SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 10.1

- ☐ Information Item Only
- ☐ Approval on Consent Agenda
- ☐ Conference (for discussion only)
- ☐ Conference/First Reading (Action Anticipated: ______________)
- ☐ Conference/Action
- ☑ Action
- ☐ Public Hearing

Division
_______: Business Services

Recommendation
_______________: Approve Resolution No. 3204- titled "RESOLUTION OF THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT AUTHORIZING
THE ISSUANCE OF NOT TO EXCEED $77,100,000 OF ITS GENERAL OBLIGATION
BONDS, ELECTION OF 2012 (MEASURE Q), 2021 SERIES G"

Background/Rationale
___________________: The General Obligation Bonds, Election of 2012 (Measure Q), 2021
Series G (the "Series G Bonds") will be the seventh and final issuance of Measure Q,
approved by District voters on November 6, 2012. The total principal amount for the
bonds is $77.1 million, which is the remaining authorization under Measure Q. Proceeds from the Series G Bonds will continue to fund projects approved by voters under Measure Q.

separately considered for approval at this meeting. The RFP process will aid in the selection of the underwriter(s) with the most qualifications and lowest cost. The Resolution being considered tonight delegates authority to the Superintendent and other District staff to select one or more underwriting firms based on the results of the RFP and the advice of the financial advisor, and to finalize, execute, and deliver any required legal documents or disclosures. Both the Series G Bonds and the 2021 Refunding Bonds are expected to be sold in late June 2021, with a closing expected in early July 2021.

Financial Considerations: The costs of issuance for the Series G Bonds will be paid from proceeds of the bond issue and no such costs will be paid from the general fund. Disclosures of such estimated costs are set forth in the Resolution as an exhibit. Principal of and interest on the Bonds is paid from the collection of ad valorem taxes collected by the County from taxpayers in the District.

Goal(s): College, Career and Life Ready Graduates; Safe, Emotionally Healthy,

RESOLUTION NO. 3204

RESOLUTION OF THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $77,100,000 OF ITS GENERAL OBLIGATION BONDS, ELECTION OF 2012 (MEASURE Q), 2021 SERIES G

WHEREAS, the issuance of not to exceed $346,000,000 aggregate principal amount of general obligation bonds (the "Authorization") of Sacramento City Unified School District (the "District"), County of Sacramento (the "County"), State of California was authorized at an election (the "Election") held in said District on November 6, 2012, the proceeds of which are to be used for the financing of the acquisition, construction, equipping, furnishing and improvement of certain capital facilities of the District (the "Project"); and

WHEREAS, the County Registrar of Voters has certified to the effect that the official canvass of returns for the Election reflected that 55% or more of the votes cast on the District's bond measure, known as "Measure Q," submitted to the voters at the Election (the "Measure") were cast in favor of the Measure, and such result has been entered in the minutes of the Board of Education of the District (the "Board"); and

WHEREAS, the District has heretofore issued six series of general obligation bonds in the combined principal amount of $268,900,000 under the Authorization such that $77,100,000 aggregate principal amount of general obligation bonds remain for issuance under the Authorization; and

WHEREAS, the Board has determined the need for issuance of one or more series of its general obligation bonds under the Authorization in an aggregate principal amount not to exceed Seventy-

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Sacramento City Unified School District, as follows:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Purpose and Authorization

Section 8. Approval of Negotiated Sale. Pursuant to Section 15146(b) of the Education Code, the Board hereby approves of the sale of the Bonds, by the County on behalf of the District, on a negotiated basis to the Underwriter. The District has determined that conditions in the municipal marketplace are sufficiently complex that the increased flexibility the Underwriter can provide in structuring and planning the sale of the Bonds dictates sale on a negotiated rather than a competitive basis. The costs of issuance of the meet the requirements of law and the procedures of the County with respect to such a request, staff of the District is hereby directed to lodge a certified copy of this Resolution with the Clerk of the County Board, together with distribution instructions, and with the Superintendent of Schools of the County promptly following adoption hereof, and the District represents and warrants to the County that annual administrative expenses associated with lodsw tC6(t)0.5(.004 T3Jm(w)2.. a)2.6(d)-1.5(i)-17.004 T3Jad.1(a)2.6(g8.6(a))0.7(w)-

The foregoing resolution was, on the 6th day of May, 2021, adopted by the Board of Education of the Sacramento City Unified School District at a regular meeting by the following vote:

AYES: ____________

NOES: ____________

ABSENT: ____________

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By:____________________________________
President of the Board of Education

ATTEST:

By:____________________________________
Secretary to the Board of Education

EXHIBIT A

DISCLOSURE OF SPECIFIED INFORMATION

1. Estimated True Interest Cost of the Bonds: 2.60%

2. Estimated Finance Charge, i.e., the sum of all fees and charges paid to third parties: $750,000

3. Estimated amount of proceeds to be received by the District, less Finance Charges, to $750

The County and the District acknowledge and agree that: (a) the purchase and sale of the Bonds under this Purchase Agreement is an arm's-length commercial transaction among the County, the District and the Underwriter; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and not as the agent or fiduciary of the County or the District; (c) the Underwriter has not assumed a fiduciary responsibility in favor of the County or the District with respect to: (i) the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the District on other matters); or (ii) any other obligation to the County or the District except the obligations expressly set forth in this Purchase Agreement; and (d) the County and the District have each consulted with their own legal, financial and other advisors to the extent they have deemed appropriate in connection with this transaction.

The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter's disclosure under Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB").

Section 2. The Bonds. The Bonds shall be dated their date of delivery (the "Date of Delivery") and shall be payable as to interest on each February 1 and August 1, commencing [February 1, 2022]. The Bonds shall bear interest at the rates, shall mature on the dates and in the years, and shall be subject to redemption, as shown on Appendix A hereto which is incorporated herein by reference, and shall otherwise be as described in the Official Statement (defined herein), and shall be issued and secured pursuant to the provisions of the Resolution of the Board of Education of the District adopted on _______, 2021 (the "District Resolution") and the Resolution of the Board of Supervisors of the County adopted on ________, 2021 (the "County Resolution" and together with the District Resolution, the "Resolutions") and Section 53506 et Seq. of the Government Code of the State of California (the "State"), Section 15100 et seq. of the Education Code of the State of California and other applicable law (collectively, the "Act"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Official Statement or, if not defined in the Official Statement, in the County Resolution.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Resolutions. The Bonds shall be in book-entry form, shall bear CUSIP numbers, and shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). The Bonds shall initially be in authorized denominations of $5,000 principal amount or any integral multiple thereof. The Director of Finance of the County of Sacramento shall act as the initial paying agent for the Bonds (the "Paying Agent").

The proceeds of the Bonds will be applied by the District to finance certain capital improvements for the District as specified in the District bond proposition submitted to the voters at the November 6, 2012 election (the "Election").

Section 3. Use of Documents. The County and the District hereby authorize the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Agreement, the Continuing Disclosure Agreement (defined herein), the Preliminary Official Statement (defined below) and the Official Statement and the Resolutions and all information contained herein and therein and all of the documents, certificates or statements furnished by the County or the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement, except as such other documents shall otherwise provide. The Resolutions, Purchase Agreement, Continuing Disclosure Agreement and Official

Statement are collectively referred to as the “Legal Documents.” The an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix C, with such and

such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power oror provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) r D g a n u . The District has complied respects with any previous undertakings in a written Continuing Disclosure Agreement or agreement under the Rule.

(j)

or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the County shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof. The County gives no representation or warranty with regard to compliance with Blue Sky or similar securities laws or requirements.

(d) u u g D. To the best knowledge of the County, the issuance of the Bonds, and the execution, delivery and performance of the Legal Documents to which the County is a party and the

(a) The Underwriter is duly authorized to execute this Purchase Agreement and the Underwriter is duly authorized to take any action under this Purchase Agreement required to be taken of them.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the County and the District, and is not prohibited thereby from acting as underwriter with respect to securities of the County or the District.

(c) The Underwriter has not paid or agreed to pay, nor will they pay or agree to pay, any entity, company, firm, or person (including, but not limited to any officer, agent or employee of the County or the District), other than a bona fide officer, agent or employee working for the Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Agreement;

(d) The Underwriter has, and has had, no financial advisory relationship with the County or the District with respect to the Bonds, and no

(e) . The County and the District authorize the Underwriter to file, to the extent required by the applicable rules promulgated by the Securities and Exchange Commission or the MSRB, and the Underwriter agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including the MSRB's Electronic Municipal Market Access system); or (ii) other repositories approved from time to time by the Securities and Exchange Commission (either in addition to or in lieu of the filing referred to above). If an amended Official Statement is prepared in accordance with Section 11(g) of this Purchase Agreement during the "Primary Offering Disclosure Period" (as defined below), and if required by an applicable Securities and Exchange Commission Rule or MSRB rule, the Underwriter shall also make the required filings of the amended Official Statement. The "Primary Offering Disclosure Period" is used as defined in MSRB Rule G-32 and shall end on the twenty-fifth day after the Closing Date.

(f) . References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto.

(g) . During the period ending on the twenty-fifth day and confirming to the District that as of the Closing Date all of the representations of the Underwriter contained in this Purchase Agreement are true, complete and correct in all material respects; and

(b) the certification of the Underwriter regarding the prices at which the Bonds have been reoffered to the public, in form satisfactory to Bond Counsel, as described in this Purchase Agreement.

Section 13. Indemnification. The District agrees to, and shall indemnify, the County, its officers, agents and employees against any and all losses, claims, claims, introduced in the Congress or recommended for passage by the President of the United States or a member of the President's Cabinet (by press release, other form of notice or otherwise), or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(A) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service (the "IRS"), with the purpose or effect, directly or indirectly, of changing, directly or indirectly, the federal income tax consequences or State tax consequences of the interest on the Bonds or of obligations of the general character of the Bonds in the hands of the holders thereof; or

(B) by or on behalf of the Securities and Exchange Commission (the "SEC"), or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or would be in violation of any provision of the federal securities laws;

(ii) any outbreak or escalation or hostilities affecting the United States, the declaration by the United States of a national emergency or war, or engagement in or material escalation of major military hostilities by the United States or the occurrence of any other national or international emergency, calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(iii) the declaration of a general banking moratorium by federal, New York State or California authorities having appropriate jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue of a determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction;

(iv) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(v) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the SEC, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation

(D) The opinion of ______________________, [City], [State], counsel to the Underwriter, in form and substance acceptable to the Underwriter.

(ii) . A certificate signed by appropriate officials of the District to the effect that (A) such officials are authorized to execute this Purchase Agreement; (B) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the Closing Date; (C) the District has complied with all the terms of the Legal Documents to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect; (D) no litigation is pending or to the best of the District's knowledge, threatened (either in State or federal courts) (i) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (ii) in any way contesting or affecting the authority for the execution,

at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the County and the District.

(f) . Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the County to the Underwriter as provided in Section 6 hereof, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 18 hereof.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing in its sole discretion.

Section 15. Conditions to Obligations of the District. The performance by the County and the District of their obligations is conditioned upon (a) the performance by the Underwriter of their obligations hereunder, and (b) receipt by the County, the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the District.

Section 16. Expenses. Except as herein described, all expenses and costs of the District

Section 23. Applicable Law. This Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State applicable to contracts made and performed in such State.

Very truly yours,

[UNDERWRITER], as Underwriter

By ____

[Managing Director]

The foregoing is hereby agreed to and accepted
at ______ P.M. Pacific Time, this ___ day
of ____, 2021:

COUNTY OF SACRAMENTO

By ___________________________

Authorized Representative

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By ___________________________

Superintendent

APPENDIX A

INTEREST RATES, REOFFERING YIELDS, MATURITIES, AND REDEMPTION PROVISIONS

$_____
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
(Sacramento County, California)
GENERAL OBLIGATION BONDS
ELECTION OF 2012 (MEASUREQ), 2021 SERIES G

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	10% Sold	Hold the Offering Price

____
T Term bonds.
* Priced

TERMS OF REDEMPTION

Optional Redemption

The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The Bonds maturing on August 1, 20__, may be redeemed before maturity at the option of the District, as a whole or in part, from any source of available funds, on any date on or after August 1, 20__ at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption, without premium.

Mandatory Redemption

iate pfixe

The Bonds maturing August 1, 20__ are subject to mandatory sinking fund redemption on August 1 of each Mandatory Sinking Fund Payment Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be olus ccrued

APPENDIX B

OPINION OF COUNTY COUNSEL

Board of Education
Sacramento City Unified School District
5735 47th Avenue
Sacramento, California 95824

[UNDERWRITER]
[STREET ADDRESS]
[CITY], [STATE] [ZIP]

Ladies and Gentlemen,

This opinion is rendered and delivered in connection with the issuance by the Board of Supervisors of the County of Sacramento (the “County”) on behalf of Sacramento City Unified School District (the “District”) of $_____ aggregate principal amount of bonds designated “Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2021 Series G” (the “Bonds”). The Bonds are issued pursuant to a Resolution of the Board of Education of the District adopted on ______, 2021 (the “District Resolution”) and a Resolution of the Board of Supervisors of the County adopted on _____, 2021 (the “County Resolution”).

In rendering this opinion, we have examined the District Resolution, the County Resolution and the Bond Purchase Agreement, dated ____, 2021 (“Purchase Agreement”), by and between the County, the District and [_____________________] and such other documents, records and instruments and made such investigations of law and fact as we have deemed necessary to render the opinions expressed herein. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

Having reviewed these documents and other information we have deemed relevant to the preparation of this opinion, it is our opinion that:

1. The County is a political subdivision duly organized and existing under the Constitution and the laws of the State of California;

2. The County Resolution approving and authorizing the issuance of the Bonds and the execution and delivery of the Purchase Agreement was duly adopted at a meeting of the Board of Supervisors of the County which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and has not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof;

3. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened 4fi13.(6)TjT( )Tj 32.477Tj-4(2)Tj 032.47799687 1( ).1 ( )Tj 6 ( )Tj 13.

or enforceability of the Bonds, the Purchase Agreement, the County Resolution or the Bonds; (4) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under any the County Resolution or the Purchase Agreement; or (5) seeking to restrain or enjoin the levy or collection of tax revenues pledged for the Bonds;

4. To the best of our knowledge, the obligations of the County under the Bonds, and the execution of and performance of the provisions of the Purchase Agreement, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach of or default under any agreement or other instrument to which the County is a party or by which it is bound or any existing law, regulation court order or consent decree to which the County is subject; and

5. The Bonds have been duly authorized by the County and the Purchase Agreement has been duly authorized by the County, and assuming due authorization, execution and delivery by the other parties thereto and of issuance of the Bonds by the County, and upon due authentication by the Paying Agent of and the

APPENDIX C

FORM OF ISSUE PRICE CERTIFICATE

[UNDERWRITER] (the "Underwriter") hereby certifies and represents the following with respect to the Sacramento City Unified School District General Obligation Bonds, Election of 2012 (Measure Q), 2021 Series G (the), in the aggregate initial principal amount of $_____ :

1. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective prices shown on Schedule A hereto.

2. .

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for

(e) means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

a

(f) means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ow

SCHEDULE A

Sale Prices of the General Rule Maturities
And
Initial Offering Prices of the Hold-the-Offering Price Maturities

$77,100,000*
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
(SACRAMENTO

MATURITY SCHEDULE

$________
Sacramento City Unified School District
(Sacramento County, California)
General Obligation Bonds,
Election of 2012 (Measure Q), 2021 Series G

MATURITY SCHEDULE

$____________
Sacramento City Unified School District
(Sacramento County, California)
2021 General Obligation Refunding Bonds

Maturity (July 1)	Principal Amount	Interest Rate	Yield	CUSIP[1] (785870)
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				

[1] Copyright, American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. The CUSIP number is provided for convenience of reference only. Neither the District nor the Underwriter take any responsibility for the accuracy of such CUSIP number.

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(continued)

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No dealer, broker, salesperson or other person has been authorized by the Sacramento City Unified School District (the "District") to provide any information or to make any representations other than as contained herein and, if given or made, such other information or representation must not be relied upon as

$77,100,000*
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
(Sacramento County, California)
GENERAL OBLIGATION BONDS,
ELECTIO OF 2012 (Measure Q), 2021 SERIES G

$38,000,000*
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
(Sacramento County, California)
2021 GENERAL OBLIGATION REFUNDING BONDS

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 page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The Sacramento City Unified School District (the "District") proposes to issue $77,100,000* aggregate principal amount of its General Obligation Bonds, Election of 2012 (Measure Q), 2021 Series G (the "Series G Bonds") under and pursuant to a bond authorization (the "Authorization") for the issuance and sale of not more than $346,000,000 of general obligation bonds approved by 55% or more of the qualified voters of the District voting on the proposition at a general election held on November 6, 2012 (the "Election"). The Series G Bonds are the seventh series of general obligation bonds issued under the Authorization and, subsequent to the issuance of the Series G Bonds, no*no

York ("DTC") is the registered owner of the Bonds and DTC's book entry-method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. See "THE BONDS – Description of the Bonds" herein.

The District

The District is located in Sacramento County, California (the

Professionals Involved in the Offering

Dannis Woliver Kelley, Long Beach, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. U.S. Bank National Association, San Francisco, California, is acting as escrow agent for the Bonds. Dale Scott & Company, San Francisco, California, is acting as Financial Advisor to the District in connection with the issuance of the Bonds. _________________________________, [City], [State], is acting as counsel to the Underwriter with respect to the Bonds. The above professionals will receive compensation from the District contingent upon the sale and delivery of the Bonds.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Closing Date

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about _________, 2021.

THE BONDS

Authority for Issuance

The Bonds are general obligations of the District. The Series G Bonds are being issued by the County on behalf of the District under the provisions of Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the Government Code of the State of California (the "Government Code") (commencing with Section 53506) and pursuant to a resolution of the Board adopted on ___________, 2021 and a Resolution of the Board of Supervisors of the County (the "County Board") adopted on ___________, 2021 (together, the "Series G Resolution").

The Refunding Bonds are being issued by the District under the provisions of Title 5, Division 2, Part 1, Chapter 3, Articles 9 and 11 of the Government Code (commencing with Section 53550) and pursuant to a resolution of the Board adopted on ___________, 2021 (the "Refunding Resolution" and together with the Series G Resolution, the "Resolutions").

Purpose of Issue

The net proceeds of the Series G Bonds will be used to finance certain capital improvements for the District as specified in the District bond proposition submitted at the Election, which includes updating classrooms, science labs, computer systems and technology; renovating heating and ventilation systems; reducing costs through energy efficiency; improving student safety and security systems; repairing roofs, floors, walkways, bathrooms, electrical, plumbing and sewer systems. See “PLAN OF FINANCE – The Projects” herein.

The net proceeds of the Refunding Bonds will be applied to refund a portion of the 2011 Refunding Bonds. See “PLAN OF FINANCE – The Refunding” herein.

Description of the Bonds

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

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

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest or premium, if any, on the Bonds are payable by wire transfer or New York Clearing House or equivalent next-day funds or by wire transfer of same day funds by the Paying Agent, to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners. See APPENDIX F – “BOOK-ENTRY ONLY SYSTEM” herein.

Payment of the Bonds

Interest on the Series G Bonds is payable commencing February 1, 2022, and semiannually thereafter on February 1 and August 1 of each year (each, an “Interest Payment Date” with respect to the Series G Bonds). Interest on the Refunding Bonds is payable commencing January 1, 2022, and semiannually thereafter on January 1 and July 1 of each year (each, an “Interest Payment Date” with respect to the Refunding Bonds). The Bonds shall be issued in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof.

Interest on each Bond shall accrue from its dated date at the interest rates applicable thereto as set forth on the inside cover page hereof. Interest shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date (the “Record Date”). Interest will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered prior to the close of business on January 15, 2022, with respect to the Series G Bonds, and December 15, 2021, with respect to the Refunding Bonds, in which event interest shall be payable from its Dated Date; provided, however, that if at the time of registration of any Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of $1,000,000 or more of such Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than 15 days and not less than ten the for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Series G Bond to

Transfer and ExchangeIf

Any Bond may be exchanged for Bonds of like tenor, series, maturity and principal amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of such Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Defeasance

If any or all Outstanding Bonds shall be paid and discharged in any one or more of the following ways: (a) by well and truly paying or causing to be paid the principal of and interest on all Bonds Outstanding, as and when the same become due and payable; (b) by depositing with the Paying Agent, in trust, at or before maturity, cash which, together with the amounts then on deposit in the Debt Ser[illegible] all Bonds Outstanding on [illegible] or provide certain information as set forth therein. See "CONTINUING DISCLOSURE" herein and APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

SOURCES AND USES OF FUNDS

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

Sources of Funds	Series G Bonds	Refunding Bonds	Total
Principal Amount of Bonds			
[Net] Original Issue Premium			
Total Sources			
Uses of Funds			
Deposit to Escrow Fund			
Deposit to Building Fund			
Deposit to Debt Service Fund			
Costs of Issuance(1)			
Total Uses			

(1) Includes Underwriter's discount, Bond and Disclosure Counsel fees, financial advisory fees, paying agent and escrow agent fees, rating agency fees, verification agent fees, and other costs of issuance.

District Investments

The Director of Finance manages, in accordance with California Government Code Section 53600 *et seq.*, funds deposited with the Director of Finance by school and community college districts located in the County, various special districts, and some cities within the State of California. State law generally requires that all moneys of the County, school and community college districts and certain special districts located in the County be held in the County Treasury. The County invests moneys of school and community colleges over which it has jurisdiction in its pooled investment fund (the "Investment Pool").

The composition and value of investments under management in the Investment Pool vary from time to time depending on cash flow needs of the County and public agencies invested in the Investment Pool, maturity or sale of investments, purchase of new securities, and due to fluctuations in interest rates generally. For a further discussion of the Investment Pool, see the caption "THE SACRAMENTO COUNTY INVESTMENT POOL" herein.

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

DEBT SERVICE SCHEDULE

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

ANNUAL DEBT SERVICE ON THE BONDS

	Series G Bonds		**Refunding Bonds**
Bond Year Ending[1]	Principal	Interest	

The table on the following page shows the annual debt service payments on all of the District's outstanding general obligation bonds, comprising the General Obligation Bonds, Election of 2002, Series 2007 ("2002 Series 2007 Bonds"), the General Obligation Bonds, Election of 2012 (Measures Q and R), 2013 Series A ("2013 Series A Bonds"), the General Obligation Bonds, Election of 2012 (Measures Q and R), 2013 Series B ("2013 Series B Bonds"), the 2011 General Obligation Refunding Bonds ("2011 Refunding Bonds"), the 2012 General Obligation Refunding Bonds ("2012 Refunding Bonds"), the 2014 General Obligation Refunding Bonds ("2014 Refunding Bonds"), the 2015 General Obligation Refunding Bonds ("2015 Refunding Bonds"), the General Obligation Bonds, Election of 2012 (Measure Q), 2015 Series C ("2015 Series C Bonds"), the General Obligation Bonds, Election of 2012 (Measure Q), 2016 Series D ("2016 Series D Bonds"), the General Obligation Bonds, Election of 2012 (Measure Q), 2017 Series E (2017 Series E Bonds"), the General Obligation Bonds, Election of 2012 (Measure R), 2017 Series C ("2017 Series C Bonds", the General Obligation Bonds, Election of 2012 (Measure Q), 2018 Series F ("2018 Series F Bonds"), the General Obligation Bonds, Election of 2012 (Measure R), 2019 Series D ("2019 Series D Bonds"), the Series G Bonds and the Refunding Bonds.

The 2011 Refunding Bonds are expected to be refunded in part by the Refunding Bonds described herein. See "PLAN OF FINANCE- The Refunding."

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SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
Total Annual Debt Service
Outstanding General Obligation Bonds

Period Ending(1)	2002 Series 2007 Bonds(2)	2013 Series A Bonds(3)(4)	2013 Series B Bonds(3)(5)	2011 General Obligation Refunding Bonds(2)	2012 General Obligation Refunding Bonds(2)	2014 General Obligation Refunding Bonds(2)	2015 General Obligation Refunding Bonds(2)	2015 Series C Bonds(3)	2016 Series D Bonds(3)	2017 Series E Bonds	2017 Series C Bonds	2018 Series F Bonds	2019 Series D Bonds	The Bonds	Total
2021	-	$966,738	$3,926,667	$7,266,875	$10,539,713	$4,914,350	$4,309,500	$4,687,850	$805,000	$5,652,850	$596,600	$236,900	$6,267,575		
2022	-	965,538	3,926,667	7,265,875	10,342,713	5,100,600	4,556,750	4,687,250	808,000	5,659,650	593,800	181,980	1,235,575		
2023	$5,065,000	968,738	3,926,667	7,267,125	6,637,963	5,294,100	929,000	4,688,650	811,400	5,653,250	595,800	528,290	1,236,375		
2024	5,225,000	966,138	3,926,667	7,269,875	6,880,838	5,488,600	929,000	4,686,400	807,700	5,654,250	595,300	665,990			

SECURITY FOR THE BONDS

General

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* taxes upon all property within the District subject to taxation by the County, without limitation as to rate or amount (except certain personal property which is taxable at limited rates) for payment of both principal of and interest on the Bonds. See "TAX BASE FOR REPAYMENT OF THE BONDS" herein.

The District received authorization to issue $346,000,000 principal amount of general obligation bonds pursuant to an election of the qualified electors within the District on November 6, 2012. Subsequent to the issuance of the Series G Bonds, no general obligation bonds will remain for issuance under the Authorization*. The District is authorized to issue refunding bonds to refund its outstanding general obligation bonds (including general obligation refunding bonds) under the Government Code (commencing with section 53550 thereof).

Property Taxation System

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

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

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

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

Pursuant to Section 53515 of the State [illegible]

Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

Pledge of Tax Revenues

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

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

PLAN OF FINANCE

The Projects

The District will apply the net proceeds of the Series G Bonds to finance the acquisition, construction, furnishing and equipping of District facilities in accordance with the bond proposition approved at the Election which includes the ballot measure and a project list.

The "Smaller Classes, Safer Schools, and Financial Accountability Act," a Constitutional amendment known as Proposition 39, controls the method by which the District will expend Series G Bond proceeds on its capital improvements. Prior to the Election, the District prepared and submitted to the Board for approval a master certified public accountants (the “Verification Agent”). See the caption “ESCROW VERIFICATION” herein.

As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the Underwriter’s and the Verification Agent’s computations, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* taxes for payment of the Refunded Bonds will also be defeased. Amounts deposited into the Escrow Fund are not available to pay debt service on the Bonds.

TAX BASE FOR REPAYMENT OF THE BONDS

The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem taxes levied and collected by the County on taxable property in the District. The District’s general fund is not a source for the repayment of the Bonds.

Ad Valorem Property Taxation

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a “floating lien date”). For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of “situs” growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In thereafter. The additional penalties shall continue to attach until the time of payment or until the time a court judgment is entered for the amount of unpaid taxes and penalties, whichever occurs first.

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

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIIIA of the California Constitution. Sej 16.1v first.61 1 0 0% 0 Td (defined)Tj ( )oNS77080% 0 Td Q60v2vbNAL80188 0 Td 00061 0 Td (reco

The following tables presents the historical assessed valuation in the District since fiscal year 2011-12. The District's total assessed valuation is $40,429,259,236 for fiscal year 2020-21.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
Summary of Assessed Valuations
Fiscal Years 2011-12 through 2020-21

Fiscal Year	Local Secured[1]	Unsecured	Total	Annual % Change
2011-12	$24,367,435,850	$1,381,399,468	$25,748,835,318	--
2012-13	24,088,535,893	1,312,707,722	25,401,243,615	(1.35)%
2013-14	25,070,853,698	1,240,891,839	26,311,745,537	3.58
2014-15	26,203,736,543	1,279,564,924	27,483,301,467	4.45
2015-16	27,627,053,568	1,188,321,120	28,815,374,688	4.85
2016-17	29,448,310,116	1,271,280,326	30,719,590,442	6.61
2017-18	31,630,780,391	1,332,650,184	32,963,430,575	7.30
2018-19	33,920,993,517	1,444,875,017	35,365,868,534	7.29
2019-20	36,764,643,370	1,403,666,196	38,168,309,566	7.92
2020-21	38,932,165,119	1,497,094,117	40,429,259,236	5.92

[1] Includes the secured assessed valuation of utility property and excludes the unitary assessed valuation of utility property, both as determined by the State Board of Equalization.
Source: *California Municipal Statistics, Inc.*

Economic and other factors beyond the District's control, such as general market decline in property values resulting from pandemic or otherwise, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Bonds. See "SECURITY FOR THE BONDS."

Change in Economic Conditions. The recent outbreak of COVID-19 and the corresponding measures to prevent its spread have caused widespread unemployment and economic

Additionally, in recent years, certain portions of the State were affected by large wildfires which destroyed both natural lands and residential and commercial properties and resulted in large-scale property value reductions in the impacted areas. The District was not materially impacted by recent wildfires.

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

Re-assessments and Appeals of Assessed Valuations

Pursuant to California Proposition 8 of November 1978 ("Proposition 8"), property owners may apply for a reduction of their property tax assessment by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, an appeal is filed because the applicant believes that present market conditions (such as lower residential home sale prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Article XIIIA of the California Constitution."

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

County assessors, at their discretion, may also, from time to time, review certain property types purchased between specific time periods (e.g., all single family homes and condominiums purchased shortly prior to widespread declines in the fair market value of residential real estate within the county, co300293 0 T Td

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

Assessed Valuation by Jurisdiction

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

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2020-21

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Elk Grove	$ 67,957,615	0.17%	$22,575,446,282	0.30%
City of Rancho Cordova	964,808,019	2.39	$9,830,093,802	9.81%
City of Sacramento	34,383,709,230			

Assessed Valuation of Single Family Homes

The following table sets forth ranges of assessed valuations of single family homes in the District for fiscal year 2020-21, including the median and average assessed value per single family parcel.

SACRAMENTO CITY

Largest Taxpayers

The table below sets forth the largest local secured taxpayers within the District in fiscal year 2020-21.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
Largest Total Secured Taxpayers
Fiscal Year 2020-21

	Property Owner	Primary Land Use	2020-21 Assessed Valuation	% of Total [(1)]
1.	City of Sacramento & The Sacramento Kings	Sports Arena	$ 399,488,288	1.03%
2.	M&H Realty Partners VI LP	Commercial	254,130,927	0.65
3.	Hancock SREIT Sacramento LLC	Office Building	198,750,000	0.51
4.	Pac West Office Equities LP	Office Building	197,158,904	0.51
5.	SRI Eleven 621 Capitol Mall LLC	Office Building	167,504,400	0.43
6.	GPT Properties Trust	Office Building	149,426,052	0.38
7.	500 Capitol Mall LLC	Office Building	147,446,414	0.38
8.	HP Hood LLC	Industrial		

Tax Rates

The following table sets forth tax rates levied in Tax Rate Area 3-005 within the District for fiscal years 2016-17 through 2020-21:

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
Typical Tax Rate per $100 Assessed Valuation (TRA 3-005)[1]
Fiscal Years 2016-17 through 2020-21

Jurisdiction	2016-17	2017-18	2018-19	2019-20	2020-21
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Los Rios Community College District	0.0141	0.0130	0.0131	0.0232	0.0223
Sacramento City USD	0.1277	0.1235	0.1164	0.1139	0.1171
Total	1.1418	1.1365	1.1295	1.1371	1.1394

(1) 2020-21 assessed valuation of TRA 3-005 is $11,672,963,838 which is 28.87% of the District's total assessed valuation.
Source: *California Municipal Statistics, Inc.*

The Teeter Plan

The Board of Supervisors of the County in 1993 approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan for the County, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency.

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

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

The Teeter Plan of the County is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscalof6 tle(thefisde.) -1 2.887001 Td (Pl

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the operations of the District and the District's finances is provided as

School districts that serve students of limited English proficiency ("EL" students), students from low income families that are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced priced meals ("FRPM") and are not discussed separately herein). A supplemental grant add-on (each, a "Supplemental Grant") is authorized for school districts that serve EL/LI

The following table sets forth the ADA, enrollment, the percentage of EL/LI ("Unduplicated Count") enrollment, and the percentage of FRPM enrollment for fiscal year 2019-20, budgeted for the current year and projections for fiscal years 2021-22 and 2022-23.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
ADA, English Language/Low Income Enrollment
Fiscal Years 2019-20 through 2022-23

	ADA					Enrollment		
Fiscal Year	K-3	4-6	7-8	9-12	Total ADA	Total Enrollmen t	% of Unduplicated Count	% of FRPM Enrollment
2019-20								

identified deficiencies with regard to areas of State priority. LCAPs are required to be adopted annually, covering a three year period. , The State Board of Education has developed and adopted a template LCAP for use by school districts.

Support and Intervention. AB 97, as amended by SB 91, establishes a new system of support and intervention to assist school districts meet the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem

Developer Fees

The District receives developer fees

roadmap in four phases for the State for shelter-in-place restrictions. On May 7, 2020, Governor Newsom ordered a gradual

February 29, 2020, inclusive, would be reported for

COVID-19 Relief Funds. The District received $666,159 as Learning Loss Mitigation Funding under SB 117 in fiscal year 2019-20 and has received, or is expected to receive, the following amounts the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets and not later than October 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. Until a district's budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

Interim Financial Reports. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

The District self-certified its first and second interim budget reports for fiscal year 2018-19 as negative, its first and second interim budget reports for fiscal year 2019-20 as negative, and its first and second interim budget reports for fiscal year 2020-21 as negative and qualified, respectively.

Projected Budgetary Deficits and Fiscal Advisor Oversight

The District is facing a structural deficit in its budget, due to various facto2

County Oversight

Pursuant to Section 42127 of the Education Code, because the County Office of Education disapproved the District's fiscal year 2019-20 Adopted Budget, increased oversight procedures were implemented. These procedures include the assignment of a Fiscal Advisor to assist the District with building a balanced budget. The County Office of Education-appointed Fiscal Advisor (the "Fiscal Advisor") will continue to assist the District until the District eliminates deficit spending and regains the required level of reserves. Currently, the District's Superintendent and Chief Business Officer meet weekly with the County Superintendent of Schools, the Fiscal Advisor and other members of SCOE to review the District's financial and budgetary management.

The District's ongoing efforts to eliminate its structural budget deficit, with SCOE's oversight

State Audit

The California Joint Legislative Audit Committee has directed that a state auditor conduct a performance audit (the "State Audit") of the District's finances for the past five fiscal years and identify current causes of the District's fiscal distress. The State Audit was released in December 2019. finding that the District failed to take sufficient action to control its costs in three main areas—teacher salaries, employee benefits, and special education. The State Audit found that the District (i) increased its spending by $31 million annually when it approved a new labor contract with its teachers union (SCTA) in 2017, despite warnings from SCOE that it could not afford the agreement, (ii) failed to control the costs of its employee benefits, which increased by 52 percent from fiscal years 2013–14 through 2017–18, and (iii) lacked clear policies to guide staff on appropriate expenditures for special education, limiting its ability to control such costs.

To address the District's fiscal issues as of December 2019, the State Audit recommended that the District (i) adopt a detailed plan to resolve its fiscal crisis, (ii) revise its multiyear projections, with at least quarterly updates, until it has taken action that would cause it to no longer project insolvency, (iii) adopt a multiyear projection methodology, with assumptions and rationale used to estimate changes in salaries, benefits, contributions, and LCFF revenue, and (iv) before it imposes an agreement on its teachers union or accepts state assistance, publically disclose the likely effects that such actions will have on the district's students, faculty, and the community, and its plans to address these effects. In order to prevent future fiscal crisis, the State Audit recommended that the District (i) adopt a budget

General Fund Balance Sheet

The following table reflects the District's audited general fund balance sheet for fiscal years 2016-17 to 2019-20.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
GENERAL FUND
Summary of General Fund Balance Sheet
for Fiscal Years 2016-17 through 2019-20

	2016-17 Audit	2017-18 Audit	2018-19 Audit	2019-20 Audit
ASSETS				
Cash and Investments:				
Cash in County Treasury	$92,414,388	$75,050,277	$74,722,121	$48,227,154
Cash on Hand and in Banks	1,700,267	281,217	67,519	85,883
Cash in Revolving Fund	225,000	225,000	225,000	225,000
Accounts Receivable	12,008,190	8,656,692	8,707,218	64,707,798
Prepaid Expenditures	16,636	12,730	19,306	-
Due from Other Funds	2,963,638	4,117,257	5,970,784	2,814,637
Due from Grantor Governments	17,961,176	16,311,650	23,390,594	24,179,665
Stores Inventory	126,654	108,722	104,845	104,537
Total Assets	127,415,949	104,763,545	113,207,387	140,344,674
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	34,529,308	26,947,248	30,947,183	40,063,484
Unearned Revenue	6,458,836	6,567,313	10,438,729	5,597,401
Due to Other Funds	4,960,998	748,233	1,492,130	1,635,178
Total Liabilities	45,949,142	34,262,794	42,878,042	

Included in the 2020-21 State Budget were approximately $5.7 billion of expenditures related to the COVID-19 pandemic, of which the State expected to be reimbursed for approximately 75%. The 2020-21 State Budget also made new investments in wildfire prevention and mitigation, including $85.6 million to CAL FIRE for firefighting

- An increase in the

Proposed 2021-22 State Budget On January 8, 2021, Governor Newsom released his proposal for the budget for the State for fiscal year 2021-22 (the "Proposed 2021-22 State Budget") citing immediate relief for individuals and small businesses disproportionately impacted by COVID-19, the safe reopening of schools and extended learning time, and investment in strategies for creating quality jobs as priorities. The Proposed 2021-22 State Budget includes general fund revenues and transfers of $158.3 billion and expenditures of $164.5 billion in fiscal year 2021-22. The Proposed 2021-22 State Budget also revises revenue expectations for fiscal year 2020-21 up to $162.7 billion, an increase of $23 billion over the 2020-21 State Budget, and expenditures in fiscal year 2020-21 to $155.8 billion, an increase of $22 billion over the 2020-21 State Budget. While the Proposed 2021-22 State Budget is balanced, and reflects a significant increase in revenues over the 2020-21 State Budget, a structural deficit of $7.6 billion is projected for 2022-23 that is forecast to grow to over $11 billion by 2024-25. To provide resiliency, $34 billion of reserves and discretionary surplus are included in the Proposed 2021-22 State Budget to bring the Budget Stabilization Account balance to $15.6 billion; the Safety Net Reserve balance to $450 million; the PSSSA to $3 billion; and the State's operating reserve to an estimated $2.9 billion.

The Proposed 2021-22 State Budget proposes $3 billion of COVID-19 relief for immediate action in January, 2021 including $2.4 billion for the Golden State Stimulus, a $600 tax refund to low-income workers who were eligible to receive the earned income tax credits for calendar years 2019 and 2020, as well as $575 million for grants to small businesses and small non-profit cultural institutions disproportionately impacted by the pandemic. To accelerate economic recovery and job creation, the Proposed 2021-22 State Budget includes i) $777.5 million for a California Jobs Initiative to accelerate investment and job creation; ii) $353 million for work force development; iii) $1.5 billion for infrastructure and to implement the state's zero-emission vehicle goals; iv) $500 million for infill infrastructure to accelerate housing development; v) $385 million for targeted investments to build a more sustainable agricultural industry; and vi) $300 million for deferred maintenance and greening of state infrastructure.

K-12 education funding under the Proposed 2021-22 State Budget reaches a new high. Total Proposition 98 funding is proposed to be $85.8 billion. Total K-12 per pupil expenditures are projected to be $18,837 in 2020-21 ($12,354 in Proposition 98 funds and $6,483 other funds) and $18,000 in 2021-22 ($12,648 in Proposition 98 funds and $5,352 other funds). LCFF funding equals $64.5 billion under the Proposed 2021-22 State Budget. In order to address the lack of a statutory COLA in the 2020-21 State Budget, the Proposed 2021-22 State Budget funds both the 2020-21 COLA (2.31%) and the 2021-22 COLA (1.5%) in fiscal year 2021-22, creating a compounded combined COLA of 3.84% for fiscal year 2021-22.

The apportionment deferrals included in the 2020-21 State Budget for fiscal year 2020-21 remain in place and such apportionments will be paid during fiscal year 2021-22. The Proposed 2021-22 State Budget eliminates any apportionment deferrals in fiscal year 2021-22 with the exception of the deferral in June 2022 which remains delayed until July 2022. The 1.5% supplemental appropriation to school districts in the 2020-21 State Budget is eliminated due to the increase in revenues, however, a one-time supplemental payment of $2.3 billion is included to address COVID-19 related needs.

In accordance with Proposition 2 (described below), the Proposed 2021-22 S third through sixth grade students, county schools, school districts and charter schools (except certain non-classroom based charter schools) that continue or begin offeringthat programs who commit to working in high-need fields and at schools with high rates of under-prepared teachers.

- $100 million one-time Proposition 98 funds to expand the Teacher Residency Program, which supports clinical teacher preparation programs dedicated to preparing and retaining teachers in high-need communities and subject areas, including special education, bilingual education, and STEM.

- $25 million one-time Proposition 98 funds to expand the Classified School Employees Credentialing Program, which

Facilities Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.

- County Offices of Education—An increase of $10.2 million ongoing Proposition 98 funds to reflect a 1.5% COLA and ADA changes applicable to the LCFF.

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

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

Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. The COVID-19 pandemic has already resulted in significant negative economic effects at State and federal levels, and additional negative economic effects market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on outstanding general obligation bonds of the District, including the Bonds. See "TAX BASE FOR REPAYMENT OF THE BONDS – Assessed Valuations" herein.

Article XIIIA requires a vote of two-thirds of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of principal of and interest on the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the State Legislature to change any State taxes for 4

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

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

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity

Proposition 98

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

The Accountability Act also changes how tax revenues in j (on,)Tj (l)Tj (or)Tj 28 at3Td ( )Tj ch general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget.

Proposition 111

On June 5, 1990, the voters of California approved the Traffic Congestion Relief and Spending Limitation Act of 1990 ("Proposition 111"), which modified the State Constitution to alter the Article XIIIB spending limit and the

40.9% of State general fund revenues (the "first test") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

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

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

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California (the "Controller")). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill theacn or an emergency appropriation may result in the delay of such payments to the District if such required

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meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 55

At the November 8, 2016 general election, the voters in the State approved the Tax Extension of Education and Healthcare Initiative ("Proposition 55") which extends the

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

In the event the Governor were to declare a budget emergency, Proposition 2 would permit a smaller deposit to the BSA. A budget emergency may be called if there is a natural disaster such as an earthquake or flood or general fund revenues reach a certain minimum level. Withdrawals from the BSA, under Proposition 2, are permitted upon a majority vote of the legislature only when the Governor has declared a budget emergency. If a and to competition with charter schools. The adopted budget for fiscal year 2019-20 implemented approximately

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

Introduction

The District is located in Sacramento County, California (the "County") and spans 70 square miles. The District was established in 1854 and is the 13th largest school district in the State of California (the "State"), as measured by student enrollment. The District provides educational services to approximately 350,000 residents in and around the City of Sacramento (the "City"), the capitol of the State.

The District operates 42 elementary schools for grades K-6, seven K-8 schools, six middle schools for grades 7-8, two middle/high schools for grades 7-12, seven comprehensive high schools for grades 9-12, three alternative schools, two special education centers, two adult education centers, 15 charter schools (including five dependent charter schools) and 42 children's centers/preschools.

The ADA at second principal apportionment for the District for fiscal year 2020-21 is estimated to be 38,220 students and the District has a 2020-21 total assessed valuation of $40,429,259,236. The audited financial statements for the District for the fiscal year ended June 30, 2020 are attached as APPENDIX B hereto.

Board of Education

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

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
Board of Education

Name	Office	Term Expires December
Christina Pritchett	President	2024
Lisa Murawski	First Vice President	2022
Darrel Woo	Second Vice President	2022
Leticia Garcia	Member	2022
Jamee Villa	Member	2024
Chinua Rhodes	Member	2024

Key Personnel

The following is a listing of the key administrative personnel of the District and a brief biography of the District Superintendent follows.

Name	Title
Jorge A. Aguilar	Superintendent
Lisa	

expired on June 30, 2020. By operation of law, the parties are operating under the expired contracts until a new contract is executed and delivered. The District and SCTA entered into a memorandum of understanding on March 20, 2021, regarding reopening of District schools for the remainder of school year 2020-21.

The classified employees have assigned California School Employees Association ("CSEA"), as their exclusive bargaining agent. The contract between the District and CSEA expired on June 30, 2020. By operation of law, the parties are operating under the expired contracts until a new contract is executed and delivered.

Currently, four out of five District labor unions have initiated contract negotiations with the e0192618e 3.04

Pursuant to A.B. 1469, school districts' employer contribution rates will increase over a seven-year phase-in period in accordance with the following schedule:

SCHOOL DISTRICT EMPLOYER CONTRIBUTION RATES
State Teachers' Retirement Fund

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

* The 2019-20 State Budget provided supplemental payments to STRS by the State which reduces the school district contribution rate under A.B. 1469.
\+ Additional supplemental payments to STRS in the 2020-21 State Budget further reduced the school district contribution rate in fiscal year 2020-21.

Subsequent to the increases to the school district's contribution rates to STRS in the table above, A.B. 1469 requires that for 2021-22 and each fiscal year thereafter, STRS adjust the school districts' contribution rate to reflect the rate required to eliminate the unfunded liability by July 1, 2046. The 2020-21 State Budget applies certain funds in fiscal year 2020-21 intended under the 2019-20 State Budget to reduce future obligations to STRS to the school districts' current obligations to STRS to reduce the school district's contribution rates to STRS in fiscal year 2020-21 from 18.41% to approximately 16.15% and in fiscal year 2021-2022 from 17.9% to 16.02%.

The District contributed $25,504,600 to STRS for fiscal year 2014-15, $29,172,733 for fiscal year 2017-18, $35,911,088 for fiscal year 2018-19 and $36,383,635 for fiscal year 2019-20. Such contributions were equal to 100% of the required contributions for the respective years. The District has budgeted a contribution of $53,534,179 for fiscal year 2020-21. With the implementation of AB 1469, the District anticipates that its contributions to increases fiscal year 2014-15 for the State and amortized over 20 years and phased in over five years beginning in fiscal year 2016-17 for the employers. PERS estimated that the new demographic assumptions would cost public agency employers up to 5% of payroll for miscellaneous employees at the end of the five year The Trequird phase in period. To the extent, however, that current and future experiences differ from PERS'

Unlike PERS, STRS contribution rates for participant employers, employees hired prior to the Implementation Date (defined herein) and the State are set by statute and do not currently vary from year-to-year based on actuarial valuations. As a result of the Reform Act (defined below), the contribution rate for STRS participants hired after the Implementation Date will vary from year-to-year based on actuarial valuations. See "—California Public Employees' Pension Reform Act of 2013" below. In recent years, the combined employer, employee and State contributions to STRS have been significantly less than actuarially required amounts. As a result, and due in part to investment losses, the unfunded liability of STRS has increased significantly. AB 1469 is intended to address this unfunded liability. The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make larger contributions to STRS in the future. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employee's Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

The District's proportionate shares of the net pension liability of STRS and PERS, as of June 30, 2020, are as shown in the following table.

Pension Plan	Proportionate Share of Net Pension Liability
STRS	$357,334,000
PERS	153,723,000
Total	$511,057,000

Source: *The District.*

For further information about the District's contributions to STRS and PERS, see Notes 8 and 9 in the District's audited financial statements for fiscal year ended June 30, 2020 attached hereto as APPENDIX B.

Other Post-Employment Benefits

In June 2004, the Governmental Accounting Standards Board ("GASB") pronounced Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions.* The pronouncement required public agency employers providing healthcare benefits to retirees to recomd ( )Tj 3.131“r8 0 TD (Tgmd 00708738 0 T63j 1a (and)Tj ( )Tj 19.0140214 05 q -(and)Tj (ng)Tj Tj 39.57901002

The following table shows the changes in the District's net Health and Welfare Benefits as of June 30, 2020.

	Total OPEB Liability	Total Fiduciary

District Debt Structure

Long-Term Debt. A schedule of the District's changes in long-term debt for the year ended June 30, 2020 is shown below:

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
Long-Term Debt

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Debt:					
General obligation bonds	$464,177,966	$30,900,000	$29,950,000	$465,127,966	$28,705,000
Accreted interest	18,546,706	2,114,310	-	20,661,016	-
Lease Revenue Bonds	63,120,000	-	2,570,000	60,550,000	2,695,000
Premium on issuance	34,229,996	1,331,988	2,530,870	33,031,114	2,530,870
Capitalized lease obligations	2,820	-	2,820	-	-
Other Long-Term Liabilities:					
Net Pension Liability	497,997,000	13,060,000	-	511,057,000	-
Net OPEB liability	526,175,712	41,731,317	-	567,907,029	-
Compensated absences	4,568,518	401,955	-	4,970,473	4,970,473
Total	$1,608,818,718	$89,539,570	$35,063,690	$1,663,304,598	$38,901,343

Source: The District.

General Obligation Bonds

On October 19, 1999, voters in the District approved by a two-thirds vote a bond meas [illegible]

D , $112,000,000 General Obligation Bonds Election of 2012 (Measure Q), 2017 Series E (the “Series, $10,000,000 General Obligation Bonds Election of 2012 (Measure R), 2017 Series C, $10,000,000

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
Sacramento City Schools Joint Power Financing Authority
Lease Revenue Refunding Bonds, 2014 Series B

Year ending June 30	Principal	Interest	Total
2021	$200,000	$1,155,834	$1,355,834
2022	200,000	1,147,654	1,347,654
2023	200,000	1,139,474	1,339,474
2024	200,000	1,131,294	1,331,294
2025	240,000	1,123,114	1,363,114
2026-2030	18,670,000	4,123,947	22,793,947
2030-2033	8,550,000	614,338	9,164,338
Total	$28,260,000	$10,435,655	$38,695,655

Short-Term Debt

As of 3020142014

The following represents the composition of the Pool as of ___________, 2021 :

Type of Investment	Market Value (In thousands)	Percent of Pool
U.S. Government Agencies	$	
U.S. Treasuries		
Municipal Debt		
Medium-Term Notes		
Money Market Mutual Funds		
Local Agency Investment Fund		
Certificates of Deposit		
Total	$	

Neither the District nor the Underwriter has made an independent investigation of the investments in the Investment Pool and has made no assessment of the current County Investment Policy. The value of the various investments in the Investment Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Director of Finance, after a review by the Committee and approval by the County Board may change the County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Investment Pool will not vary significantly from the values described therein.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than 9 months following the end of the District's fiscal year (currently ending June 30), which date would be April 1, commencing with the report for the 2020-21 fiscal year, and to provide notices of the occurrence of certain enumerated events. The District will enter into a Continuing Disclosure Agreement ("Continuing Disclosure Agreement") for the benefit of the Owners of the Bonds. The Annual Report and each notice of enumerated events will be filed by the District with the Electronic Municipal Markets Access system ("EMMA") of the Municipal Securities Rulemaking Board (the "MSRB"), or any other repository then recognized by the Securities and Exchange Commission. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

[Within the last five years, the District has not failed to comply, in all material respects, with any previous undertakings it has entered into with respect to the Rule]. [To be confirmed]. The District has engaged Dale Scott & Company to act as Dissemination Agent with respect to the undertaking to be entered into with respect to the Bonds and to assist the District with compliance with its current and future continuing disclosure obligations.

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as counsel to the Underwriter. The above professionals will receive compensation contingent upon the sale and delivery of the Bonds.

Limitation on Remedies; Amounts Held in the County Treasury Pool

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

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

The Resolutions and the Act require the County to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of, premium, if any, and interest on the Bonds. The County, on behalf of the District, is thus expected to be in possession of the annual *ad valorem* taxes and certain funds to repay the Bonds and may invest these funds in the County's Investment Pool, as described in APPENDIX E – "SACRAMENTO COUNTY INVESTMENT POLICY STATEMENT" attached hereto. In the event the District or the County were to go into bankruptcy, a federal bankruptcy court might hold that the Owners of the Bonds are unsecured creditors with respect to any funds received by the District or the County prior to the bankruptcy, where such amounts are deposited into the County Treasury Pool, and such amounts may not be available for payment of the principal of and interest on the Bonds unless the Owners of the Bonds can "trace" those funds. There can be no assurance that the Owners could successfully so "trace" such taxes on deposit in the District's Debt Service Fund where such amounts are invested in the County Investment Pool. Under any such circumstances, there could be delays or reductions in payments on the Bonds.

California Senate Bill 222

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

TAX MATTERS

The delivery of the Bonds is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the “Code”), of the owners thereof pursuant to section 103 of the Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The delivery of the Bonds is also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State of California, that interest on the Bonds is exempt from personal income taxes of the State of California.

interest on the Bonds, the District may have different or conflicting interests from the owners of the respective Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

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

The initial public offering price of certain of the Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning Premium Bonds.

Forms of Bond Counsel Opinion. The forms of the proposed opinion of Bond Counsel relating to the Bonds are attached to this Official Statement as APPENDIX A.

LEGALITY FOR INVESTMENT

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

RATING

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

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

ESCROW VERIFICATION

The sufficiency of amounts on deposit in the Escrow Fund to pay the redemption price of the Refunded Bonds will be verified by Causey, Demgen & Moore, certified public accountants (the "Verification Agent"). The Verification Agent will deliver a report to that effect on the date of delivery of the Refunding Bonds.

UNDERWRI ( )Tj 3.40100098 0 Td

The Underwriter may offer and

APPENDIX A

FORMS OF BOND COUNSEL OPINION

[Closing date]

Board of Education
Sacramento City Unified School District
5735 47th Avenue
Sacramento, California 95824

Re: $______ Sacramento City Unified School District (Sacramento County, California) General Obligation any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security for the marketability of the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material

and the Resolution may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors, rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security for the marketability of the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing and in

APPENDIX B

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020

APPENDIX C

GENERAL ECONOMIC AND

Employment

The table below provides the California Employment Development Department's estimates of total annual civilian nonagricultural wage and salary employment by number of employees in each major industry in the County from calendar years 2016 through 2019.

WAGE AND SALARY EMPLOYMENT
County of Sacramento
Calendar Years 2015 through 2019[(1)]

Industry Category	2015	2016	2017	2018	2019
Mining and Logging	100	200	100	200	200
Construction	31,000	32,900	35,500	38,600	40,900
Manufacturing	20,800	21,100	21,100	21,200	21,500
Transportation, Warehousing & Utilities	13,600	14,400	15,200	17,400	19,000
Wholesale Trade	15,100	15,700	16,300	17,800	17,300
Retail Trade	62,100	64,100	64,600	64,300	63,400
Financial Activities[(2)]	32,700	33,200	33,400	33,200	33,200
Professional and Business Services	88,400	94,400	94,900	96,000	96,500
Educational and Health Services	102,000	109,500	106,800	112,200	116,300
Leisure and Hospitality	58,700	60,800	62,500	65,200	67,300
Other Services	20,800	21,200	22,400	23,300	23,700
Government	163,300	164,700	163,800	165,300	167,900
Total Nonagricultural[(3)]	618,600				

The following table summarizes the labor force, employment and unemployment figures for the County, the State and the United States from 2016 through 2020.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT[1]
County of Sacramento, State of California and United States
2016 through 2020

Year and Area	Labor Force	Employment	Unemployment	Unemployment Rate[2]
2016				
Sacramento County	694,000	656,400	37,600	5.4%
California	19,012,000	17,965,400	1,046,600	5.5
United States	159,187,000	151,436,000	7,751,000	4.9
2017				
Sacramento County	696,900	664,200	32,800	4.7%
California	19,173,800	18,246,800	927,000	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
2018				
Sacramento County	704,200	676,800	27,400	3.9%
California	19,263,900	18,442,400	821,500	4.3
United States	162,075,000	155,761,000	6,314,000	3.9
2019				
Sacramento County	710,200	683,600	26,600	3.7%
California	19,353,700	18,550,500	803,200	4.2
United States	163,539,000	157,538,000	6,001,000	3.7
2020				
Sacramento County	707,200	641,600	65,600	9.3%
California	18,821,200	16,913,100	1,908,100	10.1
United States	160,720,000	147,795,000	12,947,000	8.1

(1) Data reflects employment status of individuals by place of residence.
(2) Unemployment rate is based on unrounded data.
Source: *California State Employment Development Department and U.S. Bureau of Labor Statistics*.

[Remainder of page intentionally left blank]

Major Employers

The following table sets forth the major employers in the County in 2020 in alphabetical order.

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MAJOR EMPLOYERS
County of Sacramento
2020

Employer Name	Location	Industry
Aerojet Rocketdyne Inc	Rancho Cordova	Aerospace Industries (mfrs)
Agreeya Solutions	Folsom	Information Technology Services
Ampca Fine Chemicals LLC	Rancho Cordova	Electronic Equipment & Supplies-Mfrs
Apple Distribution Ctr	Elk Grove	Distribution Centers (whls)
California Department-Crrctns	Sacramento	Insurance Agents Brokers &

Commercial Activity

A summary of taxable sales within the County for years 2015 through 2019 is shown in the following table. Taxable sales data for 2020 is not yet available.

TAXABLE SALES
County of Sacramento
2015-2019
(Dollars in Thousands)

Year	Retail and Food Taxable Transactions	Total Outlets Taxable Transactions
2015	$15,396,375	$22,218,348
2016	16,200,531	23,368,174
2017	16,934,872	24,610,617
2018	17,593,375	25,443,669
2019	18,195,302	26,836,365

Source: *California Department of Tax and Fee Administration, Taxable Sales, Counties by*

BUILDING PERMIT VALUATIONS
City of Sacramento
2016-2020
(Dollars in Thousands)

	2016	2017	2018	2019	2020
Valuation ($000's)					
Residential	$469,400	$704,827	$610,884	$717,752	$894,165
Non-Residential	397,867	340,670	450,174	1,106,990	446,299
Total	$595,544	$1,045,497	$1,061,057	$1,824,742	$1,340,464
Units					
Single Family	995	1,723	1,608	1,552	956
Multiple Family	601	1,076	813	1,487	2855
Total	1,596	2,799	2,421	3,039	3811

Note: Totals may not add to sum because of

disclosure information that may be designated by the Securities and Exchange Commission for purposes of the Rule.

SECTION 3. CUSIP Numbers and Final Official Statement. The CUSIP Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated ____________, 2021 ("Final Official Statement").

SECTION 4. Provision of Annual Reports.

(a) The District shall cause the Dissemination Agent, not later than 9 months after the end of the District's fiscal year (currently ending June 30), which date would be April 1, commencing with the report for the fiscal year ending June 30, 2021, which would be due on April 1, 2022, to provide to the MSRB an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Agreement; provided that the audited financial statements of the District may be submitted, when and if available, separately

(ii) Assessed valuations, as shown on the most recent equalized assessment roll;

(iii) Average Daily Attendance for the District for the last completed fiscal

(i) Unless described in paragraph 6(a)(v) hereof, adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

Dissemination Agent specifically set forth in the Agreement, and no implied duties, covenants or duties, Nothing in this Disclosure Agreement shall be deemed

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Sacramento City Unified School District

Name of Issue: $____ General Obligation Bonds, Election of 2012 (Measure Q), 2021 Series G and $____ 2021 General Obligation Refunding Bonds

Date of Issuance: _______, 2021

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Continuing Disclosure Agreement dated ________, 2021. The Issuer anticipates that the Annual Report will be filed by ___________________.

Dated: __________________________

[ISSUER/DISSEMINATION AGENT]

By:____

APPENDIX E

SACRAMENTO COUNTY INVESTMENT POLICY STATEMENT

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Participants are on file with DTC.

General

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. *The foregoing internet addresses are included for reference only, and the information on these internet sites is not incorporated by reference herein.*

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect

The District may decide to discontinue use of the system of