

Cambrian School District

Measure R Facilities Funds and Measure G Refinancing Results



Presented by Lori Raineri and Rich Malone
September 1, 2022

Tonight's Agenda

- ◆ Brief Review of Bond Sale Plans
- ◆ Bond Sale Process
- ◆ Measure R Sale Results
- ◆ Measure G Sale Results
- ◆ Next Steps
- ◆ For Reference



Brief Review of Bond Sale Plans

- ◆ Sell a second series of Measure R bonds to receive facilities funds.

Debt Portfolio

Year of Issue	Bond Series	Issuance - New Money	Issuance - Refunding	Total Issuance	Next Debt Service at	Year of Date	Outstanding Principal at	Final Maturity	Ability to Call	Next Call Date	Callable	Weighted Average Callable	Next Call	
2021	2021	CIBs	\$15,000,000	\$0	\$15,000,000	\$1,800,250	1.44	\$15,355,000	2020	Yes	Aug 1, 2020	\$11,250,000	2.25%	DR
2022	2022	CIBs	\$38,680,000	\$0	\$38,680,000	\$1,400,238	2.10	\$38,680,000	2022	Yes	Aug 1, 2020	\$37,630,000	4.34%	DR
					\$2,200,488							\$48,980,000		
General Obligation Bonds, June 2014 Election, Measure R, \$29,000,000														
Year of Issue	Bond Series	Issuance - New Money	Issuance - Refunding	Total Issuance	Next Debt Service at	Year of Date	Outstanding Principal at	Final Maturity	Ability to Call	Next Call Date	Callable	Weighted Average Callable	Next Call	
2014	2014	CIBs	\$9,000,000	\$0	\$9,000,000	\$6,642,969	1.68	\$5,450,000	2039	Yes	Jul 1, 2024	\$34,265,000	4.02%	DR
General Obligation Bonds, November 2002 Election, Measure G, \$20,975,000														
Year of Issue	Bond Series	Issuance - New Money	Issuance - Refunding	Total Issuance	Next Debt Service at	Year of Date	Outstanding Principal at	Final Maturity	Ability to Call	Next Call Date	Callable	Weighted Average Callable	Next Call	
A	2003	CIBs	\$15,105,000	\$0	\$15,105,000	\$25,204,638	1.73	n/a	n/a	n/a	80	n/a	n/a	
		CABs	\$419,912	\$0	\$419,912	\$1,570,000		\$419,912	2028	No	n/a	80	n/a	
B	2005	CIBs	\$2,215,000	\$0	\$2,215,000	\$3,487,000	3.99	n/a	n/a	n/a	80	n/a	n/a	
		CABs	\$3,235,032	\$0	\$3,235,032	\$14,085,000		\$3,235,032	n/a	n/a	n/a	80	n/a	
2013	Rfg	CIBs	\$0	\$11,510,000	\$11,510,000	\$15,085,600	1.21	n/a	n/a	n/a	n/a	n/a	n/a	
2014	Rfg	CIBs	\$0	\$1,415,000	\$1,415,000	\$1,888,801	1.34	\$959,000	2025	Yes	Jul 1, 2024	\$200,000	6.02%	DR
2022	Rfg	CIBs	\$0	\$4,620,000	\$4,620,000	\$5,098,350	1.10	\$4,620,000	2025	No	n/a	80	n/a	
					\$2,077,394							\$6,620,000		

General Obligation Bonds, November 2020 Election, Measure R, \$88,000,000					
Year of Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance
2021	2021	CIBs	\$15,000,000	\$0	\$15,000,000
2022	2022	CIBs	\$38,680,000	\$0	\$38,680,000

General Obligation Bonds, November 2002 Election, Measure G, \$20,975,000					
Year of Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance
A	2003	CIBs	\$15,105,000	\$0	\$15,105,000
		CABs	\$419,912	\$0	\$419,912
B	2005	CIBs	\$2,215,000	\$0	\$2,215,000
		CABs	\$3,235,032	\$0	\$3,235,032
2013	2013	CIBs	\$0	\$11,510,000	\$11,510,000
2014	2014	CIBs	\$0	\$1,415,000	\$1,415,000
2022	2022	CIBs	\$0	\$4,620,000	\$4,620,000

- ◆ Refinance Measure G, Series 2013 Refunding bonds to achieve savings and share costs of issuance to generate more facilities funds.

Note: plans as presented to the Board of Trustees on August 4, 2022. Full updated debt portfolio is included in the reference section.

Tonight's Agenda

✓ Brief Review of Bond Sale Plans

◆ Bond Sale Process

- ◆ Measure R Sale Results
- ◆ Measure G Sale Results
- ◆ Next Steps
- ◆ For Reference



Several GFOA Best Practices Utilized

◆ Government Finance Officers Association (GFOA):



▶ Use of Independent Financial Advisor



▶ Competitive Process to Select Underwriter/Bank



▶ Evaluated and Selected Credit Rating Agencies



▶ Managed the Cost of Debt Issuance



▶ Call Features Incorporated into New Issuances



▶ Evaluated and Issued Refinancings



Credit Rating Process

- ◆ In preparation for the refinancing, the District had its credit rating reviewed by one of the main credit rating agencies:
- ◆ S&P affirmed its rating of the District's bonds at "AA-"
- ◆ S&P also upgraded its outlook from "Negative" to "Stable".

"The outlook revision reflects our view that the district likely has found its financial footing after a period of negative results by balancing its budget in the context of a favorable state funding environment and one-time federal grants amid extraordinarily challenging operating conditions related to the COVID-19 pandemic."

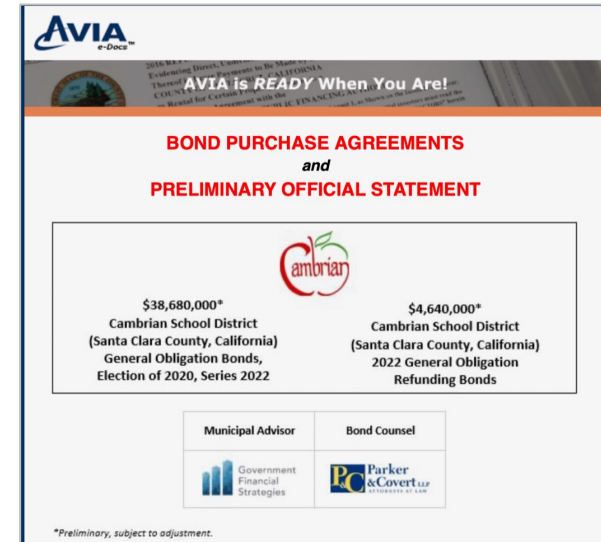
Note: per S&P Global Ratings, Cambrian School District, California; General Obligation, August 8, 2022.

S&P Global Ratings

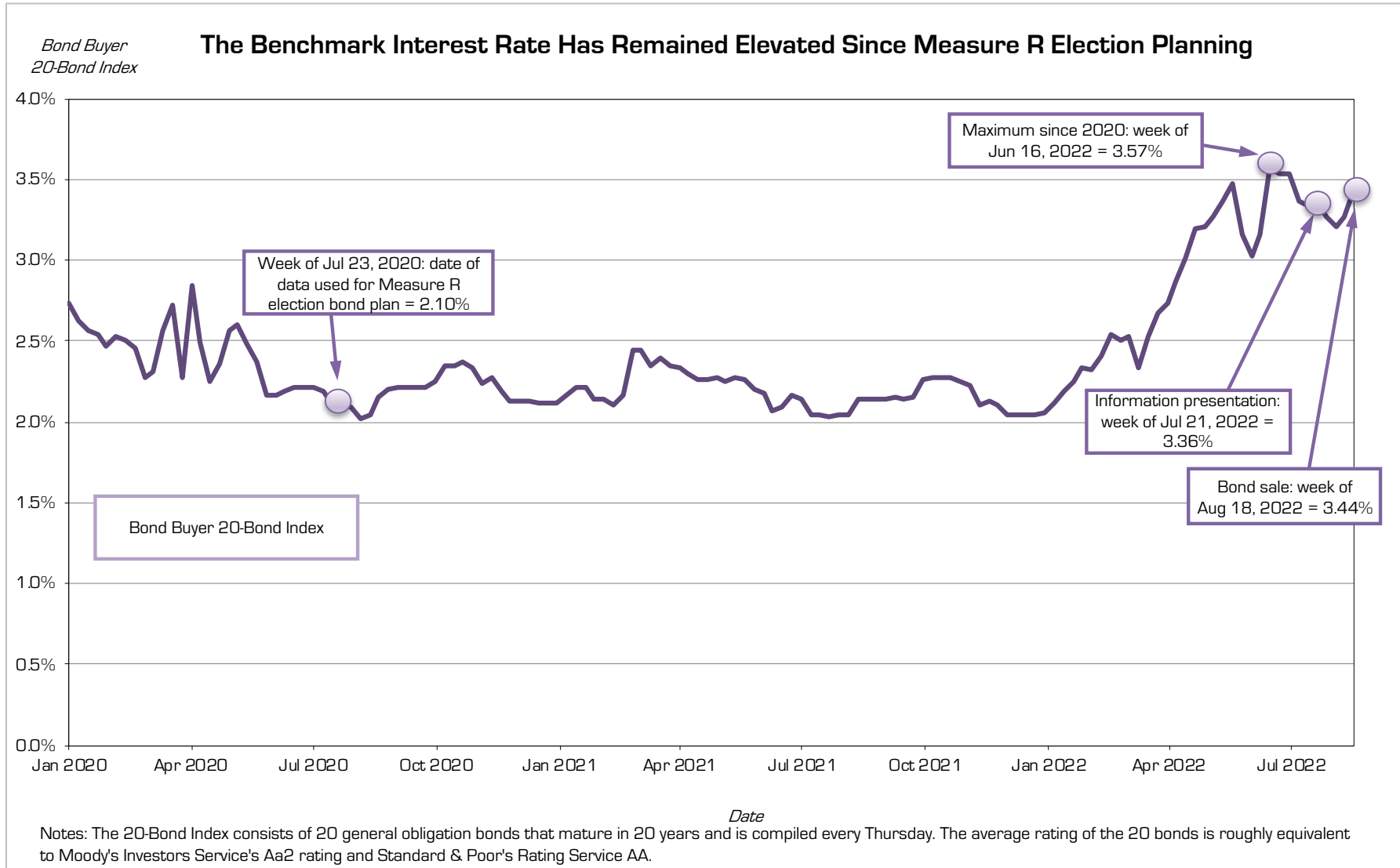
S&P's Bond Rating Scale			
AAA	●	Prime	Investment Grade
AA+	●		
AA	●	High grade	
AA-	●		
A+	●	Upper medium grade	
A	●		
A-	●		
BBB+	●	Lower medium grade	
BBB	●		
BBB-	●		
BB+	●	Speculative	Non - Investment Grade
BB	●		
BB-	●	Very speculative	
B+	●		
B	●		
B-	●	Extremely speculative	
CCC+	●		
CCC	●		
CCC-	●	Default imminent	
CC	●		
C	●		
D	●	In default	

Bond Sale Process

- ◆ Competitive sale held on Aug. 16th, with bidding concluding at:
 - ▶ 8:35am for Measure G
 - ▶ 9:05am for Measure R
 - ◆ Internet bidding platform:
 - ▶ Used to notify potential bidders and to accept bids.
 - ▶ Also posting in *The Bond Buyer* industry newspaper.
 - ▶ Any bank or underwriter was allowed to bid.
 - ▶ Bidding allowed within flexible parameters.
- ✓ *More competition → better results for the District*



Benchmark Interest Rate

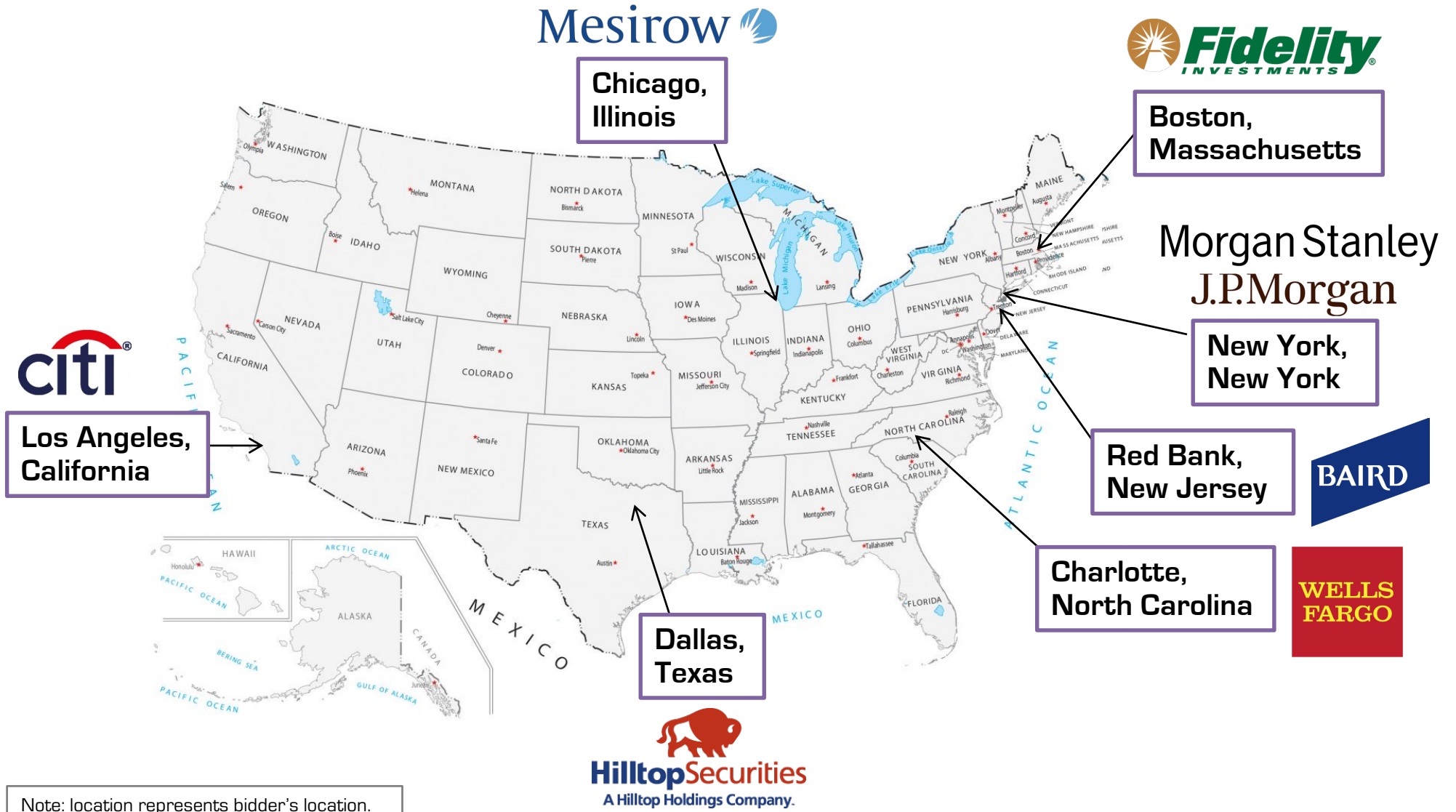


Tonight's Agenda

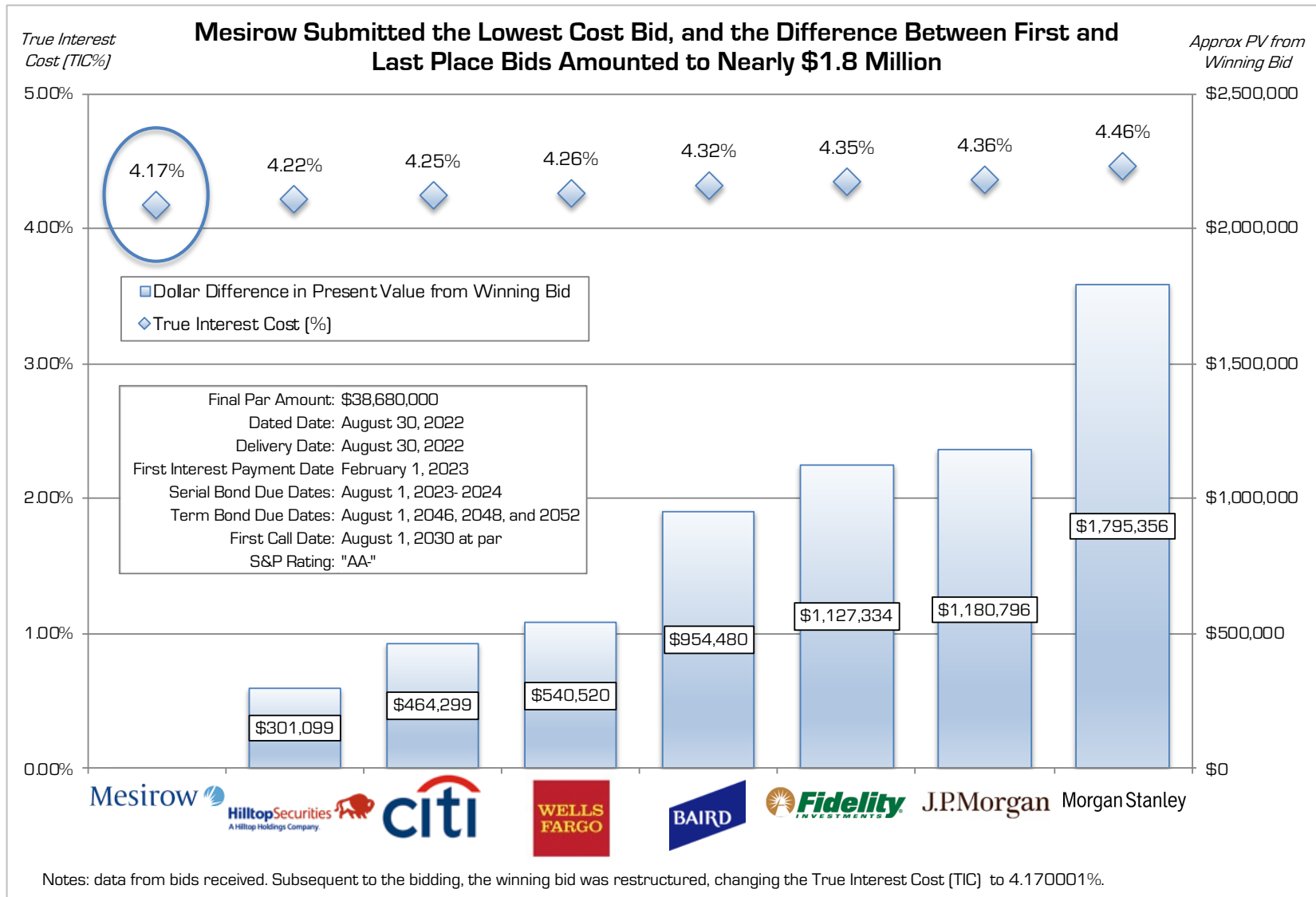
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8 Firms Bid From Across the U.S.



Bid Results



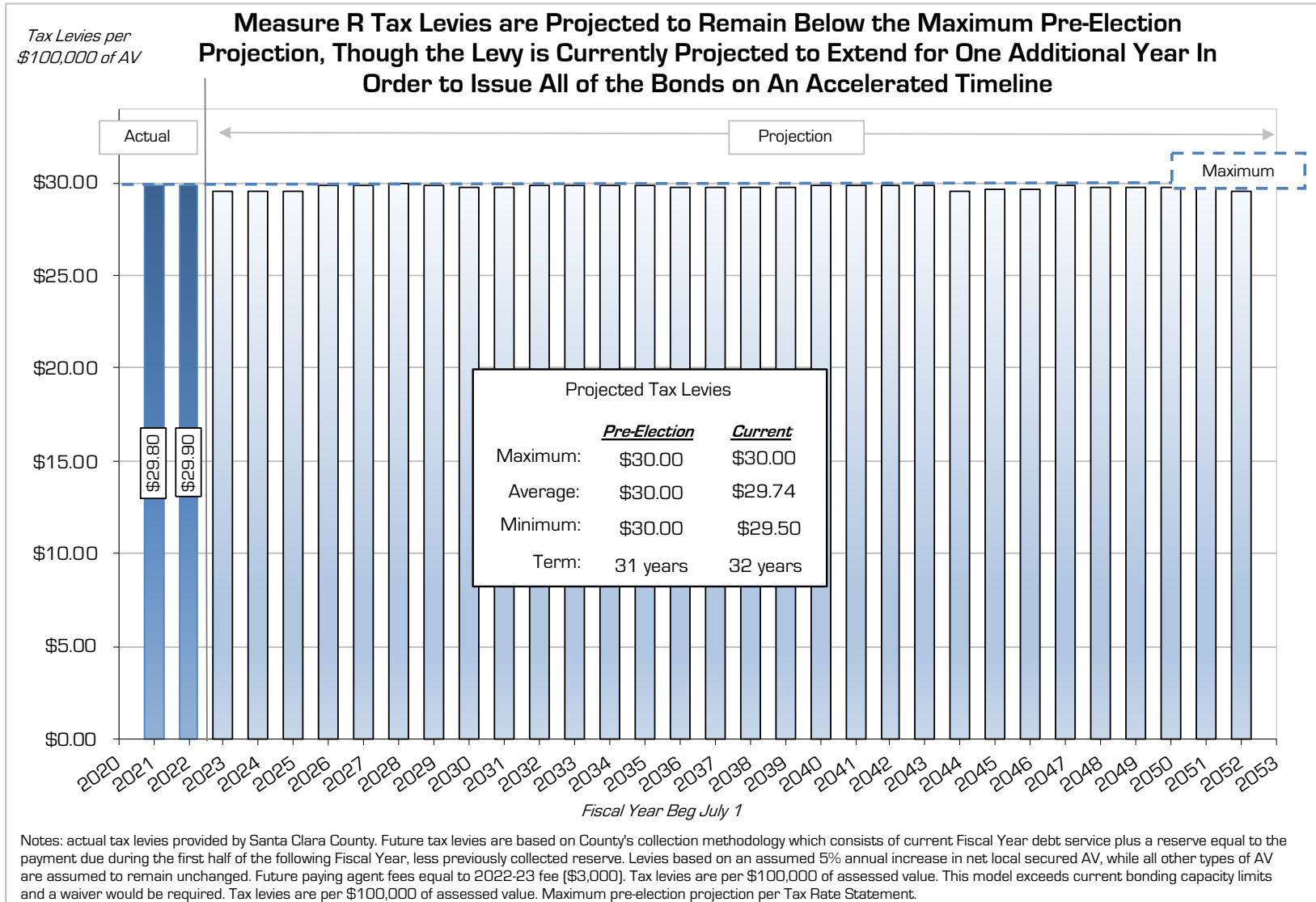
Comparison to Budget

	<i>Budget</i>	<i>Actual</i>	<i>Change</i>
Bond Issuance Amount	\$38,680,000	\$38,680,000	\$0
Original Issue Premium	\$1,296,188	\$1,616,786	\$320,597
Interest & Sinking Fund	(\$1,296,188)	(\$1,616,786)	(\$320,597)
Underwriter's Discount	(\$385,000)	(\$471,836)	(\$86,836)
Other Costs	(\$160,000)	(\$74,000)	\$86,000
Facilities Funds	\$38,135,000	\$38,134,164	(\$836)

- ✓ *A good bidding environment and cost management resulted in the District receiving approximately the same amount of facilities funds as budgeted.*

Notes: Budget figures from Board information presentation dated August 4, 2022. Other Costs include municipal advisor, legal counsel, credit rating agency, and other misc. expenses. Detailed costs of issuance in reference section. Original issue premium is the premium that investors are willing to pay above the face value of the bonds. State law requires that premium be deposited into the County tax collection fund, and used for bond debt service, to the benefit of taxpayers.

Estimated Tax Levies

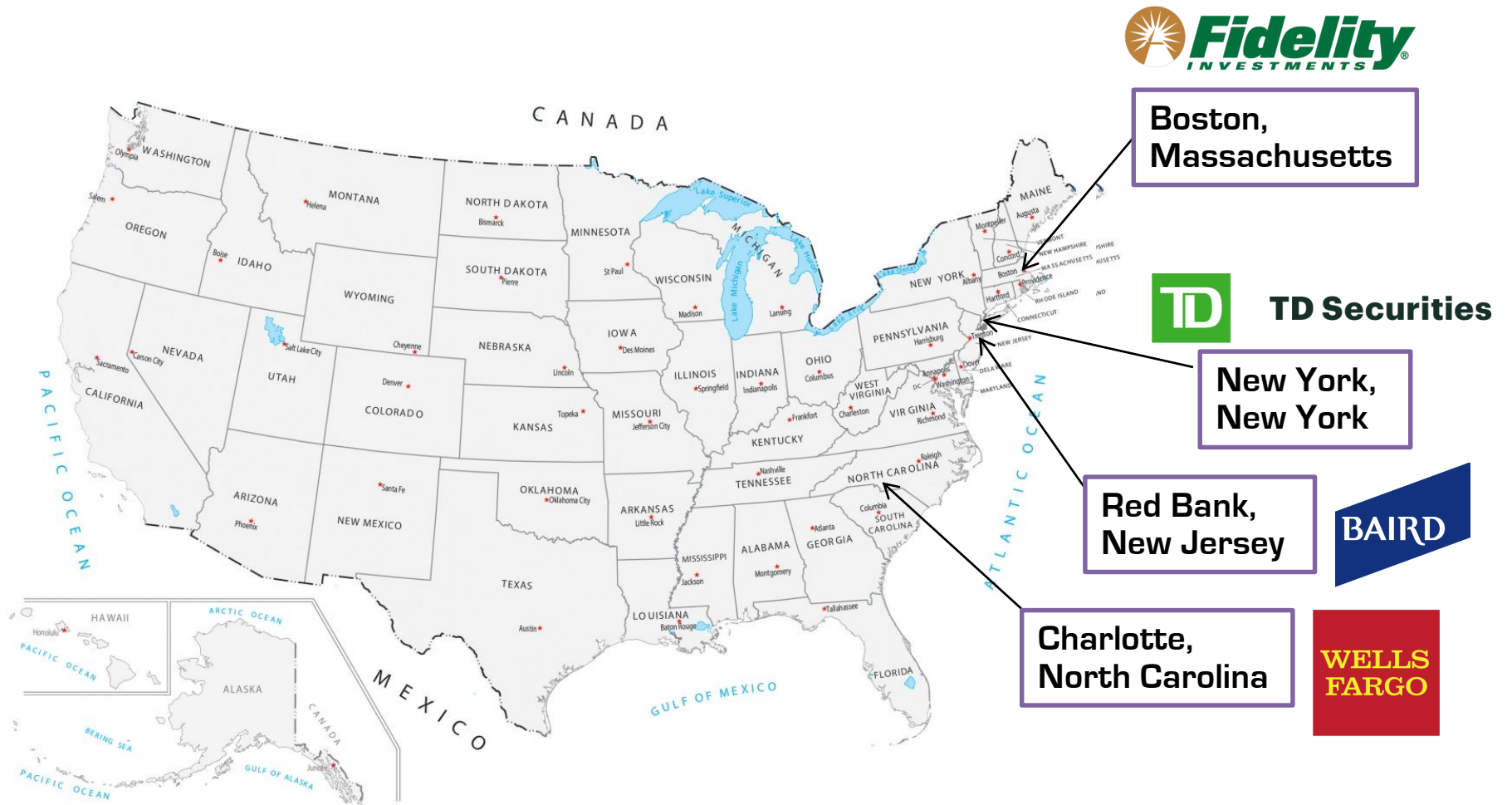


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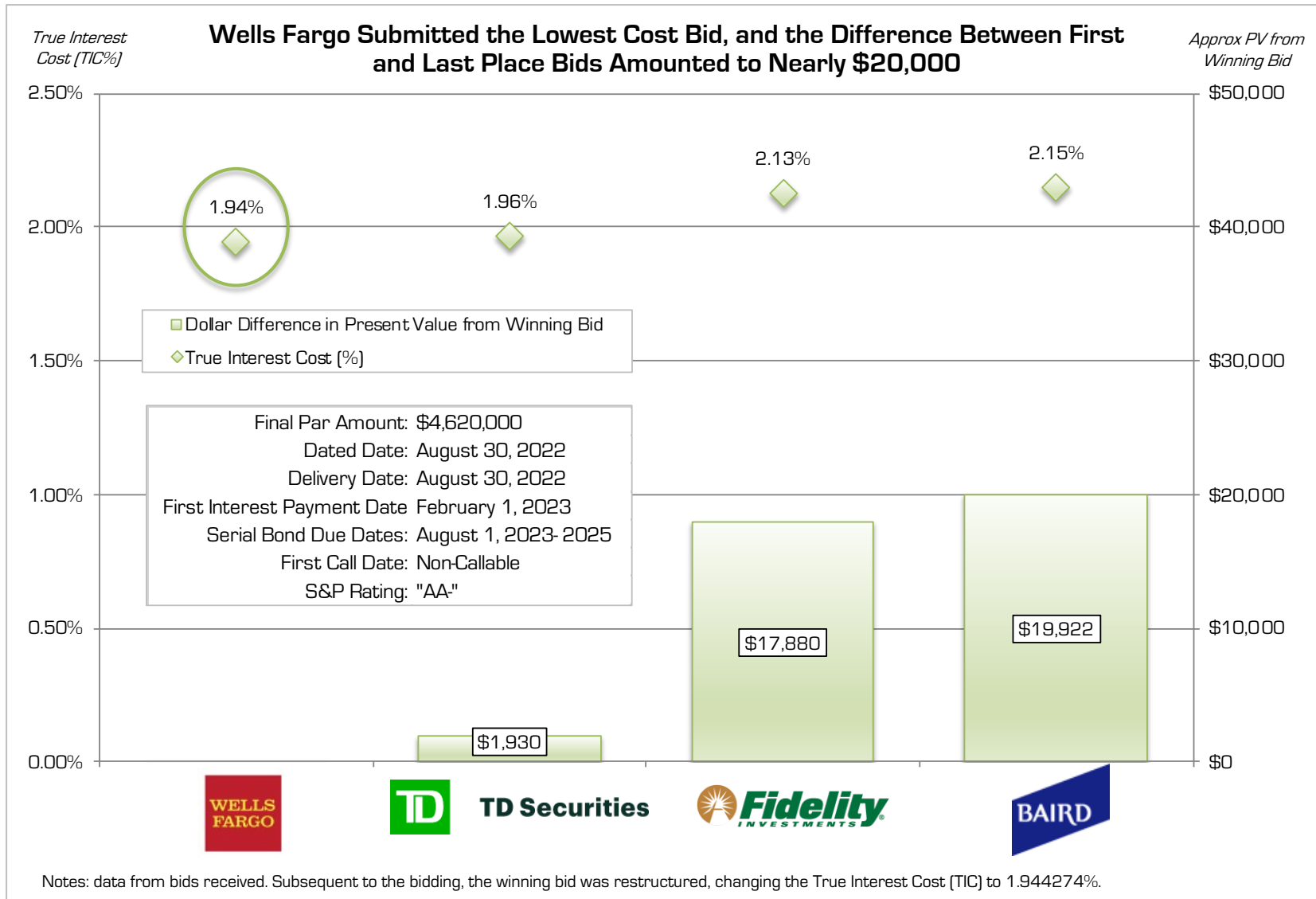


4 Firms Bid From the East Coast

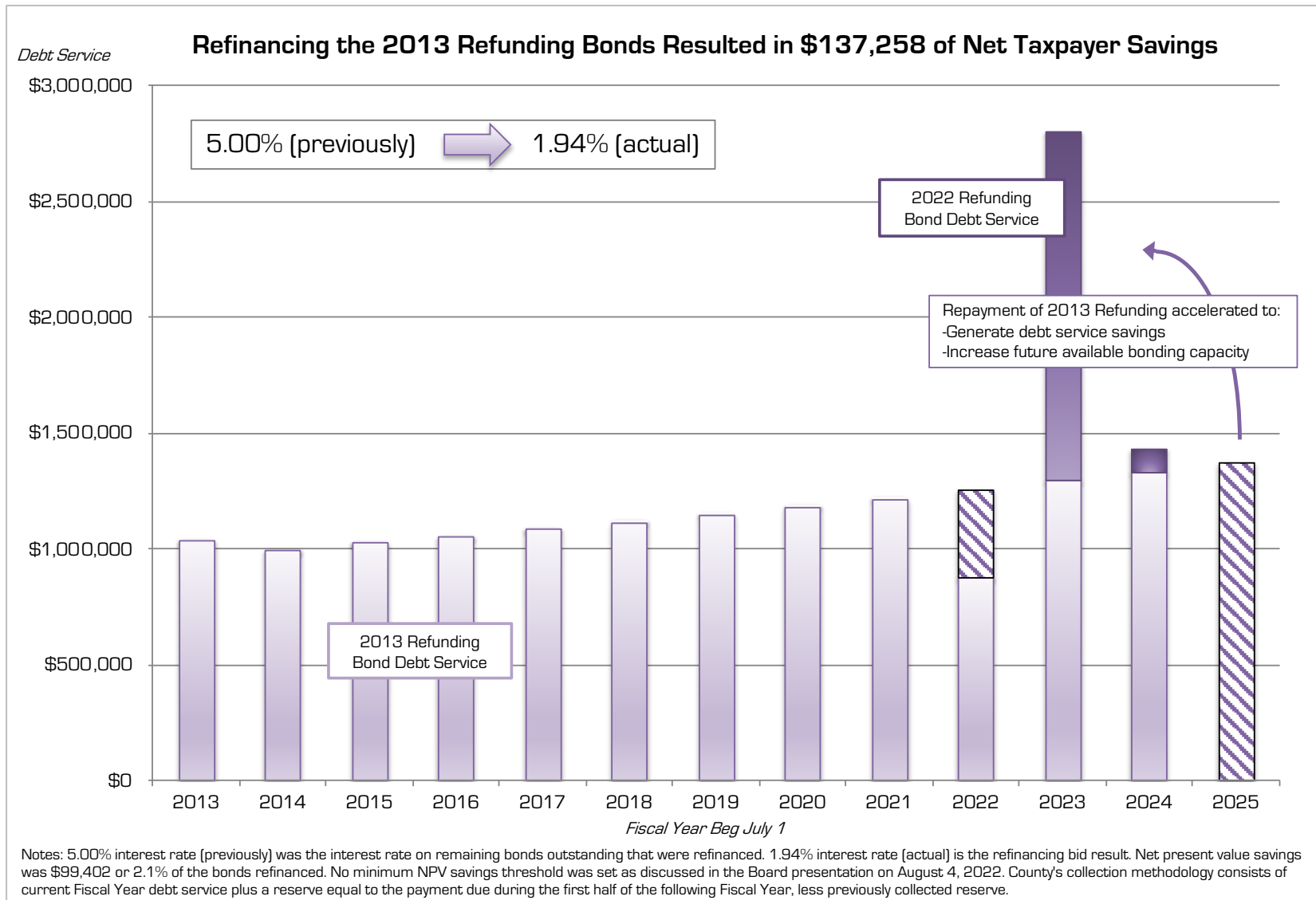


Note: location represents bidder's location.

Bid Results



Refinancing Savings



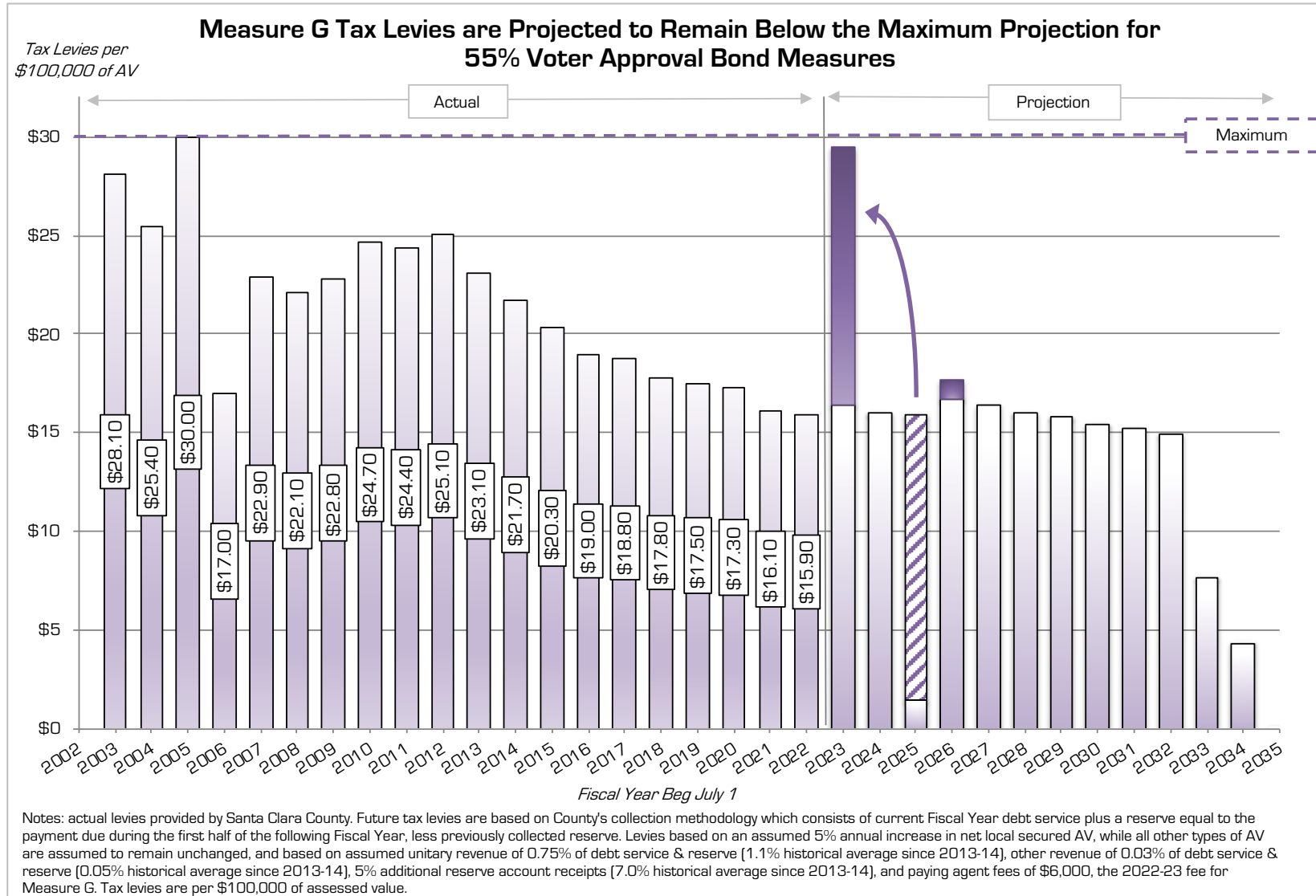
Comparison to Budget

	<i>Budget</i>	<i>Actual</i>	<i>Change</i>
Bond Issuance Amount	\$4,640,000	\$4,620,000	(\$20,000)
Original Issue Premium	\$287,540	\$298,596	\$11,056
Underwriter's Discount	(\$23,200)	(\$13,860)	\$9,340
Bond Insurance	\$0	\$0	\$0
Other Costs	(\$116,000)	(\$114,425)	\$1,575
Contingency	(\$2,799)	(\$4,770)	(\$1,971)
Deposit for Refinancing	\$4,785,541	\$4,785,542	\$0

- ✓ *The good bidding environment and cost management resulted in the District issuing fewer bonds than budgeted to accomplish the refinancing.*

Notes: Budget figures from Board information presentation dated August 4, 2022. Other Costs include municipal advisor, legal counsel, credit rating agency, and other misc. expenses. Detailed costs of issuance in reference section. Net premium (original issue premium) is the premium that investors are willing to pay above the face value of the bonds. Any contingency not needed to pay expenses will be applied to pay debt service on the refunding bonds, thereby increasing taxpayer savings.

Estimated Tax Levies



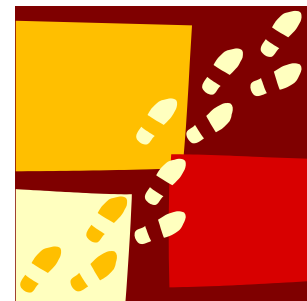
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Next Steps

- ◆ Measure R bond funds were received on August 30 and now available for the District to spend on facilities projects.
- ◆ Measure G's 2013 Refunding bonds are scheduled for repayment on September 16.
- ◆ Final series of Measure R bonds is scheduled for Summer 2024 (one year earlier than planned prior to the election).
 - ▶ It is currently projected the Board may be asked to consider requesting a waiver from the State Board of Education of the statutory bonding capacity limitation to issue the bonds ahead of the pre-election schedule.
 - ▶ Additional Board information planned for Fall 2023.



Notes: the potential need for a bonding capacity waiver was previously discussed prior to the Measure R election in the Board information presentation dated August 6, 2020 and most recently again in the Board information presentation dated August 4, 2022.

Any Questions?



Tonight's Agenda

- ✓ Brief Review of Bond Sale Plans
- ✓ Bond Sale Process
- ✓ Measure R Sale Results
- ✓ Measure G Sale Results
- ✓ Next Steps

◆ For Reference



For Reference

- ◆ Costs of Issuance Detail
- ◆ Debt Dashboard
- ◆ Updated Debt Portfolio
- ◆ August 4, 2022 Board Information Presentation

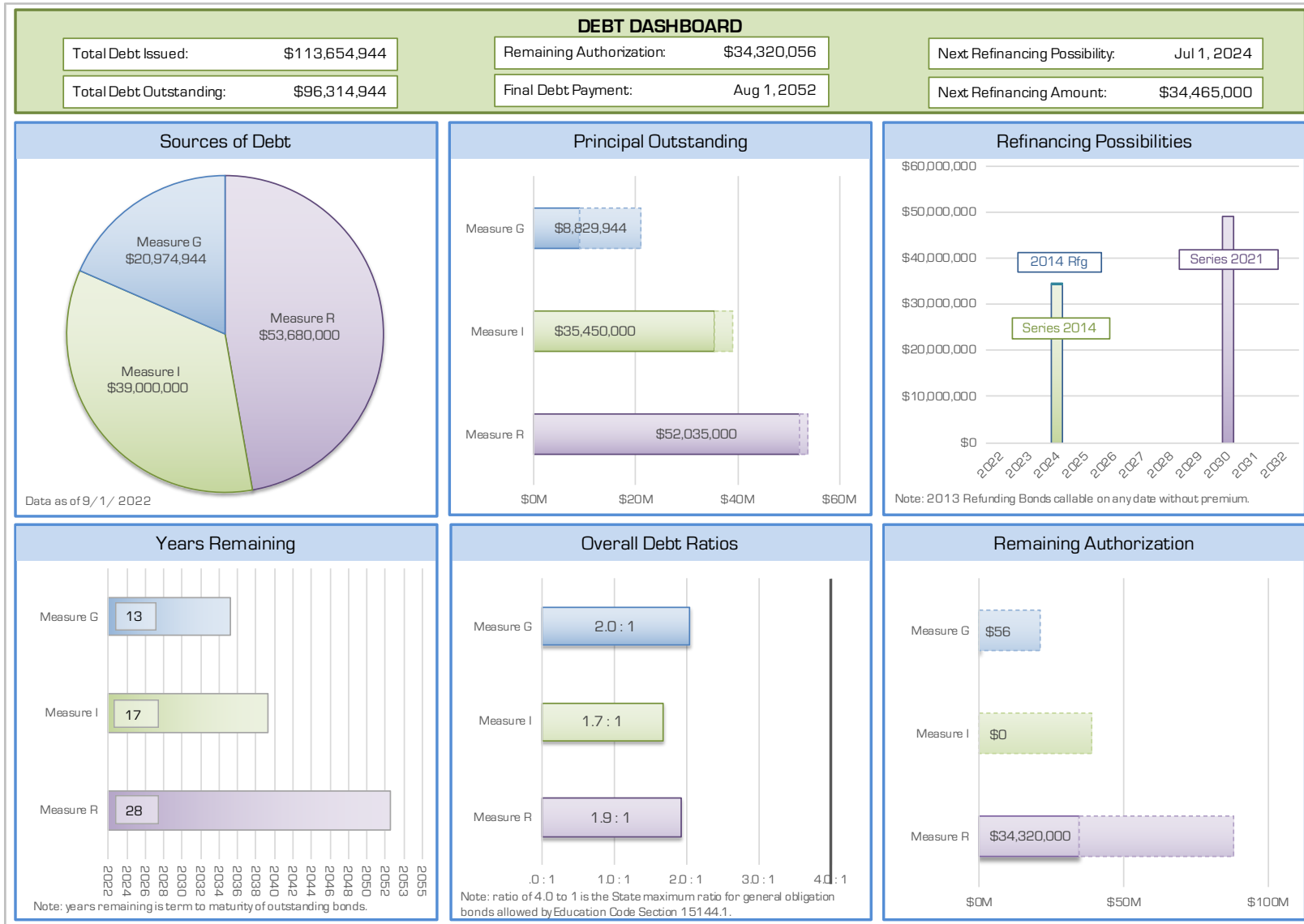
Costs of Issuance Detail

Cambrian School District
 (Santa County, California)
 General Obligation Bonds, Election of 2020, Series 2022
 2022 General Obligation Refunding Bonds

Estimated Costs of Issuance

Description	Election of 2020 Series 2022	Refunding	Estimated Total
• Parker & Covert LLP, Bond Counsel			
Bond Counsel Services:	\$17,000.00	\$14,000.00	\$31,000.00
Expenses:	\$400.00	\$800.00	\$1,200.00
• Government Financial Strategies inc., Municipal Advisor			
Professional Services and Expenses:	\$36,900.00	\$79,400.00	\$116,300.00
• S&P Global Ratings, Rating Agency			
Professional Services:	\$17,750.00	\$14,000.00	\$31,750.00
• Other Issuance Expenses (break out listed below)			
Zions Bancorporation, National Association, Paying Agent			
Acceptance Fees:	\$350.00	\$350.00	\$700.00
First Year's Paying Agent Annual Fee:	\$350.00	\$350.00	\$700.00
Good Faith Fund Administration Fee:	\$0.00	\$0.00	\$0.00
COI Fund Administration Fee:	\$250.00	\$250.00	\$500.00
U.S. Bank Trust, N.A., Escrow Agent			
Escrow Agent Fee:	\$0.00	\$1,000.00	\$1,000.00
AVIA Communications: POS/OS Printer	\$0.00	\$1,500.00	\$1,500.00
Causey Demgen & Moore P.C.: Verification Agent	\$0.00	\$1,750.00	\$1,750.00
California Municipal Statistics: Data	\$0.00	\$1,025.00	\$1,025.00
• Contingency	\$1,000.00	\$4,769.53	\$5,769.53
TOTAL COSTS OF ISSUANCE	\$74,000.00	\$119,194.53	\$193,194.53

Debt Dashboard



Updated Debt Portfolio

General Obligation Bonds, November 2020 Election, Measure R, \$88,000,000													Ratio of Debt		Weighted Average	
Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service at Issuance	Service to Principal for Orig Issuance	Outstanding Principal as of Sep 1, 2022	Final Maturity Year	Able to Call?	Next Call Date	Callable Principal	Callable Coupon	Next Call Premium		
2021	2021	CIBs	\$15,000,000	\$0	\$15,000,000	\$21,602,253	1.44 : 1	\$13,355,000	2050	Yes	Aug 1, 2030	\$11,350,000	2.35%	0%		
2022	2022	CIBs	\$38,680,000	\$0	\$38,680,000	\$81,400,238	2.10 : 1	\$38,680,000	2052	Yes	Aug 1, 2030	\$37,630,000	4.34%	0%		
			<u>\$53,680,000</u>	<u>\$0</u>	<u>\$53,680,000</u>	<u>\$103,002,491</u>		<u>\$52,035,000</u>				<u>\$48,980,000</u>				
General Obligation Bonds, June 2014 Election, Measure I, \$39,000,000													Ratio of Debt		Weighted Average	
Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service at Issuance	Service to Principal for Orig Issuance	Outstanding Principal as of Sep 1, 2022	Final Maturity Year	Able to Call?	Next Call Date	Callable Principal	Callable Coupon	Next Call Premium		
2014	2014	CIBs	\$39,000,000	\$0	\$39,000,000	\$65,642,969	1.68 : 1	\$35,450,000	2039	Yes	Jul 1, 2024	\$34,265,000	4.05%	0%		
General Obligation Bonds, November 2002 Election, Measure G, \$20,975,000													Ratio of Debt		Weighted Average	
Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service at Issuance	Service to Principal for Orig Issuance	Outstanding Principal as of Sep 1, 2022	Final Maturity Year	Able to Call?	Next Call Date	Callable Principal	Callable Coupon	Next Call Premium		
A	2003	CIBs	\$15,105,000	\$0	\$15,105,000	\$25,224,698	1.73 : 1	\$0	2013	n/a	n/a	\$0	n/a	n/a		
		CABs	\$419,912	\$0	\$419,912	\$1,570,000		\$419,912	2028	No	n/a	\$0	n/a	n/a		
B	2005	CIBs	\$2,215,000	\$0	\$2,215,000	\$3,497,002	3.23 : 1	\$0	2015	n/a	n/a	\$0	n/a	n/a		
		CABs	\$3,235,032	\$0	\$3,235,032	\$14,085,000		\$3,235,032	2035	No	n/a	\$0	n/a	n/a		
2013 Rfg	2013	CIBs	\$0	\$11,510,000	\$11,510,000	\$15,065,829	1.31 : 1	\$0	2022	n/a	n/a	\$0	n/a	n/a		
2014 Rfg	2014	CIBs	\$0	\$1,415,000	\$1,415,000	\$1,899,891	1.34 : 1	\$555,000	2025	Yes	Jul 1, 2024	\$200,000	5.00%	0%		
2022 Rfg	2022	CIBs	\$0	\$4,620,000	\$4,620,000	\$5,098,392	1.10 : 1	\$4,620,000	2025	No	n/a	\$0	n/a	n/a		
			<u>\$20,974,944</u>	<u>\$17,545,000</u>	<u>\$38,519,944</u>	<u>\$66,440,812</u>		<u>\$8,829,944</u>				<u>\$200,000</u>				

Cambrian School District

Fiscal Stewardship: Implementing Measure R and Refinancing Opportunity



Presented by Rich Malone
August 4, 2022

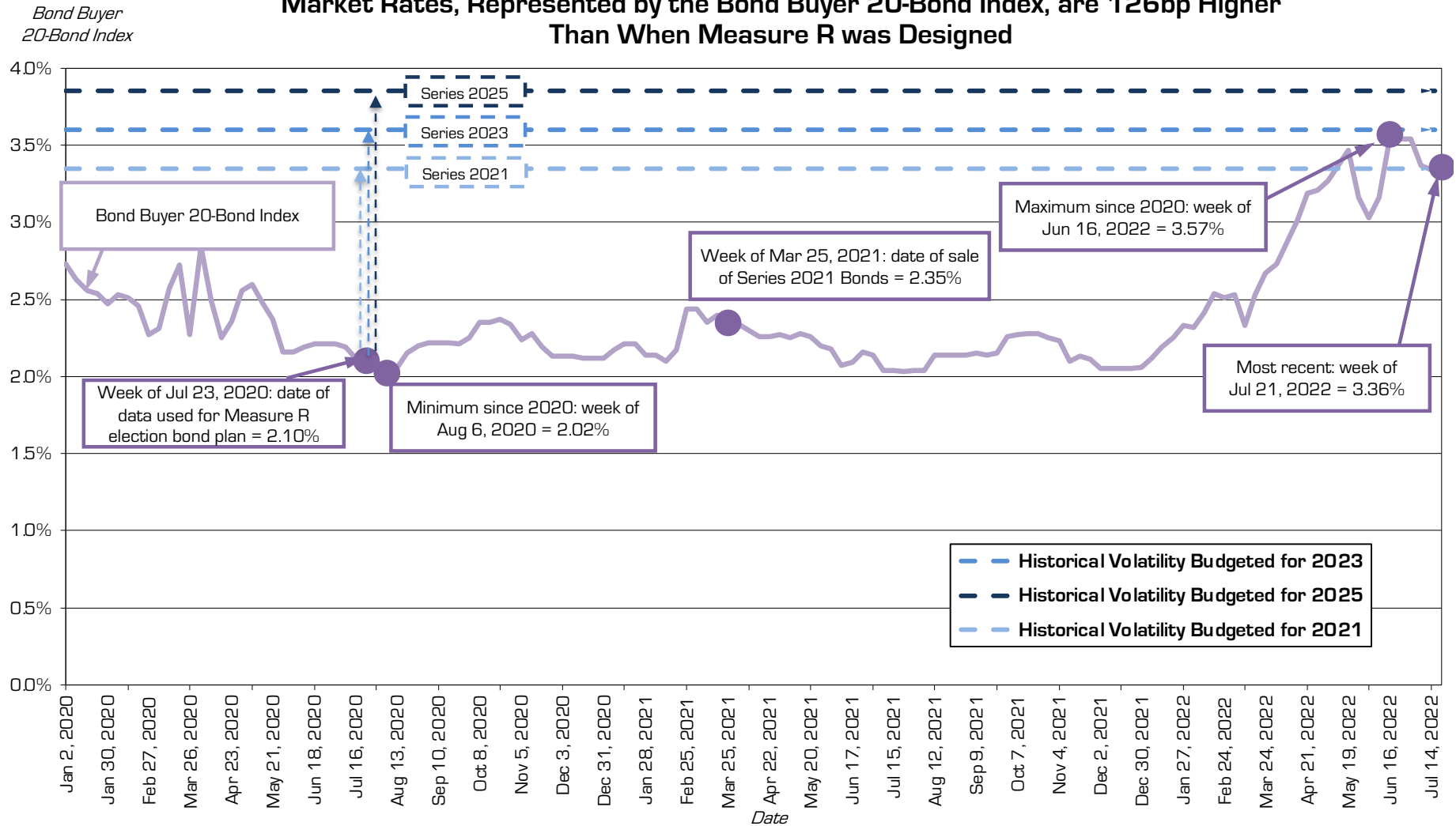
Agenda

- ◆ Market Update
- ◆ Assessed Value Update
- ◆ Implementing Measure R
- ◆ Refinancing Opportunity
- ◆ Bond Sale Method
- ◆ For Reference
 - ▶ Debt Portfolio and Bond Financial Plan Details
 - ▶ Bond Sale Method Evaluation Criteria
 - ▶ Legal Structure
 - ▶ Disclosure to Investors
 - ▶ Assessed Value Details
 - ▶ Estimated Costs of Issuance
 - ▶ Good Faith Estimates



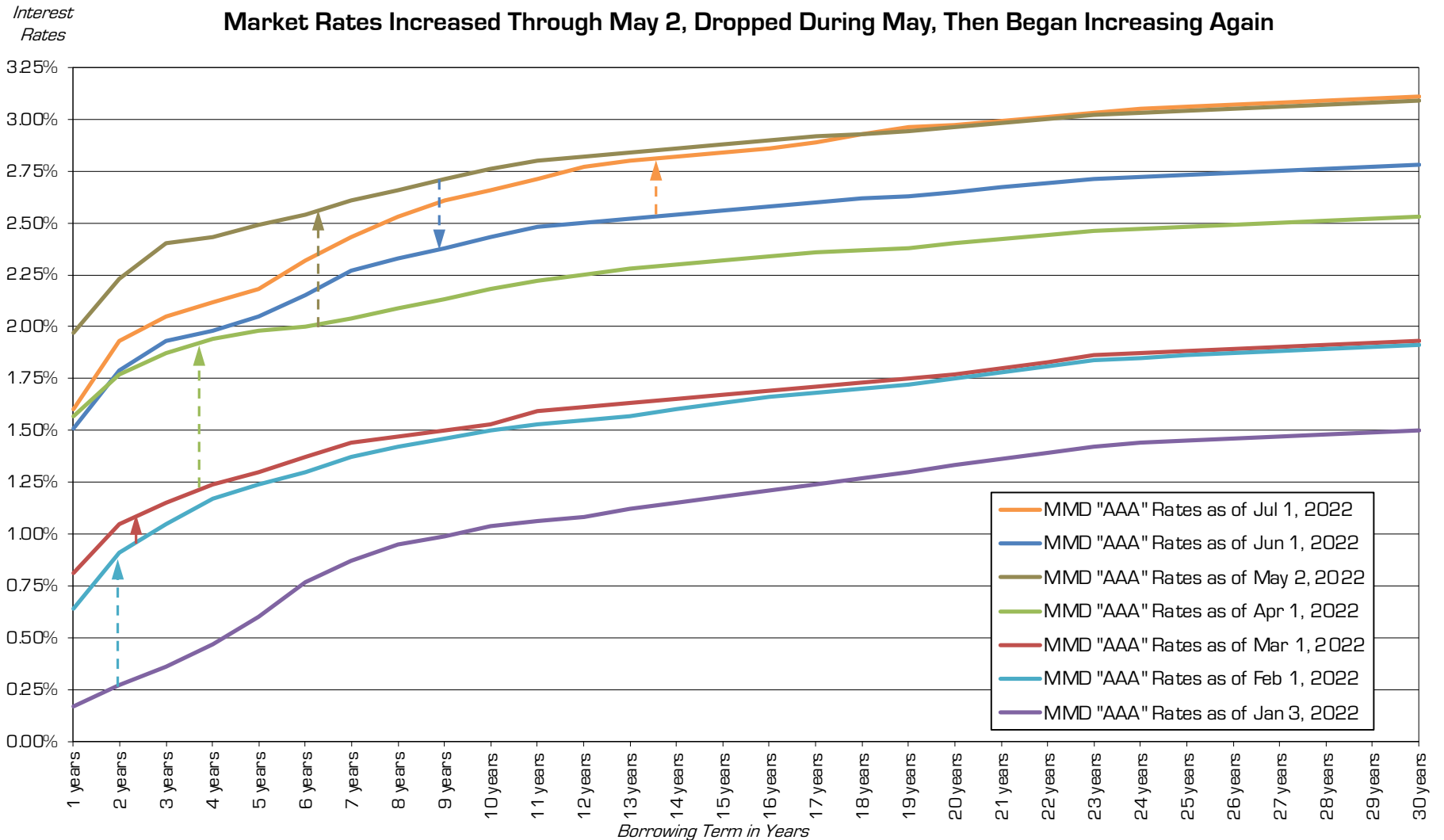
Interest Rates are Volatile

Market Rates, Represented by the Bond Buyer 20-Bond Index, are 126bp Higher Than When Measure R was Designed



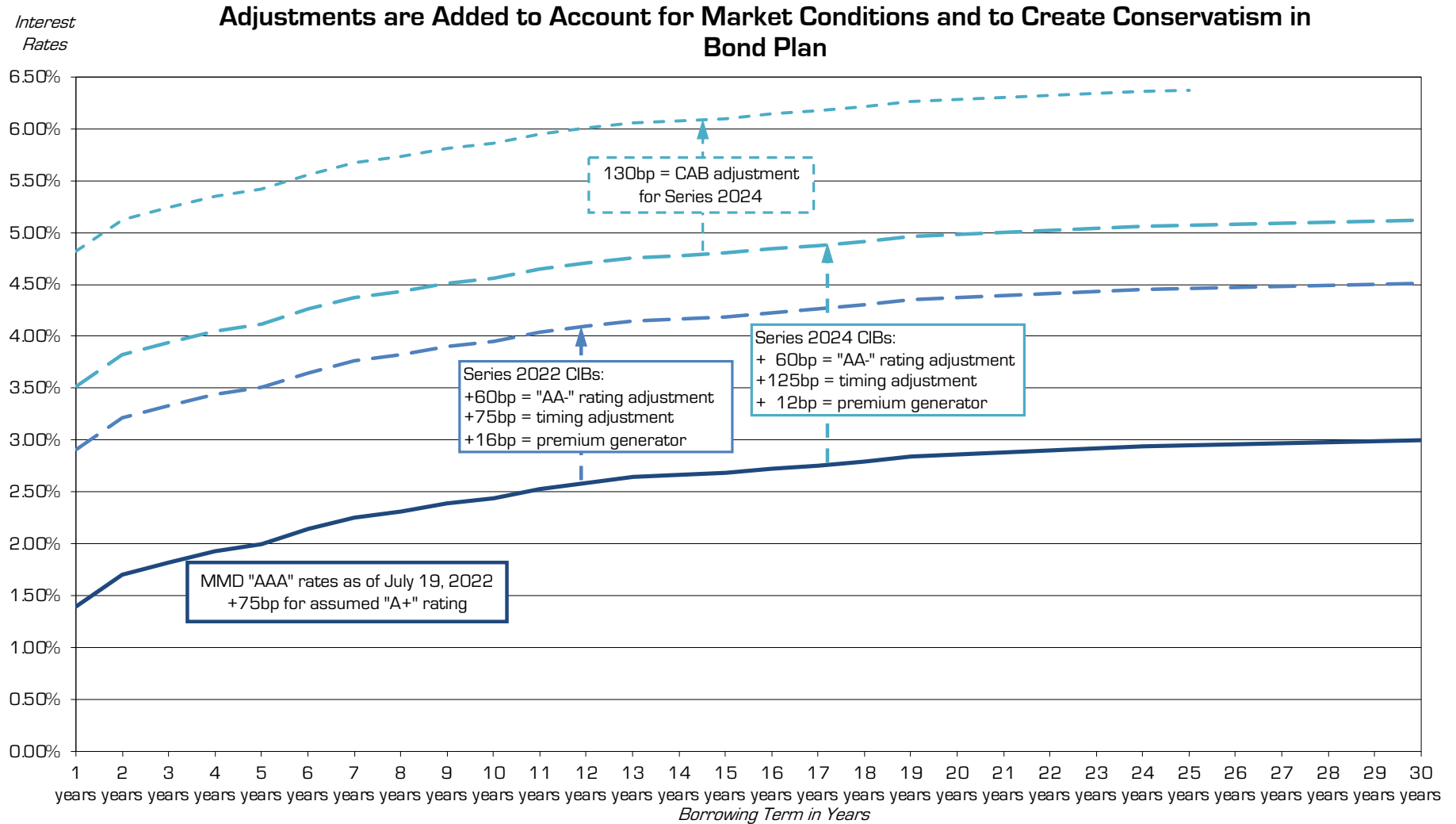
Notes: The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years and is compiled every Thursday. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Rating Service AA.

Long-Term Market Rates At/Near Peak; Short-Term Market Rates Below Peak



Interest rates provided by Municipal Market Data.

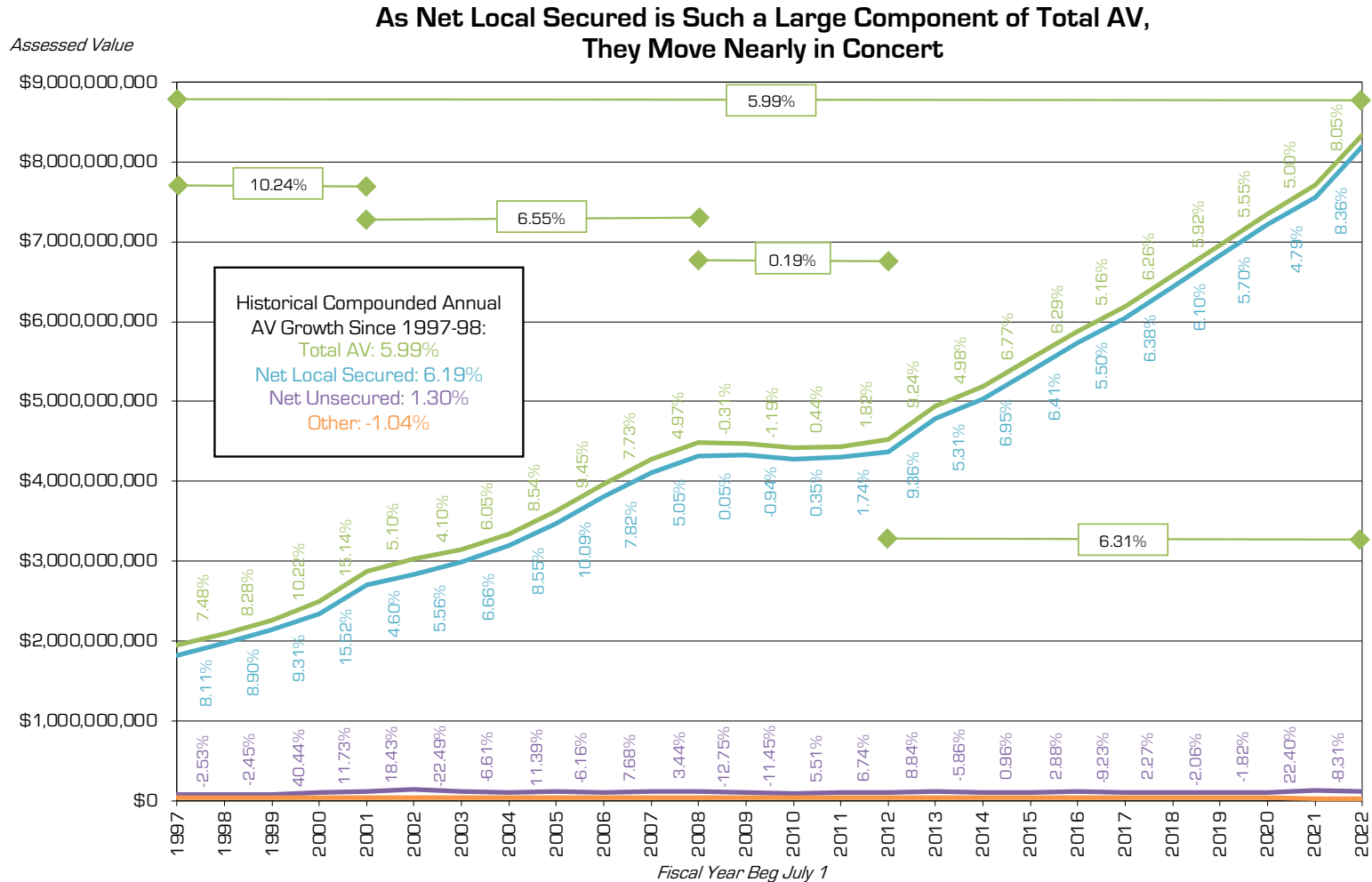
Estimated Interest Rates for Measure R



Series 2021 yields from sale results. Interest rates provided by Municipal Market Data. Timing adjustment based on historical changes in the Bond Buyer 20-Bond Index. Rating and CAB adjustment based on current market conditions.

Significant Growth in AV Since 1997*

(Net Local Secured AV assumed to grow 5% annually; all other AV assumed to grow 0%)



Historical assessed value (AV) provided by the Santa Clara County Auditor-Controller's Office. The District's total AV is comprised of net local secured, net unsecured, and other (utility & homeowners' exemption). Changes shown are annual changes, while ranges are compounded annual rates.

* *Additional assessed value information in For Reference section*

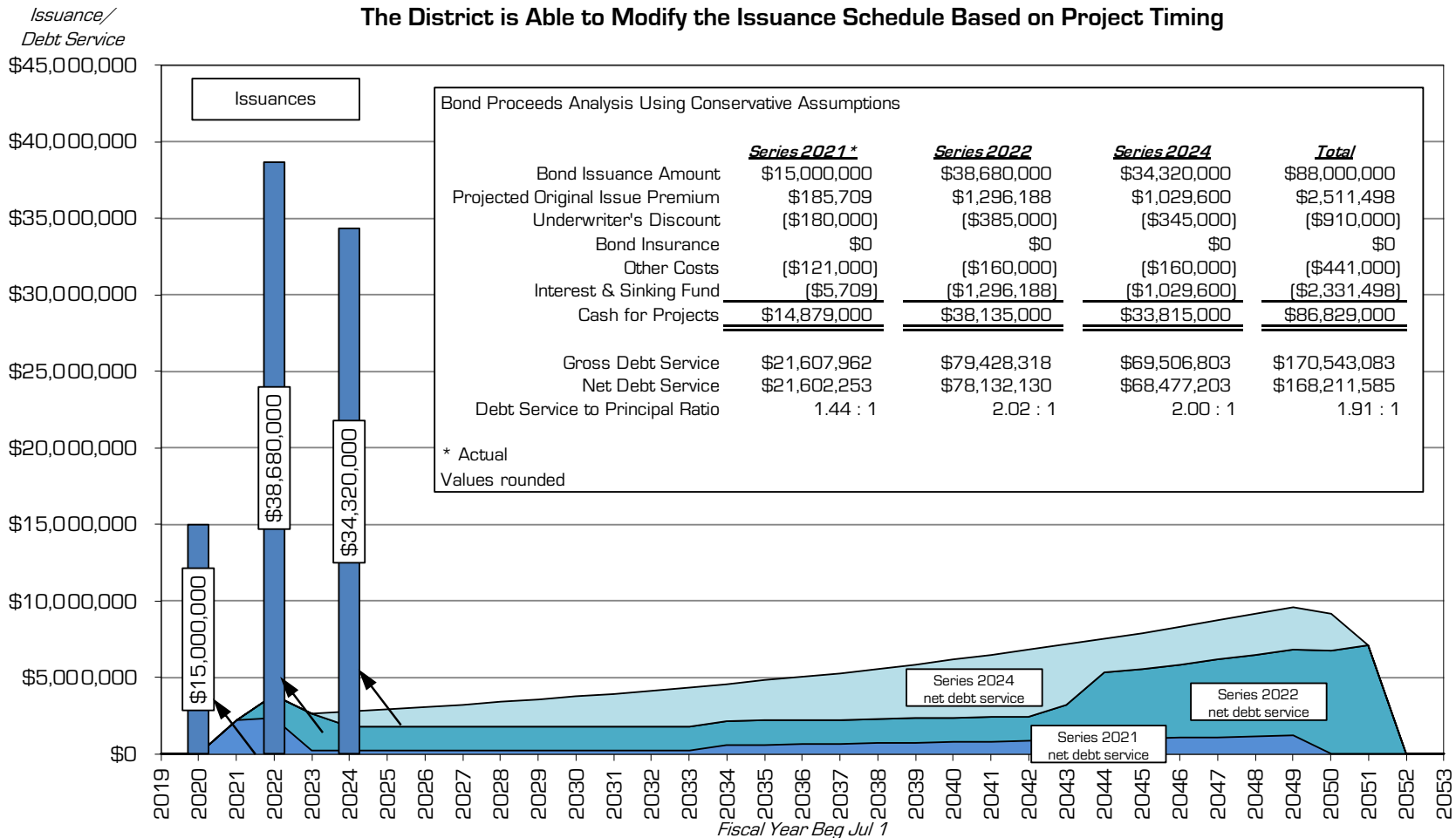
Plan Revised Based on Expenditure Plans and Legal Constraints

- ◆ Project plans have been updated, resulting in an earlier need for funds
- ◆ Plan at the time of issuing Series 2021 Bonds, of \$15 million, was to issue \$45 million in 2023 and \$28 million in 2025
- ◆ Revised plan based on estimated expenditures and bonding capacity:
 - ▶ Series 2021: \$15 million
 - ▶ Series 2022: \$38.68 million
 - ▶ Series 2024: \$34.32 million
 - Current projections indicate a bonding capacity waiver will be needed to issue Series 2024 bonds
- ◆ Projected tax levies remain \leq \$30 (per \$100,000 AV)

* Additional information in For Reference section

Measure R: Updated Financial Plan

Est. \$38.14 Million for Projects



Analysis based on 2022-23 AV from Santa Clara Co Auditor-Controllers department and assumed 5% annual growth in net local secured, while all others AV types are assumed to remain unchanged. Series 2021 results are actual, and includes \$5,709 deposited to Debt Service Fund. Projected sales based on MMD "AAA" rates as of July 19, 2022 plus timing adjustment for potential rate increases prior to 2022 issuance (+75bp) and +140bp for 2024 issuance, +60bp adjustment for assumed "AA-" rating, +16bp to generate premium for Debt Service Fund deposit for Series 2022 & +12bp for Series 2024, +130bp for callable CABs. We project a bonding capacity waiver of 1.36% would be required to issue the bonds as detailed. County's collection methodology consists of current Fiscal Year debt service plus a reserve equal to the payment due during the first half of the following Fiscal Year, less previously collected reserve. Values rounded.

Refinancing Opportunity

General Obligation Bonds, November 2002 Election, Measure G, \$20,975,000

Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service at Issuance	Ratio of Debt Service to Principal for Orig Issuance	Principal Paid & to be Repaid as of Jul 1, 2022	Debt Service Paid & to be Repaid as of Jul 1, 2022	Outstanding Principal as of Jul 1, 2022	Final Maturity Year	Able to Call?	Next Call Date	Callable Principal	Weighted Average Callable Coupon	Next Call Premium	
A	2003	CIBs	\$15,105,000	\$0	\$15,105,000	\$25,224,698	1.73 : 1	\$3,250,000	\$9,016,895	\$0	2013	n/a	n/a	\$0	n/a	n/a	(1), (3)
		CABs	\$419,912	\$0	\$419,912	\$1,570,000		\$419,912	\$1,570,000	\$419,912	2028	No	n/a	\$0	n/a	n/a	
B	2005	CIBs	\$2,215,000	\$0	\$2,215,000	\$3,497,002	3.23 : 1	\$655,000	\$1,439,977	\$0	2015	n/a	n/a	\$0	n/a	n/a	(2), (4)
		CABs	\$3,235,032	\$0	\$3,235,032	\$14,085,000		\$3,235,032	\$14,085,000	\$3,235,032	2035	No	n/a	\$0	n/a	n/a	
2013 Rfg	2013	CIBs	\$0	\$11,510,000	\$11,510,000	\$15,065,829	1.31 : 1	\$11,510,000	\$15,065,829	\$4,745,000	2026	Yes	Jul 1, 2022	\$4,745,000	3.99%	0%	(3)
2014 Rfg	2014	CIBs	\$0	\$1,415,000	\$1,415,000	\$1,899,891	1.34 : 1	\$1,415,000	\$1,899,891	\$553,000	2025	Yes	Jul 1, 2024	\$200,000	5.00%	0%	(4)
			<u>\$20,974,944</u>	<u>\$12,925,000</u>	<u>\$33,899,944</u>	<u>\$61,342,420</u>		<u>\$20,484,944</u>	<u>\$43,077,592</u>	<u>\$8,954,944</u>				<u>\$4,945,000</u>			

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 2.12 : 1
 Total debt service after refinancings to new money principal: 2.05 : 1

◆ 2013 Refunding Bonds are now callable

- ▶ Short term (final maturity in 2026) and small par amount (<\$5 million) limit savings
- ▶ Including refinancing with sale of Measure R Bonds
 - Estimated \$76,000 net present value savings (1.6% of par amount)
 - Reduced overall costs of issuance; estimated additional \$50,000 for projects
 - Estimated increase in 2024 available bonding capacity by \$1 million
- ▶ Interest rates would need to drop by over 100 basis points to achieve similar savings in 2024 (assuming refinanced in combination with 2014 Refunding Bonds)

* Complete debt portfolio and additional information in For Reference section

Bond Sale Methods

Competitive Process Recommended*

- ◆ Competitive Process - auction



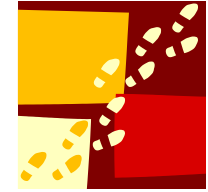
- ◆ Negotiated Process - sale to pre-selected underwriter or lender/investor



- ✓ *The Government Finance Officers Association (GFOA) recommends that “bond issuers should sell their debt using the method of sale that is most likely to achieve the lowest cost of borrowing while taking into account both short-range and long-range implications for taxpayers and ratepayers.”*

* *Evaluation of bond sale methods in the For Reference section*

Next Steps



- ◆ Tonight's Board meeting
 - ▶ Information presentation
 - ▶ Board considers adoption of resolution authorizing issuance of bonds and refunding bonds
- ◆ August 16, 2022
 - ▶ Sale of bonds conducted at the offices of Government Financial Strategies and virtually
- ◆ August 30, 2022
 - ▶ Closing: Proceeds deposited with County, Zions Bank, US Bank
- ◆ September 1, 2022 Board meeting
 - ▶ Presentation of results of bond sale
- ◆ September 16, 2022
 - ▶ Series 2013 Refunding Bonds redeemed

Any Questions?



For Reference

- ◆ Debt Portfolio and Bond Financial Plan Details
- ◆ Bond Sale Method Evaluation Criteria
- ◆ Legal Structure
- ◆ Disclosure to Investors
- ◆ Assessed Value Details
- ◆ Estimated Costs of Issuance
- ◆ Good Faith Estimates

Election History and Debt Portfolio

General Obligation Bond Elections

Date	Measure	Amount	Required	Received	
Nov 5, 2002	G	\$20,975,000	55.0%	73.8%	✓
Jun 3, 2014	I	\$39,000,000	55.0%	72.5%	✓
Nov 3, 2020	R	\$88,000,000	55.0%	61.2%	✓

Parcel Tax Elections

Date	Measure	Amount	Term	2021-22		
				Rate	Required	Received
Mar 6, 2001	A	\$63 + CCPI		\$102.60	2/3	68.7% ✓
Nov 2, 2010	L	\$96	6 years	n/a	2/3	58.4% ✗
Jun 5, 2018	H	\$84	8 years	\$85.68 *	2/3	67.4% ✓

* Per Resolution, Measure H tax was set at \$84.00 for 2018-19 and supposed to increase annually with local inflation rate.

General Obligation Bonds, November 2002 Election, Measure G, \$20,975,000

Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service at Issuance	Ratio of Debt Service to Principal for Orig Issuance	Principal Paid & to be Repaid as of Jul 1, 2022	Debt Service Paid & to be Repaid as of Jul 1, 2022	Outstanding Principal as of Jul 1, 2022	Final Maturity Year	Able to Call?	Next Call Date	Callable Principal	Weighted Average Callable Coupon	Next Call Premium	
A	2003	CIBs	\$15,105,000	\$0	\$15,105,000	\$25,224,698	1.73 : 1	\$3,250,000	\$9,016,895	\$0	2013	n/a	n/a	\$0	n/a	n/a	(1), (3)
		CABs	\$419,912	\$0	\$419,912	\$1,570,000		\$419,912	\$1,570,000	\$419,912	2028	No	n/a	\$0	n/a	n/a	
B	2005	CIBs	\$2,215,000	\$0	\$2,215,000	\$3,497,002	3.23 : 1	\$655,000	\$1,439,977	\$0	2015	n/a	n/a	\$0	n/a	n/a	(2), (4)
		CABs	\$3,235,032	\$0	\$3,235,032	\$14,085,000		\$3,235,032	\$14,085,000	\$3,235,032	2035	No	n/a	\$0	n/a	n/a	
2013 Rfg	2013	CIBs	\$0	\$11,510,000	\$11,510,000	\$15,065,829	1.31 : 1	\$11,510,000	\$15,065,829	\$4,745,000	2026	Yes	Jul 1, 2022	\$4,745,000	3.99%	0%	(3)
2014 Rfg	2014	CIBs	\$0	\$1,415,000	\$1,415,000	\$1,899,891	1.34 : 1	\$1,415,000	\$1,899,891	\$555,000	2025	Yes	Jul 1, 2024	\$200,000	5.00%	0%	(4)
			<u>\$20,974,944</u>	<u>\$12,925,000</u>	<u>\$33,899,944</u>	<u>\$61,342,420</u>		<u>\$20,484,944</u>	<u>\$43,077,592</u>	<u>\$8,954,944</u>				<u>\$4,945,000</u>			

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 2.12 : 1
 Total debt service after refinancings to new money principal: 2.05 : 1

Debt Portfolio – cont.

General Obligation Bonds, June 2014 Election, Measure I, \$39,000,000

<i>Series</i>	<i>Year of Sale</i>	<i>Bond Type</i>	<i>Issuance - New Money</i>	<i>Issuance - Refinancing</i>	<i>Total Issuance</i>	<i>Net Debt Service at Issuance</i>	<i>Ratio of Debt Service to Principal for Orig Issuance</i>	<i>Principal Paid & to be Repaid as of Jul 1, 2022</i>	<i>Debt Service Paid & to be Repaid as of Jul 1, 2022</i>	<i>Outstanding Principal as of Jul 1, 2022</i>	<i>Final Maturity Year</i>	<i>Able to Call?</i>	<i>Next Call Date</i>	<i>Callable Principal</i>	<i>Weighted Average Callable Coupon</i>	<i>Next Call Premium</i>
2014	2014	CIBs	\$39,000,000	\$0	\$39,000,000	\$65,642,969	1.68 : 1	\$39,000,000	\$65,642,969	\$35,450,000	2039	Yes	Jul 1, 2024	\$34,265,000	4.05%	0%
			<u>\$39,000,000</u>	<u>\$0</u>	<u>\$39,000,000</u>	<u>\$65,642,969</u>		<u>\$39,000,000</u>	<u>\$65,642,969</u>	<u>\$35,450,000</u>				<u>\$34,265,000</u>		

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.68 : 1

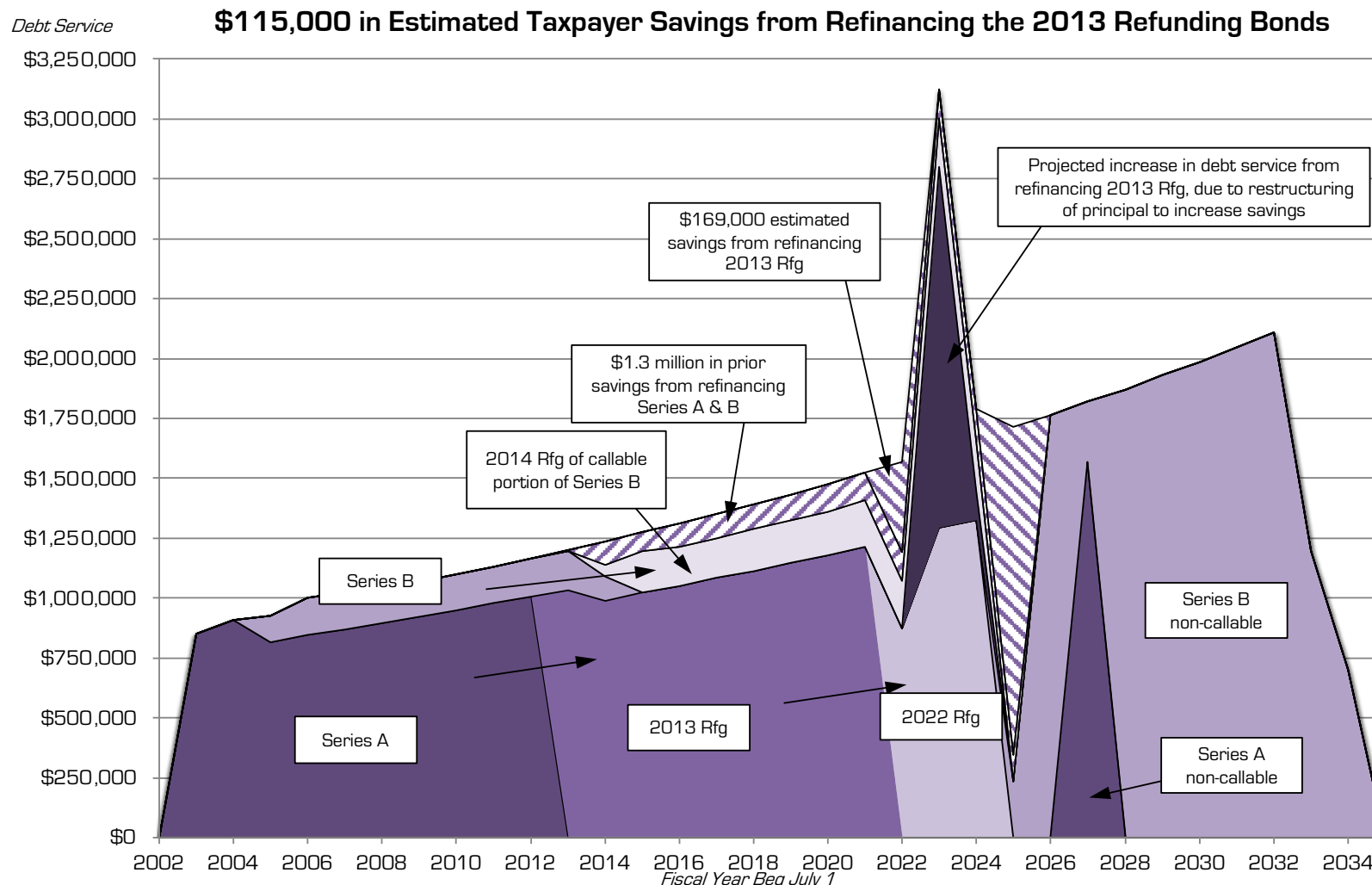
General Obligation Bonds, November 2020 Election, Measure R, \$88,000,000

<i>Series</i>	<i>Year of Sale</i>	<i>Bond Type</i>	<i>Issuance - New Money</i>	<i>Issuance - Refinancing</i>	<i>Total Issuance</i>	<i>Net Debt Service at Issuance</i>	<i>Ratio of Debt Service to Principal for Orig Issuance</i>	<i>Principal Paid & to be Repaid as of Jul 1, 2022</i>	<i>Debt Service Paid & to be Repaid as of Jul 1, 2022</i>	<i>Outstanding Principal as of Jul 1, 2022</i>	<i>Final Maturity Year</i>	<i>Able to Call?</i>	<i>Next Call Date</i>	<i>Callable Principal</i>	<i>Weighted Average Callable Coupon</i>	<i>Next Call Premium</i>
2021	2021	CIBs	\$15,000,000	\$0	\$15,000,000	\$21,602,253	1.44 : 1	\$15,000,000	\$21,602,253	\$15,000,000	2050	Yes	Aug 1, 2030	\$11,350,000	2.35%	0%
			<u>\$15,000,000</u>	<u>\$0</u>	<u>\$15,000,000</u>	<u>\$21,602,253</u>		<u>\$15,000,000</u>	<u>\$21,602,253</u>	<u>\$15,000,000</u>				<u>\$11,350,000</u>		

Debt Service to Principal Ratios

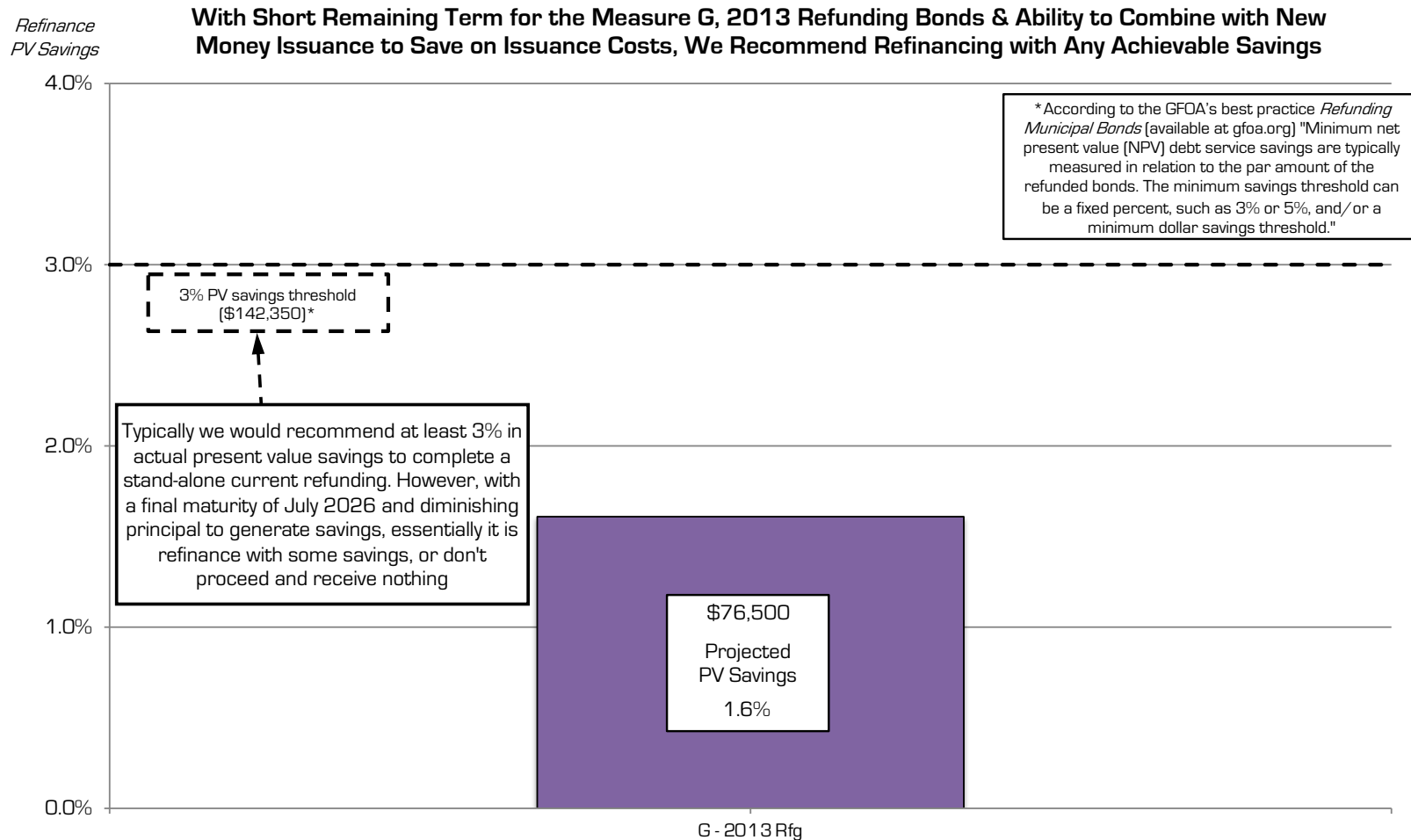
- (1) Series A, Measure G net debt service reflects application of \$25,019 deposited to Debt Service Fund;
 (2) Series B, Measure G net debt service reflects application of \$791 deposited to Debt Service Fund;
 (3) Series A, Measure G CIBs maturing from 2014 - 2026 refinanced by Series 2013 Refunding Bonds, savings taxpayers \$1,141,973;
 (4) Series B, Measure G CIBs maturing from 2016 - 2025 refinanced by Series 2014 Refunding Bonds, savings taxpayers \$157,134;
 (5) Series 2014, Measure I net debt service reflects application of \$2,214,127 deposited to Debt Service Fund;
 (6) Series 2021, Measure R net debt service reflects application of \$5,709 deposited to Debt Service Fund;

Est. \$115,000 in Savings for Taxpayers; Pushing up Principal Increases Available Bonding Capacity Earlier



Actual debt service reflects application of \$2,214,127 in premium deposited into the Interest & Sinking Fund to reduce debt service for 2014-15. County's collection methodology consists of current Fiscal Year debt service plus a reserve equal to the payment due during the first half of the following Fiscal Year, less previously collected reserve. In 2013, the callable portion of the Series B Bonds were not refinanced as savings did not meet the refinancing threshold. 2022 Refunding based on MMD "AAA" rates as of July 19, 2022 adjusted for assumed "AA" rating +20bp. Values rounded.

PV Savings Below Typical Recommended Thresholds However, Short Term Limits Refi Opportunities

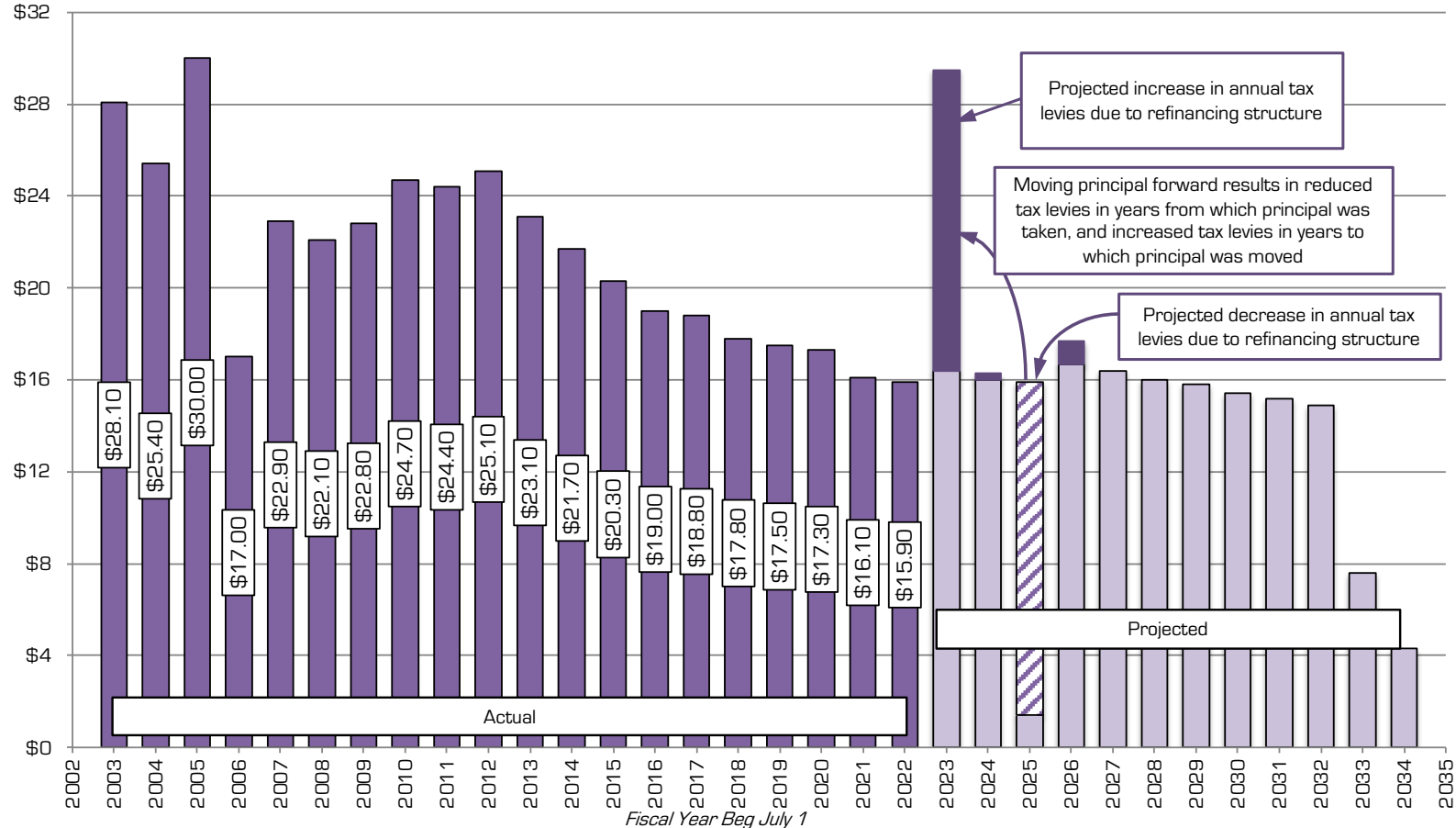


Projected savings based on "AA-" rated public offering as of July 19, 2022 +20bp. Savings are net of issuance costs (\$116,000). Values rounded.

Measure G: Tax Levies

Tax Levies per
\$100,000 of AV

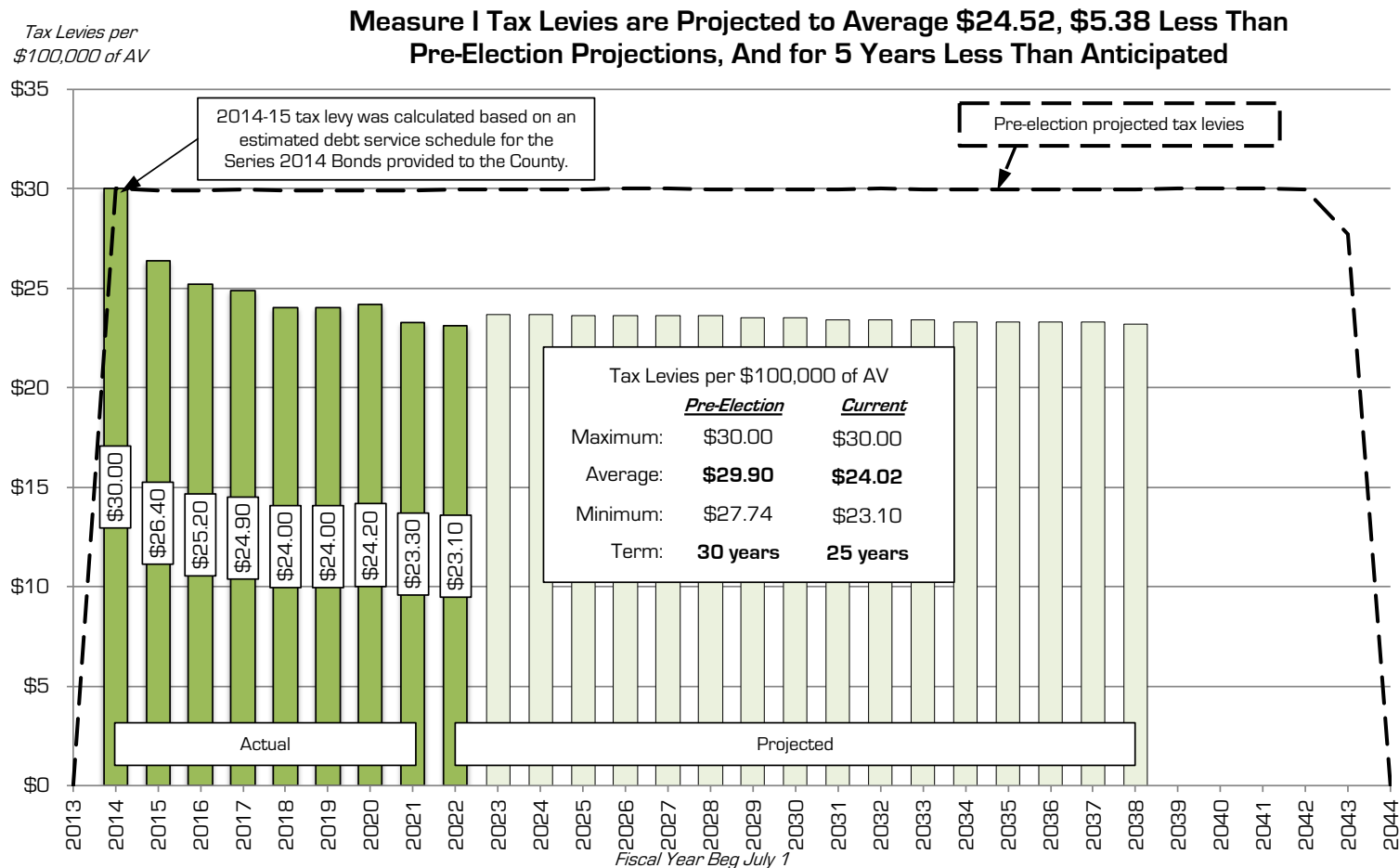
\$0.03 Annual Average Projected Tax Levy Savings from Refinancing Measure G's 2013 Refunding Bonds for 2023-24 to 2026-27



Actual levies provided by Santa Clara Co. Future tax levies are based on County's collection methodology which consists of current Fiscal Year debt service plus a reserve equal to the payment due during the first half of the following Fiscal Year, less previously collected reserve. Levies based on an assumed 5% annual increase in net local secured AV, while all other types of AV are assumed to remain unchanged, and based on assumed unitary revenue of 0.75% of debt service & reserve (1.1% historical average since 2013-14), other revenue of 0.03% of debt service & reserve (0.05% historical average since 2013-14), 5% additional reserve account receipts (7.0% historical average since 2013-14), and paying agent fees equal to 2021-22 fee which range from \$1,500 to \$6,000 annually. Tax levies are per \$100,000 of assessed value. 2022 Refunding based on MMD "AAA" rates as of July 19, 2022 adjusted for assumed "AA-" rating +20bp. Values rounded.

Measure I: Tax Levies

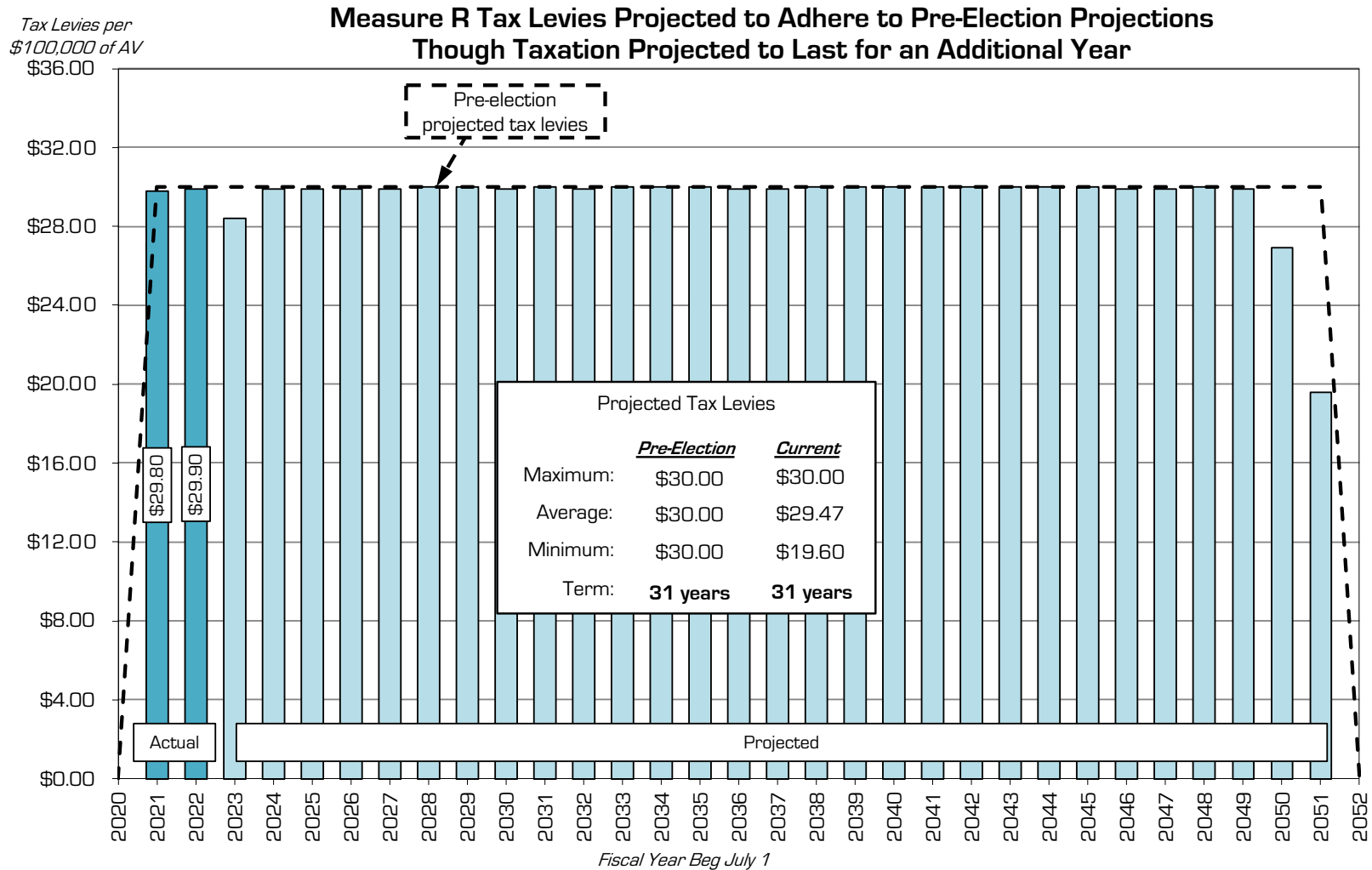
Projected to Remain Below Pre-Election Est.



Pre-election estimate is scenario presented to the Board for approval of election and basis for tax rate statement provided to voters. Actual levies provided by Santa Clara Co. Future tax levies are based on County's collection methodology which consists of current Fiscal Year debt service plus a reserve equal to the payment due during the first half of the following Fiscal Year, less previously collected reserve. Levies based on an assumed 5% annual increase in net local secured AV, while all other types of AV are assumed to remain unchanged, and based on assumed unitary revenue of 0.75% of debt service & reserve [1.1% historical average since 2013-14], other revenue of 0.05% of debt service & reserve [0.05% historical average since 2013-14], 5% additional reserve account receipts [7.4% historical average since 2013-14], and paying agent fees equal to 2021-22 fee which range from \$1,500 to \$6,000 annually. Tax levies are per \$100,000 of assessed value. Values rounded.

✓ *And end 5 years earlier than pre-election estimate.*

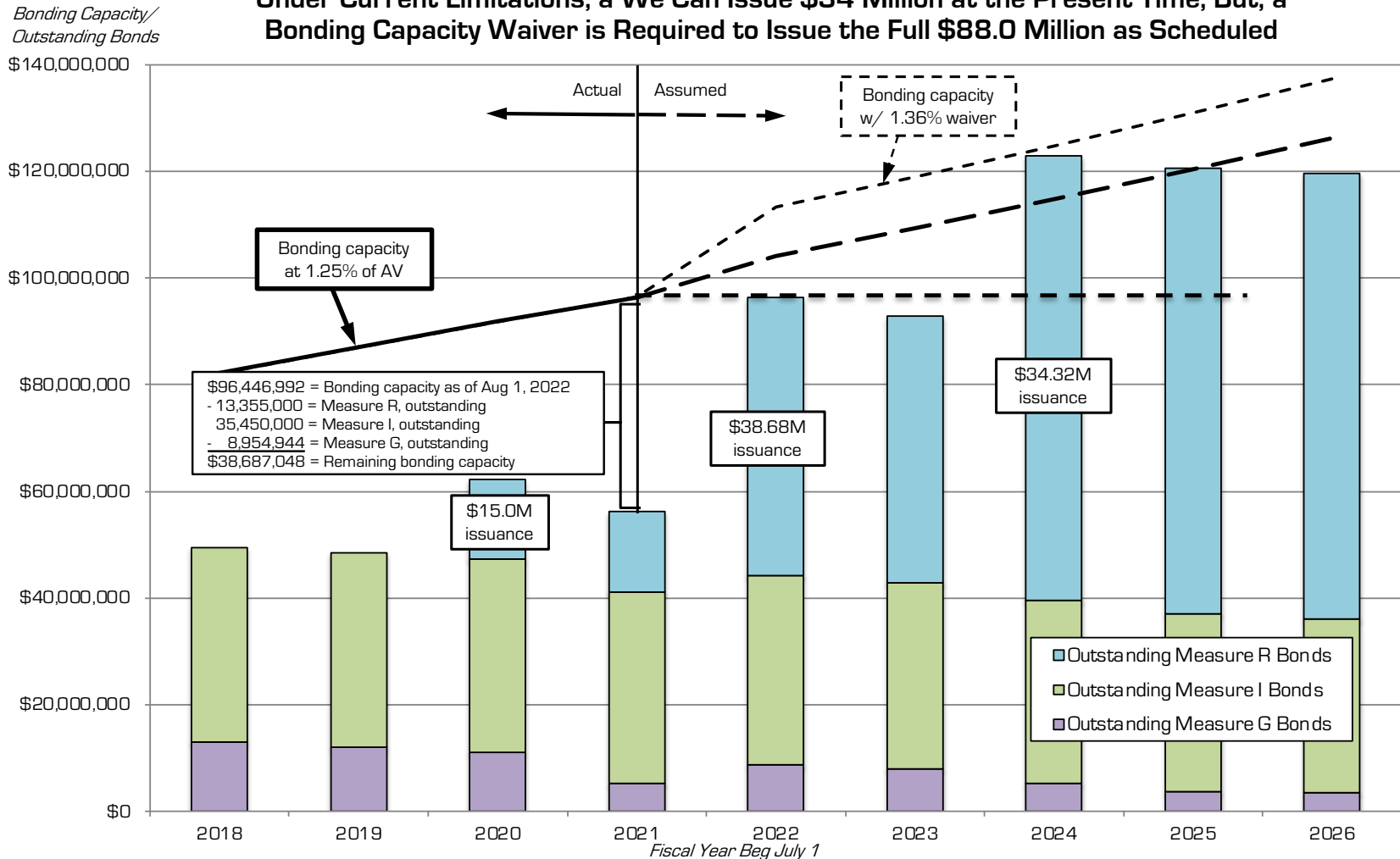
Measure R: Projected Levies



2022-23 levy provided by Santa Clara Co. Future tax levies are based on County's collection methodology which consists of current Fiscal Year debt service plus a reserve equal to the payment due during the first half of the following Fiscal Year, less previously collected reserve. Levies based on an assumed 5% annual increase in net local secured AV, while all other types of AV are assumed to remain unchanged. Future paying agent fees equal to 2021-22 fee (\$1,500). Tax levies are per \$100,000 of assessed value. This model exceeds current bonding capacity limits and a waiver of 1.40% would be required. Values rounded.

Bonding Capacity Still a Constraint

Under Current Limitations, a We Can Issue \$34 Million at the Present Time, But, a Bonding Capacity Waiver is Required to Issue the Full \$88.0 Million as Scheduled



Bonding capacity is 1.25% of union districts total AV. AV is assumed to increase 5% annually for net local secured, while all other AV types are assumed to remain unchanged. Bonding capacity is as of August 20 when the AV becomes "equalized." Utilizing the full \$30 levy generates more than remaining bonding capacity, thus a 1.40% bonding capacity waiver would be necessary based on current expenditure plan. \$1.565 million in principal is scheduled for payment on July 1, 2022 with an additional \$1.645 million due on August 1, 2022.

GFOA Competitive Criteria

- ◆ Criteria that favors a Competitive Process:
 - ✓ Rating of the bonds is at least in the single-A category.
 - Existing bonds are rated "AA-".
 - ✓ Bonds are general obligation bonds or full faith and credit obligations of the issuer or are secured by a strong, known and long-standing revenue stream.
 - The bonds are general obligation bonds.
 - ✓ Bond structure does not include innovative or new features that require extensive explanation to the bond market.
 - The bonds do not include features requiring explanation.
 - ✗ Issuer is well known and frequently in the market
 - The District is not well known and frequently in the market.
- ✓ *We meet 3 out of the 4 competitive process criteria.*

*Note: We define "frequently" to mean the proposed financing is at least the third debt issuance publicly offered to the bond market in the last five years.

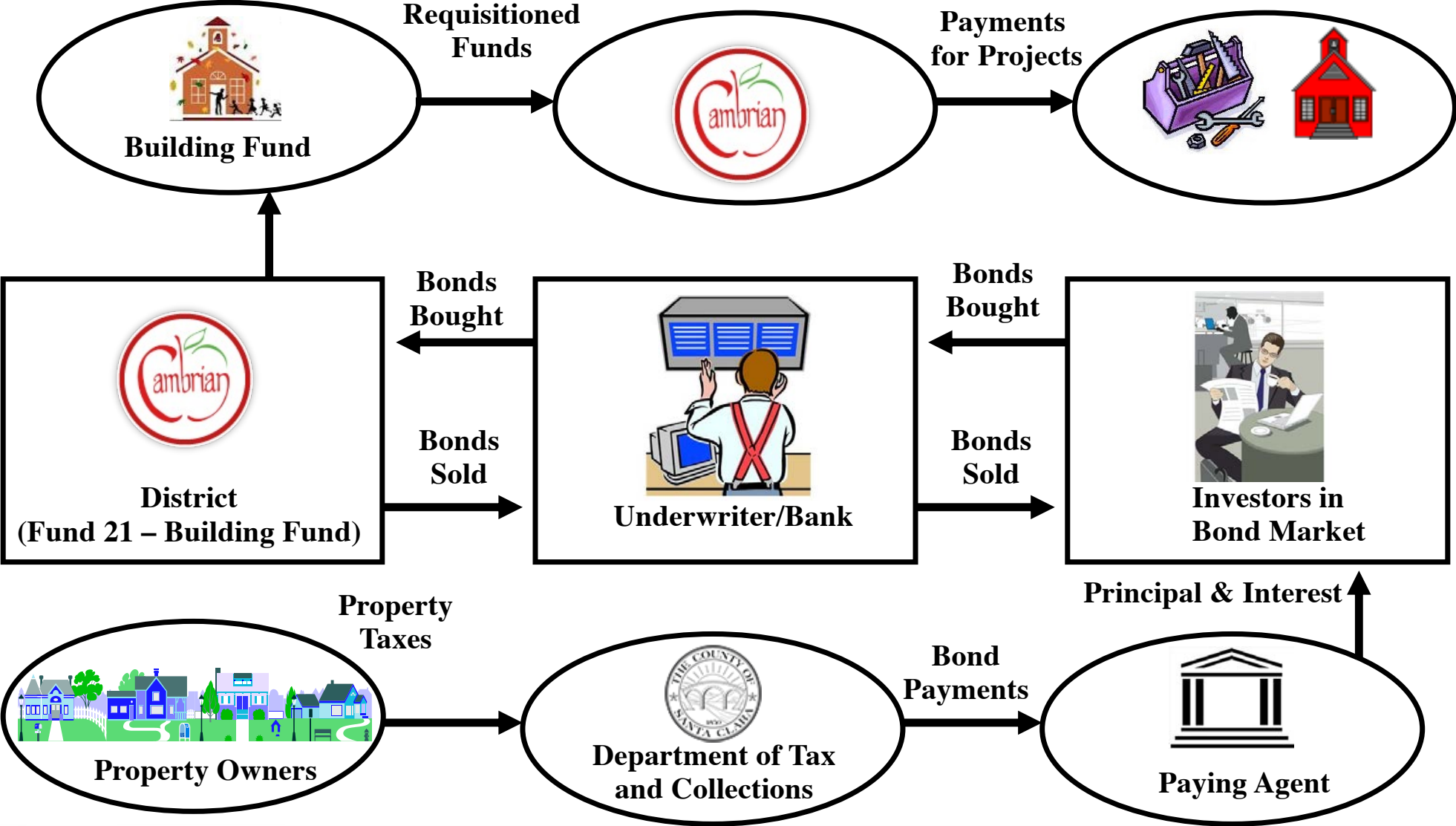
GFOA Negotiated Criteria

- ◆ Criteria that favors a Negotiated Process:
 - X Rating of the bonds is lower than the single-A category.
 - Existing bonds are rated "AA-".
 - X Bond insurance or other credit enhancement is unavailable or not cost-effective.
 - Bond insurance is available and cost-effective.
 - X Structure of bonds has features better suited to negotiation.
 - The bonds do not include such features.
 - X Issuer desires to target underwriting participation to include disadvantaged business enterprises or local firms.
 - All underwriters will have the opportunity to participate.
 - X Other factors that the issuer, in consultation with its financial advisor, believes favor the use of a negotiated sale process.
 - There are no other factors favoring a negotiated sale.
- ✓ *We meet 0 out of the 5 negotiated process criteria.*

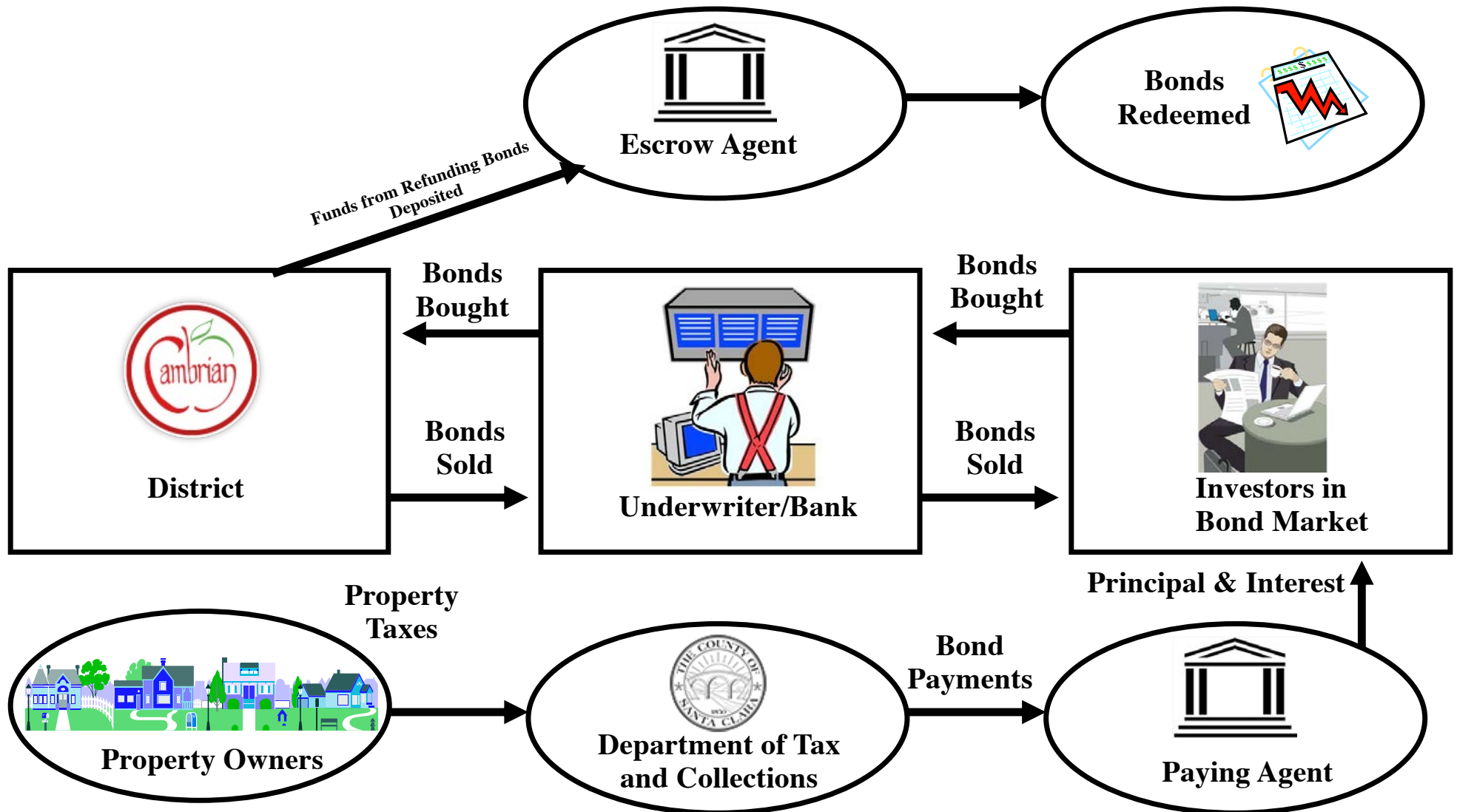
Primary Legal Documents

- ◆ *Board Resolution: authorizes bonds and signing of documents within parameters (bond amount, interest rate, etc.)*
- ◆ *Form of Bond Purchase Agreement: the underwriter purchases the bonds from the District and resells them to investors*
- ◆ *Preliminary Official Statement: discloses important information about the District and financing to investors*
- ◆ *Form of Paying Agent Agreement: a bank is assigned responsibility for forwarding principal and interest payments to investors*
- ◆ *Form of Continuing Disclosure Certificate: District provides updates to the bond market annually and if any significant events occur*

Legal Structure – General Obligation Bonds



Legal Structure – Refunding Bonds



Reasonable Expectations for Expenditures

- ◆ For a tax-exempt financing, federal law requires that District reasonably expect to:
 - ▶ within six months, incur binding obligations to third parties involving expenditures of not less than 5% of the net bond proceeds
 - ▶ within three years, expend 85% of the proceeds
 - ▶ proceed toward completing the projects and allocating the net sale proceeds to expenditures with due diligence

Preliminary Official Statement - Overview of Disclosure

◆ Honest and Fair Dealing

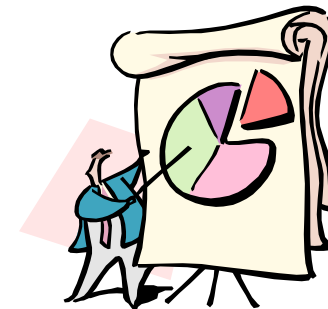
Disclose all “material” facts

Heightened Securities and Exchange
Commission scrutiny



◆ Marketing

Present and future



Tips for Reviewing the Disclosure

- ◆ In reviewing the Preliminary Official Statement:
 - ▶ Format is based on the industry standard, for the convenience of the primary audience -- investors. Standard information is provided in standard fashion, which is often not in the best writing style.
 - ▶ Providing too much information can obscure important points; however, omitting information which might be material to an investment decision would be disastrous.
 - ▶ It is better to bring something to our attention, so that it can be considered and discussed, rather than assume that we've already thought of it.

It is Important to Review the Disclosure

- ◆ Securities and Exchange Commission report (January, 1996) on the disclosure of Orange County in connection with the sale of municipal securities prior to its bankruptcy:

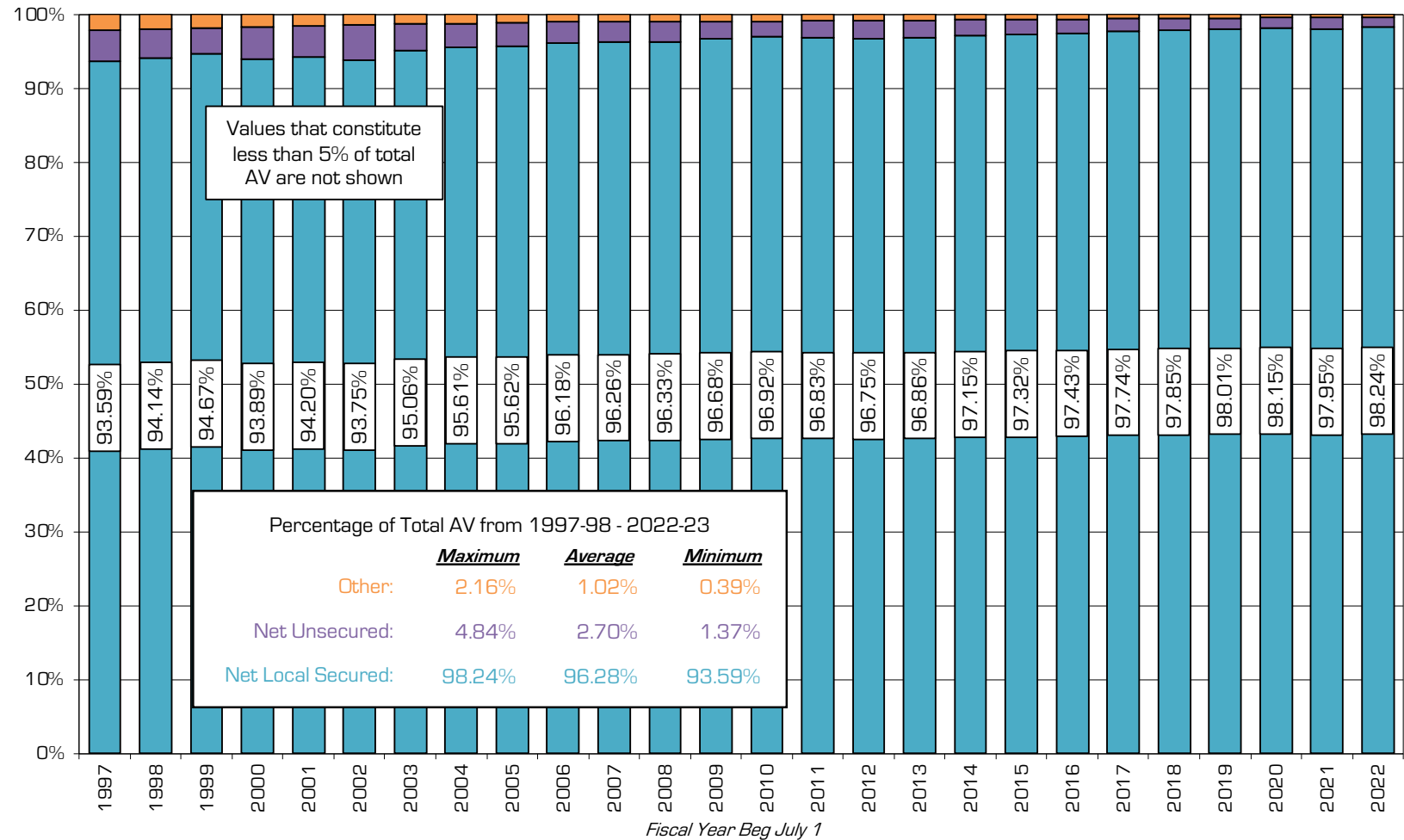
“In authorizing the issuance of securities and related disclosure documents, a public official may not authorize disclosure that the official knows to be false; nor may a public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading.”



Composition of Assessed Value

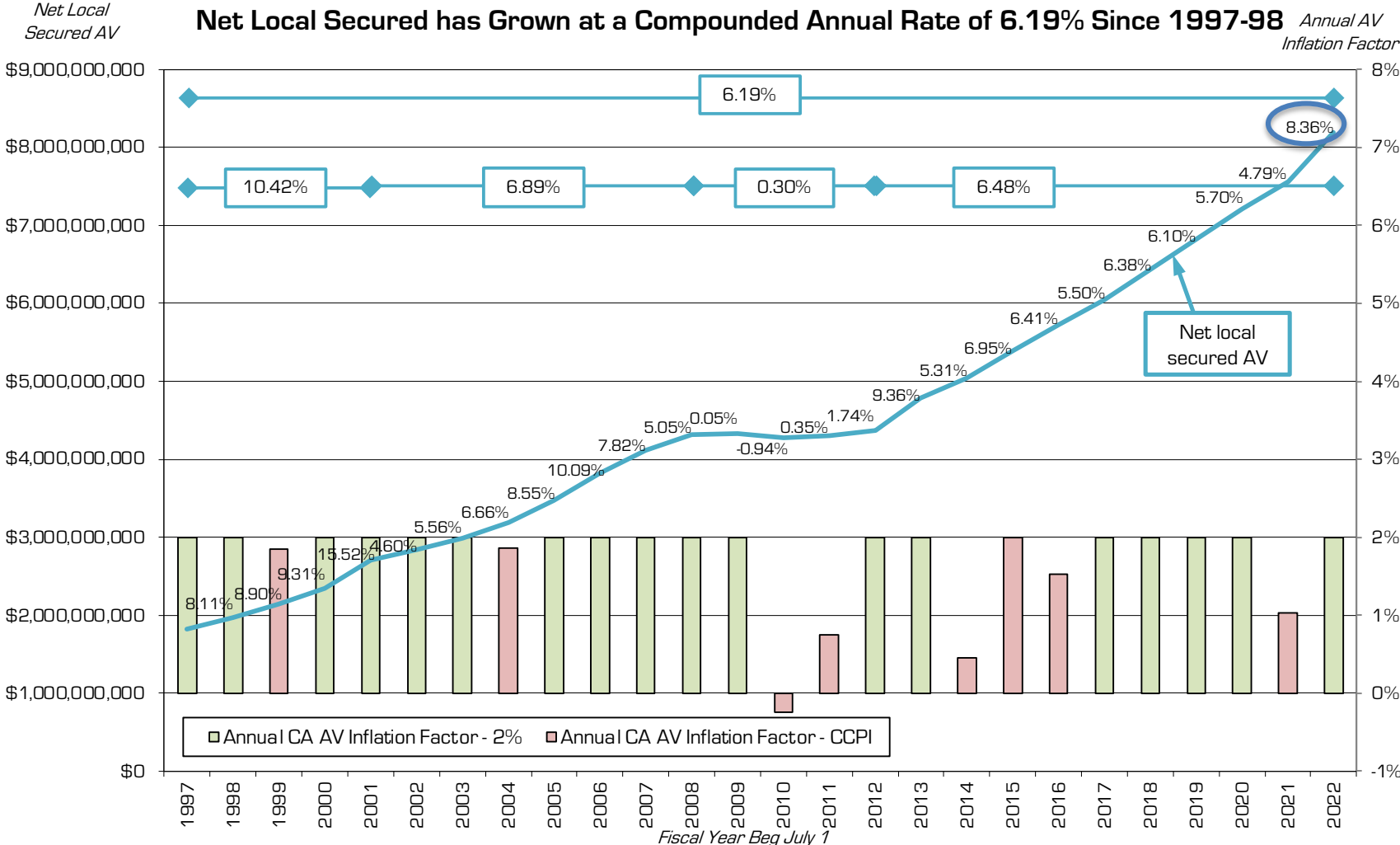
Net Local Secured AV Remains by Far the Most Significant Component of Total AV

Assessed Value



Historical assessed value (AV) provided by the Santa Clara County Auditor-Controller's Office. The District's total AV is comprised of net local secured, net unsecured, and other (utility & homeowners' exemption).

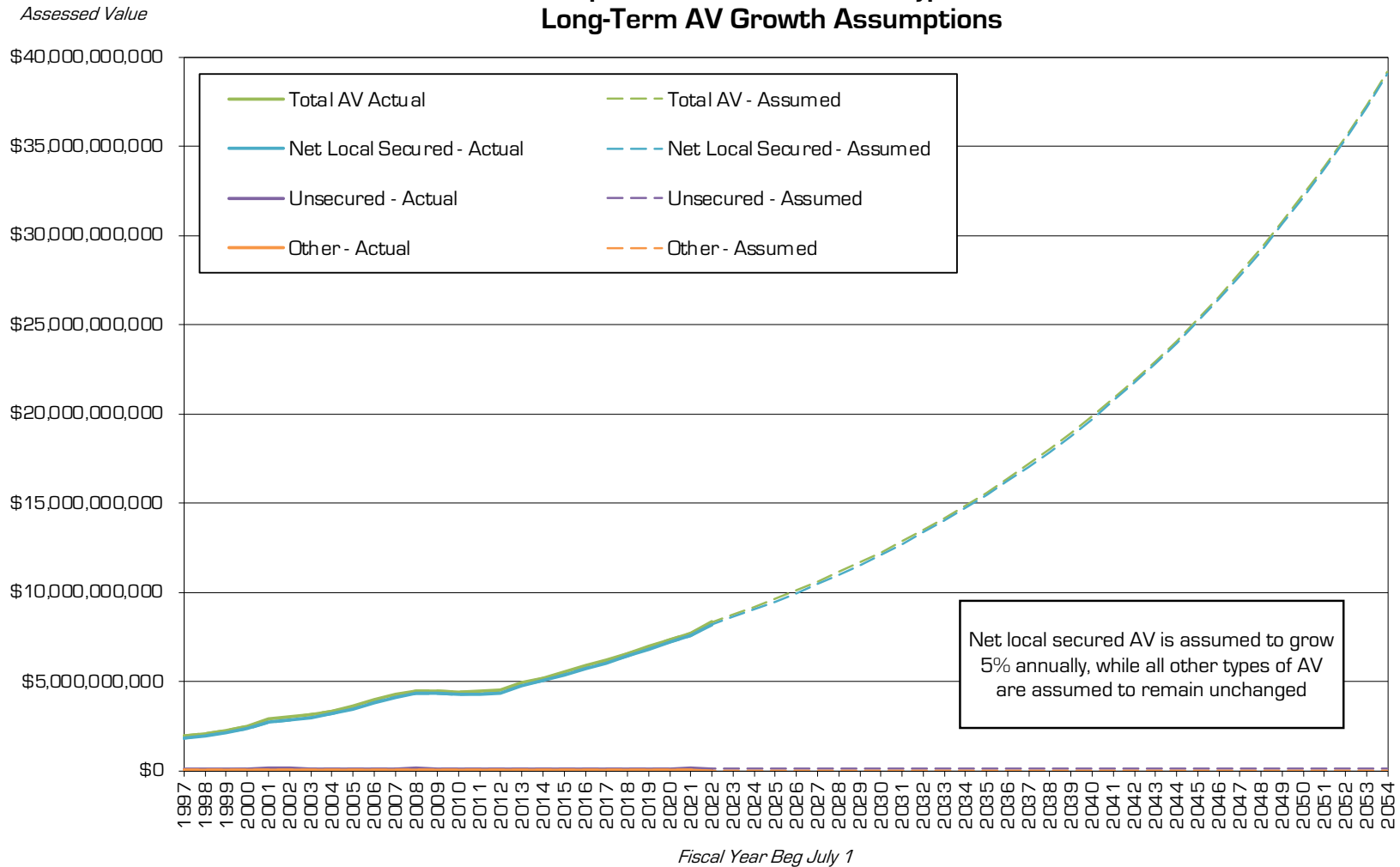
A Closer Look at Net Local Secured



Historical assessed value (AV) provided by the Santa Clara County Auditor-Controller's Office, except 1997-98, 1999-00, 2002-03, & 2003-04, which were taken from the District's Series B Official Statement (2005) citing California Municipal Statistics, Inc.; net local secured is estimated for those years as HDX is not listed. The District's total AV is comprised of net local secured, utility, homeowners exemption, and unsecured values. Net local secured has comprised between 94 - 98% of the District's total AV. Changes shown are annual changes, while ranges are compounded annual rates. Annual California AV inflation factor provided by California State Board of Equalization, and is the lesser of the annual change in the CA CPI or 2%.

Moderate AV Projections

Different AV Assumptions Based on the AV Types Lead to Moderate Long-Term AV Growth Assumptions

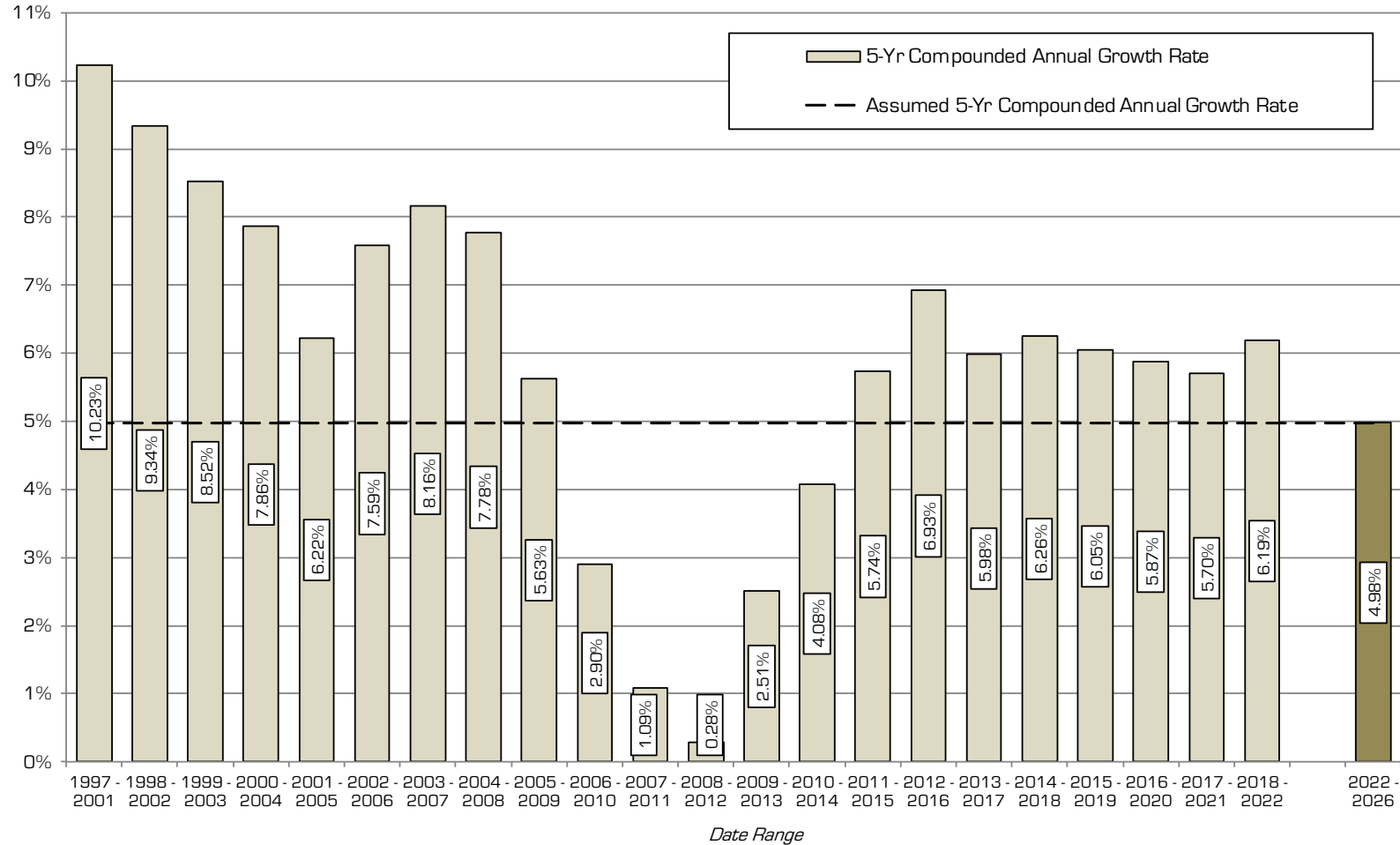


Historical assessed value [AV] provided by the Santa Clara County Auditor-Controller's Office. The District's total AV is comprised of net local secured, net unsecured, and other [utility & homeowners exemption]. As homeowners exemption & unsecured components are relatively small and tend to be subject to less predictable volatility, the AV focuses on net local secured.

Historical AV Analysis - 5 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.98% Annual Growth Rate over 5 Years

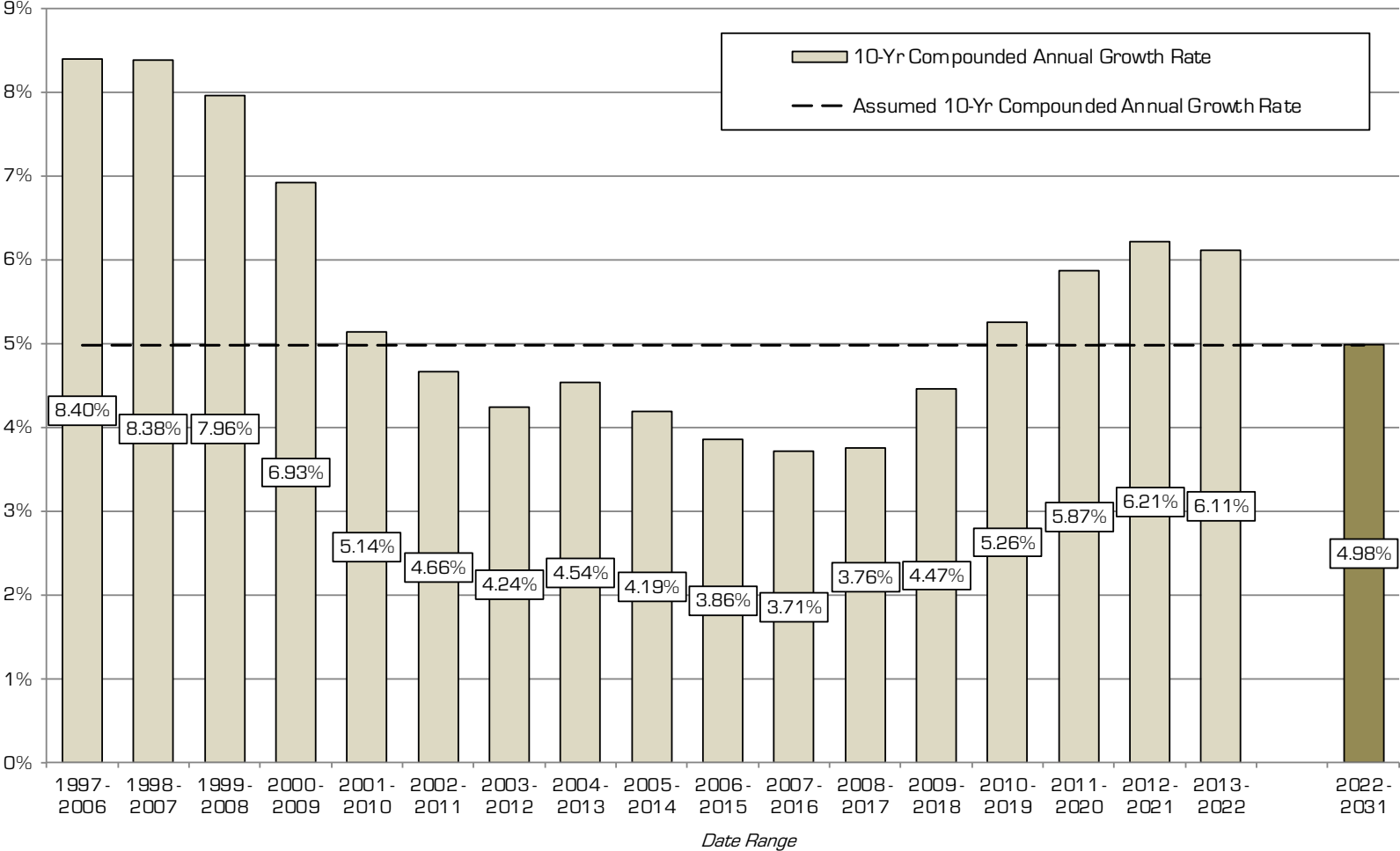


Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis - 10 Year Periods

Compounded Annual Growth Rate - Secured AV

AV Assumptions Used Result in 4.98% Annual Growth Rate over 10 Years

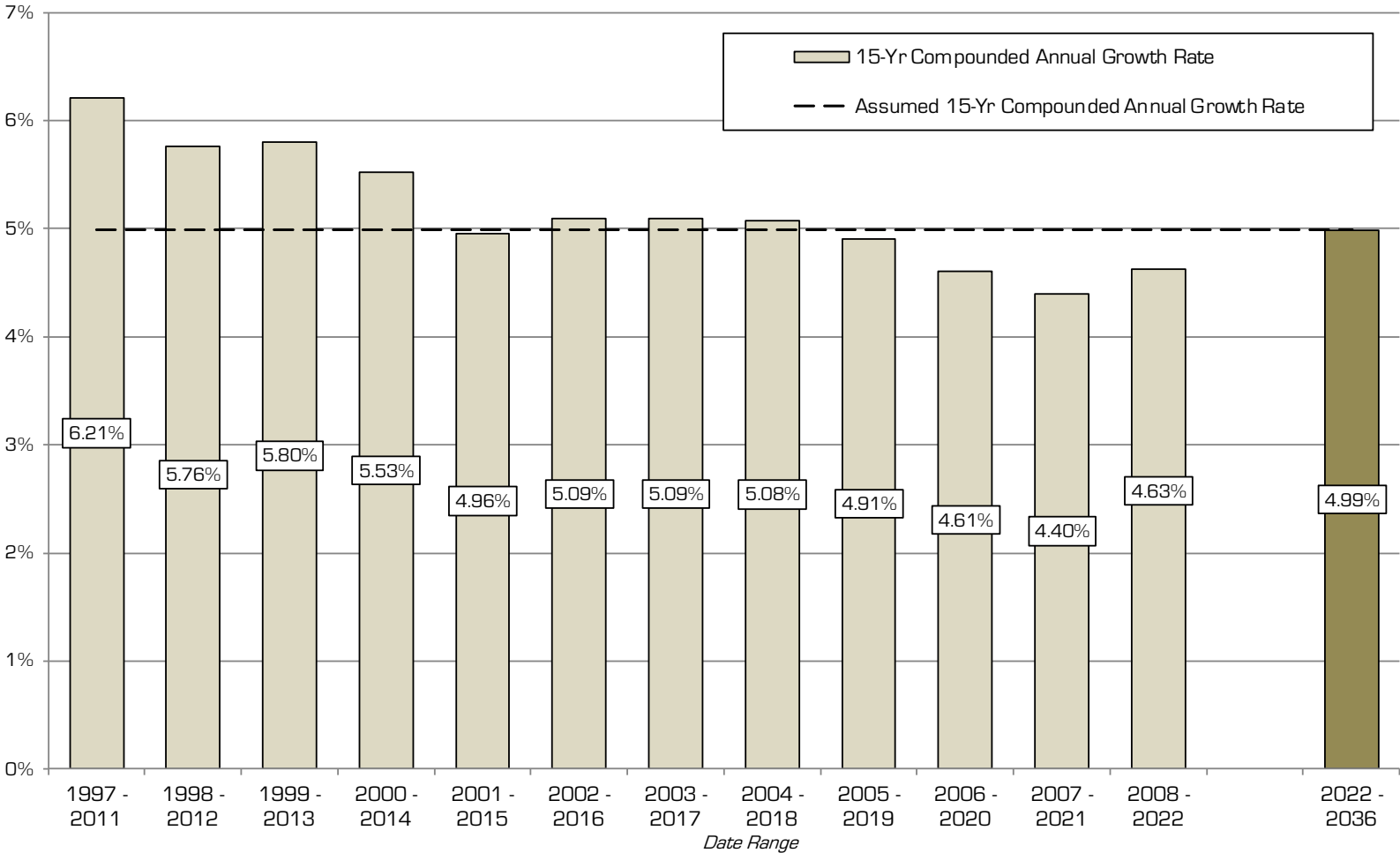


Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis - 15 Year Periods

Compounded Annual Growth Rate - Secured AV

AV Assumptions Used Result in 4.99% Annual Growth Rate over 15 Years

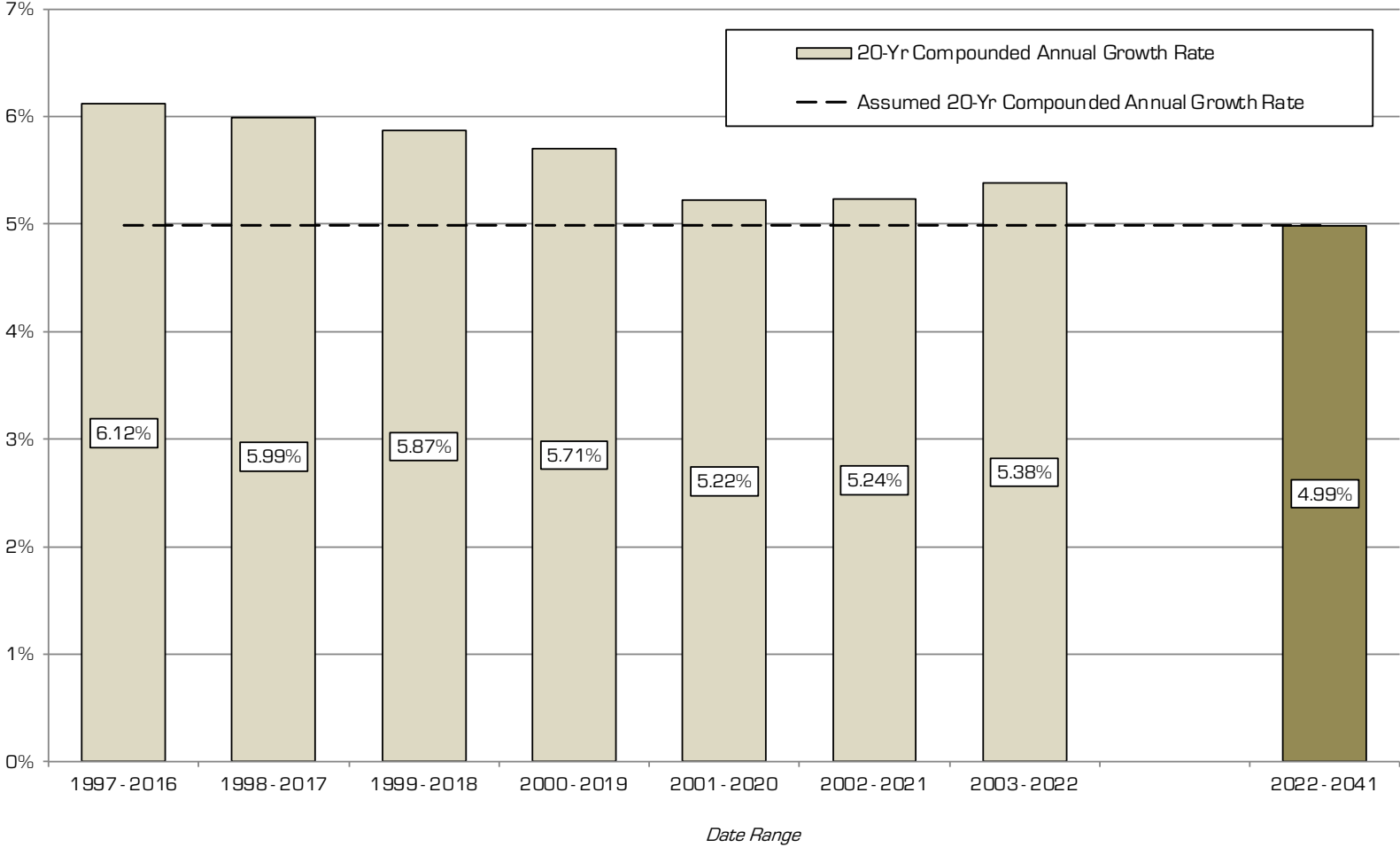


Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis - 20 Year Periods

Compounded Annual Growth Rate - Secured AV

AV Assumptions Used Result in 4.99% Annual Growth Rate over 20 Years



Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged.

Estimated Costs of Issuance

Cambrian School District
 (Santa County, California)
 General Obligation Bonds, Election of 2020, Series 2022
 2022 General Obligation Refunding Bonds

Estimated Costs of Issuance

Description	Election of 2020 Series 2022	Refunding	Estimated Total
• Parker & Covert LLP, Bond Counsel			
Bond Counsel Services:	\$17,000.00	\$14,000.00	\$31,000.00
Expenses:	\$400.00	\$800.00	\$1,200.00
• Government Financial Strategies inc., Municipal Advisor			
Professional Services and Expenses:	\$36,900.00	\$79,400.00	\$116,300.00
• S&P Global Ratings, Rating Agency			
Professional Services:	\$17,750.00	\$14,000.00	\$31,750.00
• Other Issuance Expenses (break out listed below)			
Zions Bancorporation, National Association, Paying Agent			
Acceptance Fees:	\$350.00	\$350.00	\$700.00
First Year's Paying Agent Annual Fee:	\$350.00	\$350.00	\$700.00
Good Faith Fund Administration Fee:	\$0.00	\$0.00	\$0.00
COI Fund Administration Fee:	\$250.00	\$250.00	\$500.00
U.S. Bank Trust, N.A., Escrow Agent			
Escrow Agent Fee:	\$0.00	\$1,000.00	\$1,000.00
AVIA Communications: POS/OS Printer	\$0.00	\$1,500.00	\$1,500.00
Causey Demgen & Moore P.C.: Verification Agent	\$0.00	\$1,750.00	\$1,750.00
California Municipal Statistics: Data	\$0.00	\$1,500.00	\$1,500.00
• Contingency	\$3,000.00	\$1,100.00	\$4,100.00
TOTAL COSTS OF ISSUANCE	\$76,000.00	\$116,000.00	\$192,000.00

Good Faith Estimates

Measure R, Series 2022
 Good Faith Estimates
 Per Government Code 5852.1

	<i>Estimates</i>
True Interest Cost	3.89%
Finance Charge(1)	\$462,800
Amount of Proceeds(2)	\$38,217,200
Total Payment Amount(3)	\$79,428,318

(1) Finance charge is the sum of all charges and fees paid to third-parties for upfront costs.
 (2) Amount of proceeds received is the bond amount less the finance charge and any reserves or capitalized interest funded.
 (3) total payment amount is total debt service plus any finance charges not paid with proceeds.

Series 2022 Refunding Bonds
 Good Faith Estimates
 Per Government Code 5852.1

	<i>Estimates</i>
True Interest Cost	2.17%
Finance Charge(1)	\$139,200
Amount of Proceeds(2)	\$4,785,542
Total Payment Amount(3)	\$5,121,311

(1) Finance charge is the sum of all charges and fees paid to third-parties for upfront costs.
 (2) Amount of proceeds received is the bond amount less the finance charge and any reserves or capitalized interest funded.
 (3) total payment amount is total debt service plus any finance charges not paid with proceeds.

✓ Series 2022 (Measure R) Bonds planned to be callable August 1, 2031; Series 2022 Refunding Bonds will be non-callable