-19 through 2020-21

	2018-19 Original Budget ⁽³⁾	2018-19 Unaudited Actuals	2019-20 Original Budget	2019-20 Unaudited Actuals	2020-21 Original Budget ⁽⁴⁾	2020-21 Unaudited Actuals	2021-22 Original Budget
REVENUES							
LCFF Sources	\$267,604,277.00	\$269,524,511.00	\$275,817,790.00	\$275,886,817.02	\$252,507,184.00	\$274,423,847.87	\$287,991,481.00
Federal Revenue	6,332,109.00	6,486,218.01	6,358,456.00	6,505,899.78	6,375,307.00	15,726,989.24	6,849,930.00
Other State Revenue	51,041,466.00	49,049,807.24	40,611,208.00	47,046,061.04	47,725,201.00	61,708,763.05	46,113,360.00
Other Local Revenue	31,397,152.00	35,454,718.68	30,011,049.00	31,205,290.94	31,005,638.00	21,346,463.46	24,249,971.00
TOTAL REVENUES	<u>356,375,004.00</u>	<u>360,515,254.93</u>	<u>352,798,503.00</u>	<u>360,644,068.78</u>	<u>337,613,330.00</u>	<u>373,206,063.62</u>	<u>365,204,742.00</u>
EXPENDITURES							
Certificated Salaries	147,361,975.00	149,947,530.35	156,695,847.00	155,284,664.17	152,781,549.00	157,950,615.06	158,210,577.00
Classified Salaries	53,399,362.00	54,683,126.02	54,721,136.00	55,276,129.77	56,215,767.00	53,872,008.20	55,587,980.00
Employee Benefits	92,847,902.00	91,919,769.83	98,241,277.00	99,753,743.09	104,198,183.00	100,638,251.12	109,702,077.00
Books and Supplies	12,546,263.00	12,650,774.76	12,911,842.00	9,362,435.04	11,266,344.00	18,028,234.55	9,706,926.00
Services, Other Operating Expenses	31,493,456.00	35,236,096.80	32,396,134.00	32,830,687.63	32,230,730.00	31,330,652.06	32,240,528.00
Capital Outlay	1,282,699.00	5,855,323.08	183,500.00	625,126.66	176,000.00	431,719.71	521,085.00
Other Outgo (excluding Direct Support/Indirect Costs)	1,594,863.00	1,595,970.93	1,412,463.00	1,486,113.92	1,308,867.00	1,202,954.02	1,092,091.00
Transfers of Direct Support/Indirect Costs	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>340,526,520.00</u>	<u>351,888,591.77</u>	<u>356,562,199.00</u>	<u>354,618,900.28</u>	<u>358,177,440.00</u>	<u>363,454,434.72</u>	<u>367,061,264.00</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>15,848,484.00</u>	<u>8,626,663.16</u>	<u>(3,763,696.00)</u>	<u>6,025,168.50</u>	<u>(20,564,110.00)</u>	<u>9,751,628.90</u>	<u>(1,856,522.00)</u>
OTHER FINANCING SOURCES (USES)							
Inter-fund Transfers In ⁽¹⁾	-	-	-	1,756,279.74	4,500,000.00	524,898.34	533,980.00
Inter-fund Transfers Out ⁽²⁾	(3,374,764.00)	(31,297,193.33)	(2,778,951.00)	(4,183,726.52)	(910,450.00)	(2,670,828.69)	(2,916,282.00)
Other Sources (Uses)	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-
TOTAL, OTHER FINANCING SOURCES (USES)	<u>(3,374,764.00)</u>	<u>(31,297,193.33)</u>	<u>(2,778,951.00)</u>	<u>(2,427,446.78)</u>	<u>3,589,550.00</u>	<u>(2,145,930.35)</u>	<u>(2,382,302.00)</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>12,473,720.00</u>	<u>(22,670,530.17)</u>	<u>(6,542,647.00)</u>	<u>3,597,721.72</u>	<u>(16,974,560.00)</u>	<u>7,605,698.55</u>	<u>(4,238,824.00)</u>
BEGINNING BALANCE, as of July 1	<u>54,054,702.07</u>	<u>62,722,757.65</u>	<u>25,526,444.65</u>	<u>40,052,227.48</u>	<u>32,574,270.59</u>	<u>43,649,949.20</u>	<u>46,992,899.99</u>
Audit Adjustments	-	-	-	-	-	-	-
As of July 1 – Audited	<u>54,054,702.07</u>	<u>62,722,757.65</u>	<u>25,526,444.65</u>	<u>40,052,227.48</u>	<u>32,574,270.59</u>	<u>43,649,949.20</u>	<u>46,992,899.99</u>
Other Restatements	-	-	-	-	-	-	-
Adjusted beginning Balance	<u>54,054,702.07</u>	<u>62,722,757.65</u>	<u>25,526,444.65</u>	<u>40,052,227.48</u>	<u>32,574,270.59</u>	<u>43,649,949.20</u>	<u>46,992,899.99</u>
ENDING BALANCE	<u>\$66,528,422.07</u>	<u>\$40,052,227.48</u>	<u>\$18,983,797.65</u>	<u>\$43,649,949.20</u>	<u>\$15,599,710.59</u>	<u>\$51,255,647.75</u>	<u>\$42,754,075.99</u>
Unrestricted Balance	<u>\$59,870,343.87</u>	<u>\$28,913,043.74</u>	<u>\$16,799,020.02</u>	<u>\$30,734,547.30</u>	<u>\$11,940,852.74</u>	<u>\$28,242,827.41</u>	<u>\$19,088,246.30</u>
Restricted Balance	<u>\$6,658,078.20</u>	<u>\$11,139,183.74</u>	<u>\$2,184,777.63</u>	<u>\$12,915,401.90</u>	<u>\$3,658,857.85</u>	<u>\$23,012,820.34</u>	<u>\$23,665,829.69</u>

- ⁽¹⁾ Inter-fund transfers in during fiscal year 2019-20 reflect [_____]. Inter-fund transfers in during fiscal year 2020-21 reflect [_____]. Inter-fund transfers in during fiscal year 2021-22 reflect [_____]. **[District to review and provide updates.]**
- ⁽²⁾ The transfers out of the District's General Fund to other funds and accounts of the District are to pay for current and future expenditures, including expenditures related to food service, debt service on the District's solar equipment financing (as described in more detail in "DISTRICT FINANCIAL MATTERS – District Debt Structure – Private Placement Solar Lease" herein) and maintenance and infrastructure. **[District to review and provide updates.]**
- ⁽³⁾ The District expected that the budgeted excess revenues for fiscal year 2018-19 were to be reduced as a result of salary increases to all employee groups, which it expected to amount to approximately \$4.4 million in additional expenditures. Further, the District expected to transfer certain unrestricted funds to the Special Reserve for Capital Outlay Fund (Fund 40), which was not reflected in the District's original budget for fiscal year 2018-19. All funds within the Special Reserve for Capital Outlay Fund (Fund 40) are at the Board of Education's discretion to designate as permitted by law. **[District to review and provide updates.]**
- ⁽⁴⁾ The District incurred an operating deficit in fiscal year 2020-21 due in part to one-time COVID-19 related expenses and investments and enrollment decline. [The District experienced a general fund structural imbalance and is projecting deficit spending to continue in fiscal years 2021-22 and 2022-23. However, the District is committed, and the District's Board of Education has adopted a resolution declaring its commitment, to implement all necessary budget adjustments to maintain the District's financial stability.] **[District to review and provide updates.]** For more information on the fiscal year 2020-21 revised budget, see "– District Budget Process and County Review – District's Fiscal Year 2020-21 Budget" above.

Source: San Ramon Valley Unified School District original adopted general fund budgets for fiscal years 2018-19 through 2021-22; and unaudited actuals for fiscal years 2018-19 through 2020-21.

District Debt Structure

Long-Term Debt Summary. A schedule of changes in the District’s long-term obligations for the year ended June 30, 2020, consisted of the following:

Long-Term Debt	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
General obligation bonds ⁽¹⁾	\$448,665,000	\$-	\$(22,035,000)	\$426,630,000	\$19,110,000
Lease revenue bonds	13,335,000	-	(1,620,000)	11,715,000	1,630,000
Premiums, net of amortization	33,735,431	-	(3,115,794)	30,619,637	3,115,794
Capital leases	141,503	-	(115,895)	25,608	25,602
Ground lease	11,852,287	-	(829,014)	11,023,273	729,261
Compensated Absences	2,252,825	357,647	-	2,610,472	-
Total	\$510,210,037	\$3,629,429	\$(31,083,811)	\$482,755,655	\$24,610,657

⁽¹⁾ Does not reflect issuance of the Refunding Bonds or the planned refunding of the Refunded Bonds.
Source: San Ramon Valley Unified School District Audited Financial Statements for fiscal year 2019-20.

General Obligation Bonds. Prior to the issuance of the Refunding Bonds, the District has outstanding seven series of general obligation bonds, which is secured by *ad valorem* taxes levied upon all property subject to taxation by the District on a parity with the Refunding Bonds. See “THE REFUNDING BONDS – Outstanding Bonds” and “– Aggregate Debt Service” in the front portion of the Official Statement for more information about such outstanding bonds.

Lease Revenue Bonds. On July 20, 2010, the District entered into a lease obligation and caused \$25,000,000 of related federally taxable lease revenue bonds to be issued with interest ranging from 2.397% to 6.254%. The lease obligation was entered into to finance the construction of solar panels at several school sites. Interest with respect to the District’s lease obligation is payable semi-annually on each November 1 and May 1, through the final maturity of the bonds on May 1, 2027. At June 30, 2020, the principal balance outstanding was \$11,715,000.

The lease revenue bonds were issued as “qualified school construction bonds” under the provisions of the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”), and the District expects to receive a cash subsidy payment from the United States Treasury (the “Treasury”) equal to a portion of the interest due on each interest payment date on such bonds. The subsidy does not constitute a full faith and credit guarantee of the United States with respect to such bonds, but, assuming the District satisfies the requirements of the Internal Revenue Code of 1986, the subsidy is required to be paid by the Treasury under the Recovery Act. Any subsidy payments received by the District will offset the interest cost of the District under the related lease obligation. The District makes no assurances about the effect of future legislative or policy changes or tax liabilities of the District on the amount or receipt of the subsidy payments from the Treasury.

The District's lease obligation through May 1, 2027 is as follows:

Year Ending, June 30	Principal	Interest	Total
2021	\$1,630,000	\$751,699	\$2,381,699
2022	1,635,000	655,463	2,290,463
2023	1,650,000	555,663	2,205,663
2024	1,665,000	452,472	2,117,472
2025	1,690,000	341,683	2,031,683
2026-2027	3,445,000	344,677	3,789,677
Total	<u>\$11,715,000</u>	<u>\$3,101,657</u>	<u>\$14,816,657</u>

Source: San Ramon Valley Unified School District Audited Financial Statements for fiscal year 2019-20.

Private Placement Solar Lease. On December 1, 2015, the District and the San Ramon Valley Unified School District Joint Powers Financing Authority (the "Authority") entered into a ground lease agreement and lease agreement with HAS OBS Op A LLC (the "Purchaser") for the purpose of financing solar projects at 15 school sites. The District agreed to lease the Vista Grande Elementary School (the "Property") to the Authority and the Authority leased the Property back to the District. The Purchaser agrees to purchase from the Authority the Authority's right, title and interest in the ground lease and the lease agreement, including its right to receive the base rental payment due under such lease agreement at a purchase price of \$12,518,667. The District is obligated for the total base rental payment of \$12,518,667 at an interest rate of 3.86% over a 25-year term. Since the Project funded with proceeds of this financing was part of the new clean renewable energy bonds program under Section 54C(a) of the Internal Revenue Code, the District expects to receive IRS subsidy payments to offset most of the interest costs. Based on current sequestration conditions, the net effective interest rate after IRS subsidy payments is estimated at 0.85%. As of June 30, 2020, the lease matures on August 1, 2031 as follows:

Year Ending June 30,	Lease Payment
2021	\$ 1,171,375
2022	1,149,865
2023	1,153,671
2024	1,157,175
2025	1,021,988
2026-2030	5,932,576
2031	2,388,554
Total	<u>\$13,975,204</u>
Less amount representing interest	<u>(2,926,323)</u>
Present value of minimum lease payments	<u>\$11,048,881</u>

Source: San Ramon Valley Unified School District Audited Financial Statements for fiscal year 2019-20.

Compensated Absences (Vacation). Compensated absences (unpaid employee vacation) for the District as of June 30, 2020, amounted to \$2,610,472.

Capital Leases. The District has entered into agreements to lease various facilities and equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District’s liabilities on lease agreements with options to purchase are summarized below:

	Trucks	Data Back-up System	Total
Balance, July 1, 2019	\$45,688	\$95,815	\$141,503
Additions	-	-	-
Payments	(45,688)	(70,207)	(115,895)
Balance, July 1, 2020	\$-	\$25,608	\$25,608

Source: San Ramon Valley Unified School District Audited Financial Statements for fiscal year 2019-20.

Leased land, buildings, and equipment under capital leases in capital assets as of June 30, 2020, include the following:

Buildings	\$1,689,837
Equipment	56,852
Less accumulated depreciation	(1,338,823)
Total	\$ 407,866

Source: San Ramon Valley Unified School District Audited Financial Statements for fiscal year 2019-20.

Other Post-Employment Benefits (OPEBs). In addition to the retirement plan benefits with CalSTRS and CalPERS (defined below), the District administers other post-employment healthcare benefits (“OPEB”) through its Postemployment Benefits Plan (the “Plan”). The Plan is an agent multi-employer plan that provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The Board of Education has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements. At the June 30, 2019 valuation date, the Plan membership consisted of 2,629 active employees and 1,095 retirees.

Contributions. No assets are accumulated in a trust that meets the criteria of paragraph 4 of Statement Number 75 (as defined below). The contribution and benefit payments requirements of the Plan members and the District are established and may be amended by the District, the San Ramon Valley Education Association (“SRVEA”), the local California Service Employees Association (“CSEA”), Service Employees International Union (“SEIU”), and unrepresented groups. The required contribution and benefit payments are based on projected pay-as-you-go financing requirements, along with an additional amount to prefund benefits, as determined annually through the agreements with the District, SRVEA, CSEA, SEIU, and the unrepresented groups. For fiscal year 2019-20, the District paid \$3,183,103 in benefits. In fiscal year 2019-20, the District also contributed \$3,183,103 to the Plan, all of which was used for current premiums. The District paid \$3,140,545 in benefits in fiscal year 2020-21 (unaudited) and budgets that it will pay \$3,367,877 in benefits in fiscal year 2021-22.

Total OPEB Liability. Nyhart Actuary & Employee Benefits has prepared an actuarial valuation for the fiscal year ending June 30, 2020 with a valuation and measurement date of June 30, 2019 for the Plan (the “Actuarial Valuation”). According to the Actuarial Valuation, the District had a total OPEB liability of \$71,229,756 as of June 30, 2020. The Actuarial Valuation used the following assumptions: discount rate of 5.25%, inflation of 3.00%, average payroll growth of 3.00%, healthcare cost trend rates of 6.50%, and investment rate of return of 7.00%. The District has not established an irrevocable trust to prefund its OPEB liability.

The following summarizes the changes in the total OPEB liability, net OPEB liability, and Plan fiduciary net position during the year ended June 30, 2020, with a measurement date of June 30, 2019:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019	<u>\$85,825,094</u>	<u>\$24,486,303</u>	<u>\$61,338,791</u>
Service cost	3,467,506	-	3,467,506
Interest	3,859,600	-	3,859,600
Employer contributions	-	3,183,103	(3,183,103)
Net investment income	-	1,308,787	(1,308,787)
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(7,681,948)	-	(7,681,948)
Changes of assumptions or other inputs	(11,057,393)	-	(11,057,393)
Benefit payments	(3,183,103)	(3,183,103)	-
Administrative expense	-	(20,140)	20,140
Net change in total OPEB liability	<u>(14,595,338)</u>	<u>1,288,647</u>	<u>(15,883,985)</u>
Balance at June 30, 2020	<u>\$71,229,756</u>	<u>\$25,774,950</u>	<u>\$45,454,806</u>

Source: San Ramon Valley Unified School District Audited Financial Statements for fiscal year 2019-20.

For more information regarding the District's OPEB obligations and liabilities for fiscal year 2019-20, see Note 10 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

In June 2015, the Governmental Accounting Standards Board ("GASB") issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("Statement Number 75"). OPEBs generally include post-employment health benefits (medical, dental, vision, prescription drug and mental health), life insurance, disability benefits and long term care benefits. The objective of Statement Number 75 is to improve accounting and financial reporting by the State and local governments for OPEB by requiring the recognition of entire OPEB liability, a more comprehensive measure of OPEB expense, new note disclosures and certain required supplementary information. In addition, Statement Number 75 sets forth additional accounting methods to improve the usefulness of information about OPEB included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability. Statement Number 75 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. Statement Number 75 replaces GASB Statements Number 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and Number 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. The District has implemented Statement Number 75 in its financial statements beginning with fiscal year 2017-18.

Tax and Revenue Anticipation Notes. The District did not issue tax and revenue anticipation notes ("TRANS") or borrow funds to supplement the District's cash flow in fiscal years 2018-19 and 2019-20. While the District experienced cashflow challenges in fiscal year 2020-21 due to deferrals in State funding, the District relied on inter-fund borrowing as opposed to issuing TRANS. The District does not currently plan to issue TRANS in fiscal year 2021-22. See "– State Funding of Education; State Budget Process – 2021-22 State Budget" for more information regarding State funding deferrals. The District may issue TRANS or borrow funds in future fiscal years as and if necessary to supplement cash flow.

Employment

As of September 2021, the District employed approximately 2797.12 full-time equivalent (“FTE”) employees, consisting of approximately 1678.52 FTE certificated non-management employees, approximately 85 FTE certificated management employees, approximately 1006.60 FTE classified non-management employees, and approximately 27 FTE classified management employees. For fiscal year 2019-20, the total certificated and classified payrolls were approximately \$155.28 million and \$55.28 million, respectively. For fiscal year 2020-21, the total certificated and classified payrolls are approximately \$157.95 million and \$53.87 million (unaudited), respectively. In fiscal year 2021-22, the total certificated and classified payrolls are budgeted to be approximately \$158.21 million and \$55.59 million, respectively.

The District’s certificated and classified employees are represented by formal bargaining organizations as shown in the table below. In addition, certain supervisors and management employees, an aggregate of approximately 136 FTE positions, are not represented by an exclusive bargaining agent. Salaries and benefits for supervisors, management and confidential employees are determined through an informal process of “meet and confer” with representatives from each of these classifications. *[District to describe current status of negotiations with bargaining units, including any negotiations regarding MOUs for various instructional methods. District to confirm whether parties continue to operate under terms of expired contract until new contract is agreed to.]*

Name of Bargaining Unit	Number of FTEs Represented	Current Contract Expiration Date
San Ramon Valley Education Association (SRVEA)	1,673.66	June 30, 2022
California School Employees Association Unit II (CSEA)	329.77	June 30, 2022
California School Employees Association Unit III (CSEA)	395.98	June 30, 2022
Service Employees International Union (SEIU), Local 1021	261.24	June 30, 2021

Source: San Ramon Valley Unified School District.

Retirement Benefits

The District participates in retirement plans with CalSTRS, which covers all full-time certificated District employees, including teachers and administrators, and CalPERS, which covers certain classified employees. Classified school personnel who are employed four or more hours per day may participate in CalPERS.

CalSTRS. The CalSTRS defined benefit pension plan provides retirement benefits (generally 2% of final compensation for each year of credited service) to participating employees based on hiring date, age, final compensation and years of credited service. The CalSTRS benefit pension plan is funded through a combination of investment earnings and statutorily set contributions from participating employees, employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily set rates did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined employee, employer and State contributions to CalSTRS were not sufficient to pay actuarially determined amounts. To address the shortfall and implement a new funding strategy, Governor Brown signed into law Assembly Bill 1469 on June 24, 2014, as part of the fiscal year 2014-15 State budget (the “2014-15 State Budget”). The 2014-15 State Budget introduced phased increases to employee, employer and State contributions to CalSTRS and sets forth a plan to eliminate CalSTRS’ unfunded liability by June 30, 2046.

The 2014-15 State Budget increased employee contributions, which were previously set at 8.00% of pay, to 10.25% of pay for members hired on or before December 31, 2012 and 9.205% of pay for members hired on or after January 1, 2013 effective July 1, 2016. On July 1, 2018, the rate increased to

10.250% of pay for employees hired on or after January 1, 2013. Employer contribution rates were also increased in fiscal year 2014-15 to 8.88% of payroll, with such rate increasing by 1.85% each year thereafter, plateauing at 19.10% of payroll in July 2020. However, due to supplemental payments of approximately \$850 million pursuant to the 2019-20 State Budget, employer contribution rates decreased from 18.13% to 17.10% in fiscal year 2019-20 and 19.10% to 18.40% in fiscal year 2020-21. In addition, pursuant to the fiscal year 2020-21 State budget, employer contribution rates were expected to decrease from 18.40% to 16.15% in fiscal year 2020-21 and from 17.10% to 16.02% in fiscal year 2021-22 (see table below). The State's total contribution was increased from approximately 3% in fiscal year 2013-14 to 6.828% of payroll in fiscal year 2017-18, and to 10.828% of payroll in fiscal year 2020-21. The State's contribution includes an annual payment of 2.5% of payroll pursuant to a supplemental inflation protection program. On June 9, 2021, the State Teachers' Retirement Board approved an employer contribution rate of 16.92% for fiscal year 2021-22.

Pursuant to the 2014-15 State Budget, employer contribution rates, including school districts' contribution rates, will increase in accordance with the following schedule:

Effective Date (July 1)	School District Contribution Rate
2014	8.88%
2015	10.73
2016	12.58
2017	14.43
2018	16.28
2019	17.10*
2020	16.15†
2021	16.02†

* Pursuant to the fiscal year 2019-20 State budget.

† Pursuant to the fiscal year 2020-21 State budget.

Source: Assembly Bill 1469.

The following table sets forth the District's employer contributions to CalSTRS as well as the State's non-employer contributions to CalSTRS on behalf of the District for fiscal years 2017-18 through 2020-21, and the budgeted contribution for fiscal year 2021-22.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Contributions to CalSTRS for Fiscal Years 2017-18 through 2021-22**

Fiscal Year	District Contribution	State On-Behalf Contribution
2017-18	\$20,743,685	\$12,870,316
2018-19	24,018,944	13,418,828
2019-20	22,220,386	18,253,000
2020-21 ⁽¹⁾	24,351,280	15,534,250
2021-22 ⁽²⁾	28,043,689	14,324,152

⁽¹⁾ Unaudited actuals for fiscal year 2020-21.

⁽²⁾ Original adopted budget for fiscal year 2021-22.

Source: San Ramon Valley Unified School District.

The District's total employer contributions to CalSTRS for fiscal years 2017-18 and 2018-19 were equal to 100% of the required contributions for each year. Pursuant to the 2014-15 State Budget, beginning in fiscal year 2021-22, the State Teachers' Retirement Board is required to increase or decrease employer

contribution rates to the rates designed to eliminate the CalSTRS unfunded liability by June 30, 2046. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate the CalSTRS unfunded liability. As the world is recovering from a global pandemic, the District cannot predict the impact of COVID-19 on investment earnings and employer contribution rates. See “DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *Infectious Disease Outbreak*.” However, under existing law, the State Teachers’ Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers’ Retirement Board may also adjust the State’s contribution rate by a maximum of 0.5% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability.

As of June 30, 2020, the actuarial valuation (the “2020 CalSTRS Actuarial Valuation”) for the entire CalSTRS defined benefit program showed an estimated unfunded actuarial liability of \$105.9 billion, an increase of approximately \$200 million from the June 30, 2019 valuation. However, such increase in the unfunded actuarial liability was actually less than the increase expected in the June 30, 2019 valuation, which projected an unfunded actuarial liability of \$106.8 billion as of June 30, 2020. The actual unfunded actuarial liability as of June 30, 2020 represents a net actuarial gain of approximately \$900 million. Such net actuarial gain is due primarily to member salary increases being less than assumed and market value returns (estimated at 4.1%) being less than assumed (7.0%). The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2020 and June 30, 2019, based on the actuarial assumptions, were approximately 67.1% and 66.0%, respectively. According to the 2020 CalSTRS Actuarial Valuation, the funded ratio increased by 1.1% during the past year and has decreased by approximately 4% over the past 10 years. As described in the 2020 CalSTRS Actuarial Valuation, the primary causes for the increase in the funded ratio are member salary increases being less than assumed, additional State contributions made in the prior fiscal year, and contributions to pay down the unfunded actuarial liability under the State Teachers’ Retirement Board’s valuation policy.

Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The following are certain of the actuarial assumptions set forth in the 2020 CalSTRS Actuarial Valuation: measurement of accruing costs by the “Entry Age Normal Actuarial Cost Method,” an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, and 2.75% projected inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. The 2020 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPPRA (as defined herein). See “– *Governor’s Pension Reform*” below for a discussion of the pension reform measure signed by the Governor in August 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

CalSTRS produces a comprehensive annual financial report and actuarial valuations which include financial statements and required supplementary information. Copies of the CalSTRS comprehensive annual financial report and actuarial valuations may be obtained from CalSTRS. The information presented in these reports is not incorporated by reference in this Official Statement.

CalPERS. All qualifying classified employees of K-12 school districts in the State are members in CalPERS. All school districts contributing to CalPERS participate in the same plan and share the same contribution rate in each year. However, unlike contributions to CalSTRS, which incrementally increase at statutorily set rates, school districts’ contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability of CalPERS. Accordingly, the District cannot provide any assurances that the District’s required contributions to

CalPERS in future years will not significantly vary from any current projected levels of contributions to CalPERS.

CalPERS is funded by employee contributions and investment earnings, with the balance of the funding provided by employer contributions. School districts' contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in school district contributions. The District cannot make any predictions as to the effect of a global pandemic, including COVID-19, on investment earnings and school district contributions. See "DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *Infectious Disease Outbreak*" for more information about the impact of COVID-19. Participating employees enrolled in CalPERS prior to January 1, 2013 contribute 7.00% of their respective salaries, while participating employees enrolled after January 1, 2013 contribute the higher of fifty percent of normal costs of benefits or an actuarially determined rate of 7.00% in fiscal year 2019-20. School districts are required to contribute to CalPERS at an actuarially determined rate, which was 18.062% of eligible salary expenditures for fiscal year 2018-19 and originally 20.733% and 22.68% for fiscal years 2019-20 and 2020-21, respectively. However, the employer contribution rate for fiscal year 2019-20 was reduced to 19.721% as a result of the State's buydown of employer contribution rates in fiscal year 2019-20. Similarly, the fiscal year 2020-21 State budget allocated funding to buy down employer contribution rates in fiscal years 2020-21 and 2021-22 to an estimated 20.70% and 22.84%, respectively.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2020 (the "2020 CalPERS Schools Pool Actuarial Valuation"), which has not yet been released in full, was presented in summary form to the CalPERS Board on April 19, 2021, and such summary reported an actuarial accrued liability of \$104.06 billion with the market value of assets at \$71.4 billion, and a funded status of 68.6%. The actuarial funding method used in the 2020 CalPERS Schools Pool Actuarial Valuation is the "Entry Age Normal Cost Method." The 2020 CalPERS Schools Pool Actuarial Valuation as summarized assumes, among other things, 2.50% inflation and payroll growth of 2.75% compounded annually. The 2020 CalPERS Schools Pool Actuarial Valuation as summarized reflects a discount rate of 7.00% compounded annually (net of administrative expenses) as of June 30, 2020. The CalPERS Board adopted new demographic assumptions on December 19, 2017, including a reduction in the inflation assumption from 2.625% as of June 30, 2018 to 2.50% as of June 30, 2019. The reduction in the inflation assumption results in decreases in both the normal cost and the accrued liabilities in the future.

The following table sets forth the District's total employer contributions to CalPERS for fiscal years 2017-18 through 2020-21, and the budgeted contribution for fiscal year 2021-22.

SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
Contributions to CalPERS for Fiscal Years 2017-18 through 2021-22

Fiscal Year	District Contribution
2017-18	\$7,027,416
2018-19	8,873,280
2019-20	10,056,768
2020-21 ⁽¹⁾	9,556,523
2021-22 ⁽²⁾	11,264,328

⁽¹⁾ Unaudited actuals for fiscal year 2020-21.

⁽²⁾ Original adopted budget for fiscal year 2021-22.

Source: San Ramon Valley Unified School District.

The District's total employer contributions to CalPERS for fiscal years 2017-18 through 2019-20 were equal to 100% of the required contributions for each year.

CalPERS produces a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS comprehensive annual financial report and actuarial valuations may be obtained from CalPERS Financial Services Division. The information presented in these reports is not incorporated by reference in this Official Statement.

CalSTRS and CalPERS are more fully described in Note 13 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

Governor's Pension Reform. On August 28, 2012, Governor Brown and the State Legislature reached agreement on a law that reforms pensions for State and local government employees. AB 340, which was signed into law on September 12, 2012, established the California Public Employees' Pension Reform Act of 2012 ("PEPRA") which governs pensions for public employers and public pension plans on and after January 1, 2013. For new employees, PEPRA, among other things, caps pensionable salaries at the Social Security contribution and wage base, which is \$137,300 for 2020, or 120% of that amount for employees not covered by Social Security, increases the retirement age by two years or more for all new public employees while adjusting the retirement formulas, requires State employees to pay at least half of their pension costs, and also requires the calculation of benefits on regular, recurring pay to stop income spiking. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays and purchases of service credit. PEPRA applies to all State and local public retirement systems, including county and district retirement systems. PEPRA only exempts the University of California system and charter cities and counties whose pension plans are not governed by State law.

Insurance, Risk Pooling and Joint Powers Agreements and Joint Ventures

The District participates in three joint ventures under joint powers agreements ("JPAs"): Contra Costa County School Insurance Group, Northern California Regional Excess Liability Fund and the School Excess Liability Fund public entity risk pools. The District pays an annual premium to the applicable entity for its workers' compensation and property liability coverage. The relationship between the District and the JPAs are such that the JPAs are not a component unit of the District for financial reporting purposes.

The JPAs arrange for and provide coverage for their members. Each JPA is governed by a board consisting of a representative from each member district. Each board controls the operations of their JPA, including selection of management and approval of operating budgets independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to their participation in each JPA.

See Note 15 to the District's audited financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020" for more information.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

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

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

County of Orange v. Orange County Assessment Appeals Board No. 3. Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new “base year value” for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

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

Article XIII B of the California Constitution

An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979, thereby adding Article XIII B to the State Constitution (“Article XIII B”). Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State’s allowable limit.

Article XIII C and Article XIII D of the California Constitution

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

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

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Statutory Limitations

On November 4, 1986, State voters approved Proposition 62, an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute (a) requires new or higher general taxes

to be approved by two-thirds of the local agency's governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the California Supreme Court upheld Proposition 62 in its decision on September 28, 1995 in *Santa Clara County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as whether the decision applies retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

Proposition 98 and Proposition 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit. The Accountability Act guarantees State funding for K-12 districts and community college districts (collectively, "K-14 districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9%, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State's budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIII B spending limit would restrain the State's ability to fund such other programs by raising taxes.

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

On June 5, 1990, California voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the "change in the cost of living" by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State's spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the "excess" tax revenues,

determined based on a two-year cycle, would be transferred to K-14 districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts' minimum funding level), and that any such transfer to K-14 districts would not be built into the school districts' base expenditures for calculating their entitlement for State aid in the following year and would not increase the State's appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain "qualified capital outlay projects" and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 districts were guaranteed the greater of (a) 40.9% of general fund revenues (the "first test") or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a "credit" to be paid in future years when general fund revenue growth exceeds personal income growth.

Assembly Bill No. 26 & *California Redevelopment Association v. Matosantos*

On February 1, 2012, pursuant to the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, Assembly Bill No. 26 (First Extraordinary Session) ("AB1X 26") dissolved all redevelopment agencies in existence and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency were transferred to the control of its successor agency and, unless otherwise required pursuant to the terms of an enforceable obligation, distributed to various related taxing agencies pursuant to AB1X 26.

It is possible that there will be additional legislation proposed and/or enacted to clarify various inconsistencies contained in AB1X 26 and there may be additional legislation proposed and/or enacted in the future affecting the current scheme of dissolution and winding up of redevelopment agencies currently contemplated by AB1X 26. For example, AB 1484 was signed by the Governor on June 27, 2012, to clarify and amend certain aspects of AB1X 26. AB 1484, among other things, attempts to clarify the role and requirements of successor agencies, provides successor agencies with more control over agency bond proceeds and properties previously owned by redevelopment agencies and adds other new and modified requirements and deadlines. AB 1484 also provides for a "tax claw back" provision, wherein the State is authorized to withhold sales and use tax revenue allocations to local successor agencies to offset payment of property taxes owed and not paid by such local successor agencies to other local taxing agencies. This "tax claw back" provision has been challenged in court by certain cities and successor agencies. The District cannot predict the outcome of such litigation and what effect, if any, it will have on the District. Additionally, no assurances can be given as to the effect of any such future proposed and/or enacted legislation on the District.

Proposition 30 and Proposition 55

On November 6, 2012, voters approved Proposition 30, also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State's income taxpayers by one to three percent for a period of seven years beginning with the 2012 tax year and ending with the 2019 tax year, and (b) increased the sales and use tax by one-quarter percent for a period of four years beginning on January 1, 2013 and ending with the 2016 tax year. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see "– Proposition 98 and Proposition 111" above). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the Education Protection Account), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the California Tax Extension to Fund Education and Healthcare Initiative ("Proposition 55"), approved by the voters on November 8, 2016, extends by 12 years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30; Proposition 55 did not extend the sales and use tax increases imposed by Proposition 30. Revenues from the income tax increase under Proposition 55 will be allocated to school districts and community colleges in the State.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see "DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process."

Proposition 2

General. Proposition 2, which included certain constitutional amendments to the State Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election.

State Rainy Day Fund. The Proposition 2 constitutional amendments related to the State Rainy Day Fund (i) require deposits into the State Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the State Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the "Public School System Stabilization Account") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Public School System Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

SB 858. Senate Bill 858 (“SB 858”) became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Public School System Stabilization Account, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an A.D.A. of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an A.D.A. that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

SB 751. Senate Bill 751 (“SB 751”), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Public School System Stabilization Account is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

The District, which has an A.D.A. of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

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

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 2, 30, 55, 62, 98, 111 and 218, were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District’s ability to expend revenue.

APPENDIX B

**FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

APPENDIX C

ECONOMY OF THE DISTRICT

The San Ramon Valley Unified School District (the “District”) encompasses all of the city of San Ramon (“San Ramon”) and the town of Danville (“Danville”), a small portion of the city of Walnut Creek, and adjacent unincorporated areas of Contra Costa County (the “County”). The following economic data for San Ramon, Danville, and the County are presented for information purposes only. The Refunding Bonds are not a debt or obligation of San Ramon, Danville, or the County, and taxes to pay the Refunding Bonds are levied only on taxable property located within the District.

General

San Ramon and Danville comprise most of the territory of the District. The District also includes the unincorporated communities of Alamo, Diablo, Blackhawk, and Camino Tassajara situated adjacent to Danville. The District is located in close proximity to employment centers in the San Francisco Bay Area, and is about 30 miles east of San Francisco. Several large employers are located in San Ramon, including corporate offices of Chevron USA and AT&T.

The District is renowned for its desirable residential neighborhoods, many of them situated in the San Ramon Valley and on the flanks of Mt. Diablo, one of the highest peaks in the greater San Francisco Bay Area.

U.S. Interstate Highway 680 traverses the District, and U.S. Interstate Highway 580 and State Route 24 are nearby. Commuter rail transportation is provided by the Bay Area Rapid Transit District (“BART”), with stations located nearby in Walnut Creek and Pleasanton.

Population

The population of San Ramon as of January 1, 2021 was 83,863 persons, representing 7.3% of the population of the County. The population of Danville as of January 1, 2021 was 43,906 persons, representing 3.8% of the population of the County. The population of San Ramon, Danville, and the County from 2013 to 2021 is shown in the following table.

POPULATION
City of San Ramon, Town of Danville and County of Contra Costa
2013 to 2021

Year ⁽¹⁾	City of San Ramon		Town of Danville		County of Contra Costa	
	Population	Annual % Change	Population	Annual % Change	Population	Annual % Change
2013	76,459	2.5%	42,387	0.7%	1,083,937	1.3%
2014	77,459	1.3	42,753	0.9	1,098,018	1.3
2015	78,561	2.4	43,161	1.0	1,112,328	1.3
2016	79,567	1.3	43,458	0.7	1,127,279	1.3
2017	81,354	2.2	44,048	1.4	1,139,313	1.1
2018	83,179	2.2	45,103	2.3	1,147,879	0.7
2019	82,100	-1.3	43,923	-2.6	1,150,621	0.2
2020	83,376	1.6	43,840	-0.2	1,149,853	-0.1
2021	83,863	0.6	43,906	0.2	1,153,854	0.3

⁽¹⁾ As of January 1 State estimate.

Source: California State Department of Finance, Demographic Research Unit.

Employment

The following table summarizes annual average industry employment in the County from 2016 to 2020. Education and health services, trade, transportation and utilities and professional and business services are the largest employment sectors in the County.

ANNUAL AVERAGE INDUSTRY EMPLOYMENT County of Contra Costa 2016 to 2020

	2016	2017	2018	2019	2020
Farm	800	800	700	800	700
Mining, Logging and Construction	25,400	25,500	26,100	26,100	24,100
Manufacturing	14,900	15,600	15,700	16,000	15,200
Trade, Transportation and Utilities	64,900	65,200	64,200	61,900	58,600
Information	8,100	8,000	7,800	7,100	5,900
Financial Activities	27,000	27,400	27,000	27,000	25,400
Professional and Business Services	52,100	54,300	55,300	56,600	55,800
Education and Health Services	67,300	69,300	70,700	72,400	68,900
Leisure and Hospitality	40,500	40,700	41,300	43,000	31,200
Other Services	13,000	13,000	13,500	13,700	10,500
Government	50,400	50,500	50,800	50,700	47,500
Total All Industries	364,200	370,300	373,000	375,200	343,800

Note: Data may not add up due to rounding. March 2020 Benchmark.
Source: California Employment Development Department.

The following table summarizes civilian labor force, employment, and unemployment in the County from 2015 to 2020. The annual average unemployment rate in the County in 2020 was 8.9% compared with 10.1% for the State.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT County of Contra Costa Annual Averages, 2015 to 2020⁽¹⁾

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2015	544,600	517,000	27,600	5.1%
2016	553,200	528,400	24,800	4.5
2017	558,200	536,700	21,600	3.9
2018	560,300	542,200	18,100	3.2
2019	559,700	542,100	17,600	3.1
2020	541,300	493,200	48,000	8.9

⁽¹⁾ The unemployment rate is computed from unrounded data and may differ from rates computed from rounded figures.
Source: California Employment Development Department.

Major Employers

The following tables show the largest employers located in San Ramon and Danville in 2020.

LARGEST EMPLOYERS City of San Ramon 2020

Employer	Product/Service	Number of Employees
Chevron USA Inc	Energy	3,176
Bank of the West	Retail Banking	1,600
Robert Half International Inc.	Consulting & Staffing	1,474
Accenture LLP	Consulting & Staffing	750
San Ramon Regional Medical Center	Health Care	727
Primed Management Consulting	Consulting & Staffing	453
Old Republic Home Protection	Insurance	453
Five 9, Inc.	Software Technology	376
PG&E	Utility	364
Pacific Bell Telephone	Communications	321

Source: City of San Ramon, 2020 Comprehensive Annual Financial Report.

LARGEST EMPLOYERS Town of Danville 2020

Employer	Product/Service	Number of Employees
Keller Williams Realty	Real Estate	342
Costco	Retail Warehouse Club	204
Safeway, Inc.	Grocery Stores	98
Trader Joe's	Grocery Stores	82
Brookfield Calwest Builders	Construction	80
Crow Canyon Management Corp.	Country Club	74
J. Rockcliff Realtors	Real Estate	72
Lunardi's Market	Grocery Stores	67
Danville Nursing & Rehabilitation Center	Assisted Living Community	66
Sunrise Assisted Living of Danville	Assisted Living Community	60

Source: Town of Danville, 2020 Comprehensive Annual Financial Report.

Income

The following table shows of per capita personal income for the County, State of California and the United States from 2013 through 2019.

PER CAPITA PERSONAL INCOME⁽¹⁾
County of Contra Costa, State of California, and United States
2013-2019

Year	County of Contra Costa	California	United States
2013	\$60,883	\$48,570	\$44,493
2014	62,957	51,344	46,494
2015	68,123	54,718	48,451
2016	72,483	57,739	49,870
2017	77,211	60,549	52,118
2018	81,442	63,720	54,606
2019	85,324	66,619	56,490

⁽¹⁾ Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Taxable Sales

Taxable sales in San Ramon and Danville for the period 2016 to 2020 are shown in the following tables.

TAXABLE SALES, 2016 to 2020
City of San Ramon
(dollars in thousands)

Year	Retail and Food Service Permits	Retail and Food Service Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2016	883	\$563,248	1,615	\$821,447
2017	906	562,228	1,641	795,295
2018	929	597,463	1,778	851,101
2019	970	629,782	1,881	931,092
2020	997	534,138	1,966	786,486

Source: California Department of Tax and Fee Administration.

TAXABLE SALES, 2016 to 2020
Town of Danville
(dollars in thousands)

Year	Retail and Food Service Permits	Retail and Food Service Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2016	863	\$423,273	1,377	\$467,820
2017	859	444,715	1,381	497,469
2018	824	435,353	1,384	493,766
2019	790	435,063	1,346	497,098
2020	786	375,027	1,371	440,034

Source: California Department of Tax and Fee Administration.

Construction Activity

The level of construction activity, as measured by total building valuations and residential units, in San Ramon, Danville, and the County for the period 2014 to 2020 is shown in the following tables.

BUILDING PERMITS AND VALUATIONS
City of San Ramon
2014 to 2020

	2014	2015	2016	2017	2018	2019	2020
Valuation (\$000):							
Residential	\$28,275	\$ 24,652	\$ 20,469	\$ 16,745	\$ 83,153	\$ 49,845	\$35,874
Non-residential	8,477	78,669	80,615	136,249	58,134	59,947	24,106
	<u>\$76,752</u>	<u>\$103,321</u>	<u>\$101,084</u>	<u>\$152,994</u>	<u>\$141,287</u>	<u>\$109,792</u>	<u>\$59,981</u>
Residential Units:							
Single family	12	1	-	-	163	78	34
Multiple family	<u>156</u>	<u>64</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>40</u>
Total	168	65	28	-	163	98	74

Source: California Homebuilding Foundation.

BUILDING PERMITS AND VALUATIONS
Town of Danville
2014 to 2020

	2014	2015	2016	2017	2018	2019	2020
Valuation (\$000):							
Residential	\$23,677	\$75,196	\$45,243	\$58,552	\$58,203	\$95,435	\$57,182
Non-residential	8,329	15,113	21,315	13,938	13,977	19,047	14,168
	<u>\$32,006</u>	<u>\$90,309</u>	<u>\$66,558</u>	<u>\$72,490</u>	<u>\$72,181</u>	<u>\$114,482</u>	<u>\$71,350</u>
Residential Units:							
Single family	32	56	39	25	25	42	39
Multiple family	<u>16</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144</u>	<u>0</u>
Total	48	60	39	25	25	186	39

Source: California Homebuilding Foundation.

BUILDING PERMITS AND VALUATIONS
County of Contra Costa
2014 to 2020

	2014	2015	2016	2017	2018	2019	2020
Valuation (\$000):							
Residential	\$ 736,268	\$1,053,949	\$1,073,171	\$ 951,436	\$1,082,667	\$1,016,332	\$875,541
Non-residential	390,987	526,816	668,424	607,769	729,898	472,956	424,073
	<u>\$1,127,255</u>	<u>\$1,580,765</u>	<u>\$1,741,595</u>	<u>\$1,559,205</u>	<u>\$1,812,564</u>	<u>\$1,489,288</u>	<u>\$1,299,613</u>
Residential Units:							
Single family	1,438	1,909	1,853	1,732	1,647	1,573	1,525
Multiple family	546	629	1,043	272	1,161	1,229	1,243
Total	<u>1,984</u>	<u>2,538</u>	<u>2,896</u>	<u>2,004</u>	<u>2,808</u>	<u>2,802</u>	<u>2,768</u>

Source: California Homebuilding Foundation.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the delivery of Refunding Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the Refunding Bonds in substantially the following form:

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F

COUNTY OF CONTRA COSTA INVESTMENT POLICY AND SUMMARY OF POOLED INVESTMENT FUND

In accordance with Education Code Section 41001, substantially all District operating funds are required to be held by the Treasurer-Tax Collector of the County (the "County Treasurer"). The following information has been provided by the County Treasurer. The District has not independently verified this information and takes no responsibility for the accuracy or completeness thereof. Further information may be obtained from the County Treasurer.

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this appendix has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Refunding Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Refunding Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement.

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

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

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

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

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

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

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the

event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

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