NEW ISSUES – FULL BOOK-ENTRY-ONLY **RATING: Series A: Standard & Poor's: "SP-1+"**
(See "RATINGS" herein.)

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Participants, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Notes designated as and comprising interest with respect to the Certificates is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Notes designated as and comprising interest with respect to the Certificates is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest designated as and comprising interest with respect to the Certificates is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the Participants, under existing statutes, interest on the Notes designated as and comprising interest with respect to the Certificates is exempt from personal income taxes imposed by the State of California. See "TAX MATTERS" herein.

$14,200,000
LOS ANGELES COUNTY SCHOOLS
POOLED FINANCING PROGRAM
2022-23 POOLED TRAN
PARTICIPATION CERTIFICATES
SERIES A

Evidencing and Representing Proportionate and Undivided Interests
of the Owners Thereof in 2022-23 Tax and Revenue Anticipation Notes of
Certain Los Angeles County School Districts

Date of Issue: Date of Delivery **Maturity Date: As shown on inside cover.**

The Certificates will be delivered as fully registered certificates, without coupons, and when delivered will be registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee. DTC will act as securities depository for the Certificates. Individual purchases of beneficial interests in the Certificates will be made in book-entry form only and in the principal amount of $5,000 or any integral multiple thereof. **Purchasers of such beneficial interests will not receive physical delivery of the Certificates.** Principal and interest due with respect to the Certificates will be payable on the maturity date set forth on the inside cover hereof (the "Maturity Date") by the Treasurer and Tax Collector of the County of Los Angeles, acting as fiscal agent (in such capacity, the "Certificate Agent"), to DTC. Interest is payable on the basis of a 360-day year of twelve 30-day months. DTC will in turn remit such principal and interest to the DTC Participants (as hereinafter defined), who will in turn remit such principal and interest to the Beneficial Owners (as hereinafter defined) of the Certificates (see "DESCRIPTION OF THE CERTIFICATES – Book-Entry System" herein).

The Certificates will not be subject to prepayment prior to their respective maturities.

The Certificates evidence and represent a proportionate and undivided interest in (i) 2022-23 tax and revenue anticipation notes (individually, a "Note" and collectively, the "Notes") issued by certain school districts located within the County of Los Angeles (the "Participants") and (ii) debt service payments on the Notes attributable to the Certificates to be made by the respective Participants. Each Participant has pledged certain unrestricted revenues as described herein for the payment of the principal of and interest on its Note, but no Participant has any obligation to pay the principal of or interest on the Note of any other Participant. In accordance with California law and resolutions of the governing board of each Participant, the Notes are general obligations of the respective Participants payable out of the taxes, income, revenue, cash receipts, and other moneys of such Participants received or accrued by the Participant for the general fund of such Participant for Fiscal Year 2022-23 and, to the extent the Notes are not paid from revenues pledged for the payment of the Notes, the Notes shall be paid with interest thereon from any other moneys of the Participants lawfully available therefor. Payments by a Participant of the principal of and interest on its Note shall fully discharge the obligations of such Participant to the Owners of the Certificates, notwithstanding nonpayment by one or more other Participants.

The obligation of each Participant is a several and not a joint obligation and is strictly limited to such Participant's repayment obligation under the applicable Participant Resolution and Note.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Certificates will be offered when, as and if executed and delivered to and received by the Underwriter, subject to approval as to their legality by Hawkins Delafield & Wood LLP, Los Angeles, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, Norton Rose Fulbright US LLP, Los Angeles, California. It is anticipated that the Certificates, in book-entry form, will be available for delivery through the facilities of DTC on or about September 21, 2022.

RBC Capital Markets

Dated: September 8, 2022

MATURITY SCHEDULE

$14,200,000
LOS ANGELES COUNTY SCHOOLS
POOLED FINANCING PROGRAM
2022-23 POOLED TRAN
PARTICIPATION CERTIFICATES
SERIES A

Evidencing and Representing Proportionate and Undivided Interests
of the Owners Thereof in 2022-23 Tax and Revenue Anticipation Notes of
Certain Los Angeles County School Districts

Principal Amounts, Interest Rates, Yields and CUSIP

Principal Amount	Interest Rate	Priced to Yield	CUSIP No. (54515E)[1]	Maturity Date
$14,200,000	4.000%	2.250%	FZ2	June 1, 2023

[1] CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. 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 Services. None of the Underwriter, the Participants, nor the County is responsible for the selection or correctness of the CUSIP numbers set forth herein.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement in connection with the offers made hereby and, if given or made, such information or representation must not be relied upon as having been authorized by the Participants. The information set forth in this Official Statement has been obtained from the Participants, the County of Los Angeles (see the caption "THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS") and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstance create any implication that there has been no change in the affairs of the Participants since the date hereof. This Official Statement does not constitute an offer to sell the Certificates in any state or other jurisdiction to any person to whom it is unlawful to make such an offer in such state or jurisdiction.

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

All summaries of the Notes, the Trust Agreement, the Resolutions (each as defined herein) and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement is submitted in connection with the execution and delivery of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "project," "forecast" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FORWARD-LOOKING STATEMENTS. NO ASSURANCE IS GIVEN THAT ACTUAL RESULTS WILL MEET THE FORECASTS CONTAINED HEREIN IN ANY WAY. THE PARTICIPANTS DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THESE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR DO NOT OCCUR.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE CERTIFICATES TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

TABLE OF CONTENTS

Page

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

$14,200,000
LOS ANGELES COUNTY SCHOOLS
POOLED FINANCING PROGRAM
2022-23 POOLED TRAN
PARTICIPATION CERTIFICATES
SERIES A
Evidencing and Representing Proportionate and Undivided Interests
of the Owners Thereof in 2022-23 Tax and Revenue Anticipation Notes of
Certain Los Angeles County School Districts

INTRODUCTION

This Official Statement, including the cover page, inside cover, table of contents and appendices, sets forth certain information concerning $14,200,000 aggregate principal amount of the Los Angeles County Schools Pooled Financing Program 2022-23 Pooled TRAN Participation Certificates, Series A (the "Certificates"). The Certificates evidence and represent proportionate and undivided interests in (1) 2022-23 Tax and Revenue Anticipation Notes (individually, a "Note" and collectively, the "Notes") issued by certain school districts (collectively, the "Participants") located in the County of Los Angeles (the "County") participating in such series and (2) the debt service payments on the Notes attributable to the Certificates to be made by the respective Participants. Each Note is issued pursuant to Article 7.6, Sections 53850 *et seq.,* and particularly under authority of Section 53853, of the California Government Code (the "Government Code"), and separate resolutions adopted by the governing board of each Participant (each, a "Participant Resolution" and collectively, the "Participant Resolutions") and a resolution adopted by the Los Angeles County Board of Supervisors (the "Board of Supervisors") on July 26, 2022 (the "County Resolution," and collectively with the Participant Resolutions, the "Resolutions").

The Certificates will be executed and delivered by The Bank of New York Mellon Trust Company, N.A., acting as Certificate Agent (the "Certificate Agent"), pursuant to a Trust Agreement, dated as of September 1, 2022 (the "Trust Agreement"), between the County and the Certificate Agent, as authorized by the Resolutions. See "THE PARTICIPANTS" herein for a listing of the Participants and APPENDIX A – "PARTICIPANT INFORMATION AND CASH FLOW STATEMENTS" and APPENDIX B – "PROJECTED COVERAGE AND DEBT SET ASIDE TABLE" for a summary description of certain information relating to each Participant.

The Notes are being issued to provide operating cash for the Participants prior to their receipt of anticipated tax payments and other revenues. Imbalances in the Participants' cash flows, resulting from the timing of expenditures and receipts, require that the Participants borrow funds in order to meet all scheduled disbursements, including current expenses, capital expenditures, and the discharge of other obligations or indebtedness of the Participants. Each Participant has pledged, pursuant to Section 53856 of the Government Code and its respective Participant Resolution, certain unrestricted revenues to be received by such respective Participant for the payment, when due, of the principal of and interest on its Note. No Participant has any obligation to pay the principal of or interest on the Note of any other Participant. The Notes are general obligations of the respective Participants and, to the extent that a Note is not paid from such pledged revenues of each Participant, such Note shall be paid, with interest thereon, from any other moneys of the affected Participant lawfully available therefor, pursuant to Section 53857 of the Government Code. See "SOURCES OF PAYMENT FOR THE CERTIFICATES" herein.

All quotations from and summaries and explanations of provisions of the laws of the State of California (the "State") and acts and proceedings of the Participants contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Certificates, the Notes and the proceedings of the Participants relating thereto are qualified in their entirety by reference to the definitive forms of the Certificates, the Notes and such proceedings. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

Risks Related to COVID-19

Background. The outbreak of the respiratory disease caused by a new strain of coronavirus ("COVID-19") was declared a Pandemic by the World Health Organization, a National Emergency by then President Trump and a State of Emergency by California State Governor Newsom (the "Governor"). The emergency resulted in tremendous volatility in the financial markets in the United States and globally, and the onset of a U.S. and global recession. The Participants cannot predict the extent or duration of the outbreak or what impact it may have on the Participants' financial condition or operations.

Federal Response. In response to COVID-19 in March 2020, the U.S. Congress passed the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The CARES Act appropriated over $2 trillion dedicated to various areas of the national economy, including $13.2 billion in direct funding for elementary and secondary school emergency relief. California received approximately $1.65 billion, with 10 percent set aside for emergencies designated by the California Department of Education.

On December 27, 2020, then President Trump signed into law the Coronavirus Response and Relief Supplemental Appropriations ("CRRSA") Act, which included approximately $6.8 billion in California funding and required that 90%, or $6.12 billion, be distributed to California Local Educational Agencies (each, an "LEA" and, collectively, the "LEAs") in proportion to the amount of Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended, funds that each LEA received in Fiscal Year 2019-20. On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 (the "American Rescue Plan"), a $1.9 trillion COVID-19 relief package, intended to accelerate the recovery from the COVID-19 pandemic. The American Rescue Plan included approximately $15.3 billion in California funding and required that 90%, or $13.7 billion, be distributed to LEAs in proportion to the amount of Title I, Part A funds that each LEA received in Fiscal Year 2019-20.

State Response. Beginning in March 2020, the State began taking a variety of measures to stop the spread of COVID-19, including Governor Newsom's Executive Order N-33-20, a blanket shelter-in-place order, ordering all California residents to stay home except for certain necessities and other essential purposes.

On March 17, 2020, the Governor signed Senate Bill 117 ("SB 117"), addressing attendance issues and instructional hour requirements, among other items, for purposes of school district funding for Fiscal Year 2019-20. SB 117, among other things, effectively held school districts harmless from incurring funding losses associated with the average daily attendance ("ADA") reported to the California Department of Education due to closures from COVID-19. On March 5, 2021, the Governor signed Assembly Bill 86 ("AB 86"), which provided approximately $6.6 billion to accelerate the return of in-person school instruction and expand student support. AB 86 included $2 billion in incentives to expedite reopening schools and $4.6 billion to address the COVID-19 pandemic's impact on learning. Funding was allocated proportionally on the basis of LCFF (as defined herein) funding entitlements, determined as of the Fiscal Year 2020-21 second principal apportionment certification.

On June 15, 2021, the Governor phased out a vast majority of executive actions put in place since March 2020 as part of the pandemic response. In general, businesses and activities could return to normal and capacity limits and social distancing requirements ended in most cases.

The Participants cannot provide any assurance that under certain circumstances, additional State measures may be put back into place or updated California Department of Public Health Orders may be issued due to variants, a significant increase in the number of COVID-19 cases, updated guidance by the Centers for Disease Control and Prevention, or other factors.

The Participants are unable to predict at this time whether new proposals will be enacted or in what form they may take, or whether any new requirements related to reducing the spread of COVID-19 will materially impact their respective finances or operations. Additional information with respect to events surrounding the outbreak of COVID-19, its variants and responses thereto can be found on Federal, State and local government websites, including but not limited to: the CDC (https://www.cdc.gov), the Governor's office (http://www.gov.ca.gov) and the California Department of Public Health (http://cdph.ca.gov). *The Participants have not incorporated by reference the information on such websites, and the Participants do not assume any responsibility for the accuracy of the information on such websites.*

Impacts on the Participants. The Participants are currently receiving guidance on COVID-19 and its variants from County health officials, the Los Angeles County Office of Education (the "Office of Education") and the California Department of Education ("CDE") which is monitoring the COVID-19 situation in accordance with COVID-19 guidelines for schools published by the Centers for Disease Control and Prevention.

In 2020, shelter in place orders suspended in-person classroom instruction throughout California schools. Most school districts (including the Participants) enacted distance learning efforts to provide continuing instruction to students for the 2020-21 academic year. The Participants returned to in-person instruction for the fall term of the 2021-22 academic year.

As discussed herein under "PARTICIPANT FINANCES—K-12 School Districts—Local Control Funding Formula (LCFF)," the Participants receive much of their revenues from LCFF sources which are comprised of local property taxes and State moneys. If the State experiences a decline in revenue as a consequence of the impacts of COVID-19, there will be a resulting decline in revenue available for funding school districts. In addition, there may be unknown consequences of COVID-19, which the Participants are unable to forecast. The Participants cannot predict the extent or duration of the outbreak, the overall impact it may have on the Participants' financial condition, operations, nor the impact of COVID-19 on the assessed values of property within the boundaries of the Participants and the economy in general. Any financial information, including projections, forecasts and budgets presented herein may not account for the potential or wide-ranging effects of COVID-19.

THE TRANSACTION

It is intended that on the date of issuance of the Notes and the execution and delivery of the Certificates (the "Closing Date"), pursuant to the Trust Agreement, the following transactions shall occur simultaneously: (a) the County, acting through the County Treasurer and Tax Collector (the "Treasurer"), shall purchase the Notes and, simultaneously with such purchase, the Notes shall be assigned to and deposited with the Certificate Agent which shall hold the Certificates in trust until June 1, 2023 (the "Maturity Date"); (b) the Certificate Agent shall sell the Certificates to, and such Certificates shall be purchased by, RBC Capital Markets, LLC (the "Underwriter") pursuant to a Purchase Contract by and between the Treasurer and the Underwriter; and (c) pursuant to the Trust Agreement, the Certificate Agent shall execute and deliver the Certificates (in authorized denominations) to, and shall cause such Certificates to be registered in the name of, The Depository Trust Company ("DTC"), or its nominee, for the benefit of the beneficial owners of interests in the Certificates described herein ("Beneficial Owners").

The purchase price for the Notes shall be derived solely from the proceeds received from the sale of the Certificates, which shall be an amount equal to the principal amount of all of the Notes, less any discount, plus any premium. The Certificates shall represent undivided, proportionate interests in the Notes and the debt service payments to be made by the Participants under such Notes. Debt service payments made by the Participants with respect to their Notes, taking into consideration anticipated investment earnings thereon to the maturity date of the Notes, shall be remitted by the Treasurer by wire transfer to DTC or its nominee, which in turn will remit such payments to participants in DTC ("DTC Participants") for subsequent disbursement to the Beneficial Owners. See "DESCRIPTION OF THE CERTIFICATES — Book-Entry System" herein. The Certificate Agent agrees to hold the Notes until their maturity for the benefit of the Beneficial Owners. Neither the Treasurer nor the Certificate Agent shall have any further liability with respect to payments of principal and interest with respect to the Certificates or any fiduciary responsibility to the Certificate owners or the Beneficial Owners except as expressly set forth in the Trust Agreement or the terms of the Certificates. See "THE TRUST AGREEMENT" herein.

Each Participant expects to apply all the proceeds of its Note during Fiscal Year 2022-23 for operating expenses incurred in such Fiscal Year. However, it is possible that a Participant may be able to use restricted funds on a temporary basis to pay such operating expenses. Such restricted funds, if used, will be required to be repaid by the Participant out of Note proceeds or other available funds.

THE PARTICIPANTS

The school districts participating in the financing herein described and the principal amounts of their respective Notes are set forth below:

Certificates:

The Participants	Principal Amount
Manhattan Beach Unified School District	$ 8,900,000
San Gabriel Unified School District	$ 5,300,000
Total:	$14,200,000

DESCRIPTION OF THE CERTIFICATES

The Certificates

The Certificates will be executed and delivered as fully registered certificates in the aggregate principal amount of $14,200,000. The Certificates will be dated, will mature and will have an interest component calculated at the rates per annum, all as shown on the inside cover page hereof. Principal and interest with respect to the Certificates will be payable on the Maturity Date. Principal and interest due with respect to the Certificates will be payable by the Certificate Agent from amounts on deposit in the related Repayment Fund (the "Repayment Fund") to DTC, which will in turn remit such principal and interest to the DTC Participants. It is the responsibility of the DTC Participants to remit such principal and interest to the Beneficial Owners. The Certificates and the Notes evidenced thereby are not subject to prepayment prior to their maturity.

Book-Entry System

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security Certificate will be issued in the aggregate principal amount of the Notes, and will be deposited with DTC.

DTC 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 rating of AA+ assigned by S&P (as defined herein). The DTC Rules applicable to its Direct and Indirect Participants (collectively, the "DTC Participants") are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the Participants or Certificate Agent. Under such circumstances, in the event that a successor depository is not obtained, Certificates are required to be printed and delivered.

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

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

SOURCES OF PAYMENT FOR THE CERTIFICATES

The Notes

The Certificates evidence and represent proportionate and undivided interests in the Notes and in debt service payments to be made thereon by the related Participants.

The Notes are general obligations of the respective Participants and, to the extent not paid from the Pledged Revenues (as defined herein) of the related Participant, shall be paid from any other moneys of such Participants lawfully available therefor. See "PARTICIPANT FINANCES" herein. However, except for the Pledged Revenues, the Participants are not prohibited from pledging, encumbering and utilizing other moneys for other purposes and there can be no assurance that such other moneys will be available for the payment of the principal and interest with respect to the Certificates and the Notes evidenced thereby. **No Participant has any obligation to pay the principal of or interest on the Note of any other Participant.**

Assignment of Notes

Pursuant to the Trust Agreement, the Notes and all right, title and interest therein and to all payments thereon, are irrevocably assigned, pledged and transferred to the Certificate Agent for the benefit of the registered owners of the related Certificates (the "Owners"). The debt service payments on the Notes shall be deposited into the related Repayment Fund and, together with anticipated investment earnings thereon, shall be used for the payment of the interest on and principal of the Certificates, and the Notes will not be pledged to or used for any other purpose while any of the Certificates remain outstanding. The assignment, transfer and pledge of the Notes to the Certificate Agent pursuant to the Trust Agreement shall constitute a first and exclusive lien on the principal and interest payments of and all other rights under the Notes in accordance with the Trust Agreement.

All principal and interest payments on the Notes shall be paid directly by each Participant to the Treasurer for deposit into such Participant's Repayment Fund and reinvested through the Maturity Date of such Participant's Note. All money in the Repayment Funds shall be held in trust for the benefit and security of the Registered Owners of the Certificates. If the amount on deposit in a Participant's Repayment Fund is in excess of the amounts required to pay the principal of and interest due on such Participant's Note on the Maturity Date therefor, such excess amounts shall remain in such Participant's Repayment Fund and, subject to any rebate requirements as specified in the Tax Certificate of each Participant dated the date of delivery, shall be transferred to the general fund of such Participant following payment of the amount of Certificates corresponding to such Participant's Note. To the extent Note repayments are received from a Participant that are less than the amounts required to pay the principal of and interest due on such Participant's Note on the Maturity Date, the Certificate Agent shall apply the moneys received in the following order of priority: first, to pay interest on such Note; and second, to pay the principal of such Note.

Pledged Revenues

As security for the Notes, the Participants have each pledged certain Unrestricted moneys (the "Pledged Revenues"), and the principal of the Notes and the interest thereon shall constitute a first lien on and charge against the Pledged Revenues. "Unrestricted moneys" means taxes, income, revenue, cash receipts and other moneys attributable to Fiscal Year 2022-23 and intended as receipts for the general funds of the Participants and which are generally available for the payment of current expenses and other obligations of the Participants.

The respective amounts of Pledged Revenues specified as security for each Participant's Note pursuant to the related Participant Resolution and expressed as the principal amount set-aside of each Participant's Note are reflected in the tables attached to Appendix B, together with the months during which such Pledged Revenues are expected to be deposited in the related Repayment Fund, with the deposits during each Pledge Month required to be made on or before the last business day of that month. See APPENDIX B – "PROJECTED COVERAGE AND DEBT SET ASIDE TABLE" herein.

Each Participant shall cause the debt service payments on its Note to be deposited in a separate fund for such Participant to be held by the Treasurer until the amount on deposit in such fund, taking into consideration anticipated investment earnings thereon to be received by the Maturity Date of the related Note, is equal in the respective repayment months to the percentages of the principal and interest due on such Note at maturity as set forth above for that Participant. The amounts deposited therein shall be applied solely to the payment of the Note and the related Certificates at the times and in the manner set forth in the Resolutions and the Trust Agreement. See "Repayment Funds" herein.

Intercept Procedure

In the State of California, school district revenues are received and deposited by the county in which such school district is located. Pursuant to its Participant resolution, each Participant has directed the Auditor-Controller of the County (the "Auditor-Controller") to intercept Pledged Revenues and place them on deposit with the Treasurer. The County has covenanted to intercept the Pledged Revenues of such Participants.

Under this procedure, the Auditor-Controller will deposit Pledged Revenues directly in the respective Repayment Fund. Upon such deposit, such amounts will be invested in the Los Angeles County Treasury Pool (the "Treasury Pool") or in such other Permitted Investments and will not be available for the respective Participant. See "- Repayment Funds" herein.

Repayment Funds

In accordance with the provisions of the Resolutions, there will be established a repayment fund for each such Participant (each, a "Repayment Fund" and collectively, the "Repayment Funds"), into which amounts sufficient to pay principal of and interest on the Note issued by such Participant will be deposited. All moneys deposited in the Repayment Funds are required to remain on deposit until the simultaneous maturity date of the applicable series of Notes and the Certificates, at which time they will be applied, along with the investment earnings thereon, to the extent necessary, to pay the principal of and interest due on the Notes. On the respective Maturity Date of a series of the Certificates, debt service payments on the Notes shall be applied to the payment of principal and interest due with respect to the related series of Certificates. Amounts on deposit in the Repayment Funds may not be used for any other purpose; however, they may be invested in certain investments as described below under the sub-caption "Investment of Note Proceeds and Repayment Fund," provided such investments mature in sufficient time to permit the timely payments from the Repayment Funds of principal and interest with respect to the Notes and the Certificates. All investment income shall accrue to and become part of the Repayment Funds. When the aggregate amount in the Repayment Funds is sufficient to pay the principal of and interest on the Notes and the Certificates when due, any excess amounts may be transferred to the general funds of the Participants, as applicable, and applied by the respective Participant for any lawful purpose. In the event that there are insufficient funds in a Repayment Fund of a Participant on the third business day prior to the last business day of a Pledge Month, the Treasurer shall direct the Auditor-Controller to draw from the Unrestricted money of such Participant held by the Treasurer and attributable to such Participant for the purpose repaying such Participant's Note. **No Participant's Repayment Fund will be available to make up a deficiency in the Repayment Fund of another Participant or for payment of the principal of or interest on any other Participant's Note.**

Investment of Note Proceeds and Repayment Funds

The Trust Agreement provides that Note proceeds and amounts in the Repayment Funds are permitted to be invested at the direction of the Treasurer in the following investments; provided, however, that amounts shall not be invested in investments with the respective maturity dates later than when funds are needed to make necessary payments of principal and interest with respect to the applicable Certificates and in no event later than the Maturity Date of the Certificates.

1. Obligations of, or guaranteed as to principal and interest by, the United States of America, or by any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States of America;

2. Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board (FHLB); (b) the Federal Home Loan Mortgage Corporation (FHLMC) comprised of participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts) and senior obligations; (c) the Federal National Mortgage Association (FNMA) comprised of senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts); (d) Federal Farm Credit Bank (FFCB); (e) Student Loan Marketing Association (Sallie Mae) comprised of senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date);

3. Commercial paper having original maturities of not more than 270 days, payable in the United States of America rated "A-1+" by S&P and "Prime-1" by Moody's Investors Service ("Moody's") and issued by corporations that are organized and operating in the United States with total assets in excess of $500 million and having "A" or better rating for the issuer's debt, other than commercial paper, as provided by Moody's or S&P. The maximum total par value may be up to 15% of the total amount held by the Certificate Agent in accordance with the Trust Agreement;

4. The Treasury Pool (see the caption, "THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS" herein);

5. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, having original maturities of not more than 30 days, with a maximum par value of 30% of the total amount held by the Certificate Agent in accordance with the Trust Agreement. The institution must have a minimum short-term rating of "A-1" and "P-1" by S&P and Moody's respectively, and a long-term rating of no less and "A";

6. Shares of beneficial interest issued by diversified management companies that are money market funds (including funds of the Certificate Agent and/or its affiliates) registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-1, *et seq*.), limited to investments in obligations of the United States Government and its agencies and instrumentalities, whose fund has received the highest possible rating from at least two nationally recognized statistical rating organizations, with one such rating being at least "Aam-G" from S&P. The maximum par value may be up to 15% of the total amount held by the Certificate Agent in accordance with the Trust Agreement;

7. Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank, in each case which has obligations outstanding having a rating of "A-1+" and "P-1" or better from Moody's and S&P, respectively;

8. Repurchase agreements may have a maximum maturity of 30 days and must be fully secured at or greater than 102% of their market value, plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number 2 above, the provider of which must have a minimum short-term rating of at least "A-1+" from S&P; and

9. Investment agreements and guaranteed investment contracts rated at least “Aa3” by Moody’s and “AA-” by S&P.

All of the Note proceeds will be invested in the Treasury Pool.

THE TRUST AGREEMENT

Pursuant to the Trust Agreement, The Bank of New York Mellon Trust Company, N.A. is appointed to act as Certificate Agent with respect to the Certificates, with the duty to hold the Notes in trust until maturity for the benefit of the Beneficial Owners of the Certificates. The Certificate Agent is further appointed to act as Registrar for the Certificates and, in such capacity, to keep and maintain books and records as to the ownership, transfer and exchange of the Certificates.

A portion of the net proceeds from the sale of the Certificates will be deposited with, and disbursed by, the Certificate Agent for the payment of certain costs of issuance. The Treasurer, in its capacity as Certificate Agent, shall make payments with respect to the Certificates when duly presented at the Maturity Date.

Each Participant has covenanted in its respective Participant Resolution to cause its Repayment Fund to be maintained by the Treasurer, who shall cause the application of the amounts deposited therein solely to the payment of the Notes and the Certificates at the times and in the manner set forth in such Participant Resolution (each, a “Repayment Date”). In the Trust Agreement, the Certificate Agent has covenanted that it will duly and punctually pay or cause to be paid interest with respect to the Certificates from the payments of interest on the Notes on deposit in the Repayment Funds, payable on the maturity date thereof, the principal and interest with respect to the Certificates, that it will not pledge, assign, subject to any lien, or otherwise encumber the debt service payments received from any Participant, and that it shall apply such payments solely to the payment of the principal and interest due with respect to the Certificates. The County covenants in the Trust Agreement that it will duly and punctually cause the payments of principal and interest with respect to the Certificates from the payments of principal and interest on the Notes; *provided, however* that the County shall not be required to expend any funds other than moneys paid by the Participants as and for payments of principal of and interest on the Notes, including Pledged Revenues and amounts deposited into the Repayment Funds and any other moneys lawfully available therefor pursuant to the Participant Resolutions. The Certificate Agent covenants in the Trust Agreement that in no event shall the Certificate Agent be required to expend any of its own funds or incur any personal liability. The Certificate Agent further covenants in the Trust Agreement that it will faithfully observe and perform all of the conditions, covenants and requirements of the Trust Agreement, that it will not pledge, assign, subject to any lien, or otherwise encumber the related Notes or any interest therein other than as contemplated by the Trust Agreement and that it will hold the related Notes for the sole benefit of the Owners until the related Maturity Date therefor.

Except as expressly provided in the Trust Agreement, neither the Treasurer nor the Certificate Agent shall have any obligation or liability to the Beneficial Owners of the Certificates with respect to payment of principal of or interest on the Notes or the observance or performance by any Participant of any obligations or agreements or the exercise of any rights under the Resolutions.

The Participants have each covenanted in their respective Participant Resolutions to file notices of certain events listed therein (collectively, the “Listed Events”) with either the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (“EMMA”) or as otherwise required by the MSRB or the Securities and Exchange Commission. See “CONTINUING DISCLOSURE” herein for a description of the specific nature of the notices of Listed Events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

LIMITATIONS ON REMEDIES

The primary source of repayment of the Certificates is scheduled payments of principal and interest from the Notes. However, pursuant to the Government Code, each Participant's Note is a general obligation of such Participant. Accordingly, a Participant is liable on its Note (even in the event that such Note becomes a defaulted Note) to the extent of its lawfully available revenues. If such lawfully available revenues are not sufficient to pay its Note or Defaulted Note, as the case may be, such Participant is not obligated to pay such Note or Defaulted Note from any other sources.

No Joint Obligation

The obligation of a Participant to make payments on its Note is a several and not a joint obligation and is strictly limited to such Participant's repayment obligation under the related Participant Resolution and its Note.

Limitation on Remedies

The rights of the Owners of the Certificates are subject to certain limitations. Enforceability of the rights and remedies of the Owners of the Certificates, and the obligations incurred by the Participants may become subject to the Federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which 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, or the exercise of powers by the federal or State government, if initiated, could subject the Owners of the Certificates 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), which governs the bankruptcy proceedings for public agencies such as the Participants, there are no involuntary petitions in bankruptcy. If a Participant were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners, the Certificate Agent and the Participants could be prohibited from taking certain steps to enforce their rights under the Trust Agreement. In a decision dated March 8, 1995, the United States Bankruptcy Court for the Central District of California ruled that a pledge granted by Orange County pursuant to a resolution adopted by that county in connection with the issuance of tax and revenue anticipation notes ("TRANs") was not effective with respect to general revenues accruing to Orange County after the filing of a petition in bankruptcy. The resolution obligated Orange County to set aside a specified amount of revenues in certain months in order to secure the payment of its TRANs. On July 12, 1995, the United States District Court for the Central District of California reversed the order of the Bankruptcy Court and determined that the obligation created under the resolution adopted by Orange County is a statutory lien which survived the filing of Orange County's bankruptcy petition. The parties subsequently negotiated a settlement. No assurance can be made that future allegations would not be raised in another bankruptcy proceeding.

THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS

The following information concerning the Los Angeles County Treasury Pool has been provided by the Treasurer and has not been confirmed or verified by either the Participants or the Underwriter. Moreover, neither the Participants nor the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.

The Treasurer and Tax Collector (the "Treasurer") of Los Angeles County has the delegated authority to invest funds on deposit in the County Treasury (the "Treasury Pool"). As of July 31, 2022, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

Local Agency	Invested Funds (in billions)
County of Los Angeles and Special Districts	$18.254
Schools and Community Colleges	20.799
Discretionary Participants	3.713
Total	$42.766

The Treasury pool participation composition is as follows:

Non-discretionary Participants	91.32%
Discretionary Participants	
Independent Public Agencies	8.22
County Bond Proceeds and Repayment Funds	0.46
Total	100.00%

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer's prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy (the "Investment Policy") developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors (the "Board of Supervisors") on an annual basis. The Investment Policy adopted on March 1, 2022 reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer prepares a monthly Report of Investments (the "Investment Report") summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Investment Report dated August 31, 2022, the July 31, 2022 book value of the Treasury Pool was approximately $42.766 billion and the corresponding market value was approximately $41.030 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer's Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances daily. The Compliance Auditor's Staff also reviews each investment trade for accuracy and compliance with the Board adopted Investment Policy. On a quarterly basis, the County's outside independent auditor (the "External Auditor") reviews the cash and investment reconciliations for completeness and accuracy. Additionally, the External Auditor reviews investment transactions on a quarterly basis for conformance with the approved Investment Policy and annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of July 31, 2022.

Type of Investment	**% of Pool**
Certificates of Deposit	3.62
U.S. Government and Agency Obligations	73.79
Bankers Acceptances	0.00
Commercial Paper	22.50
Municipal Obligations	0.06
Corporate Notes & Deposit Notes	0.03
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	0.00
Total	100.00

The Treasury Pool is highly liquid. As of July 31, 2022, approximately 40.23% of the investments mature within 60 days, with an average of 1,008 days to maturity for the entire portfolio.

Neither the Participants nor the Underwriter have made an independent investigation of the investments in the Treasury Pool and have made no assessment of the current County investment policy. The value of the various investments in the Treasury 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 Treasurer, with the consent of the County Board of Supervisors, may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein.

INVESTMENT OF PARTICIPANT FUNDS

Pursuant to the Education Code, all funds which comprise the general fund of a school district are deposited in the Treasury Pool. The Treasurer allocates such amounts to the credit of the proper fund or account of each school district. The Education Code permits the governing board of any school district which has funds in a special reserve fund of such school district or any surplus moneys not required for the immediate necessities of the school district to invest all or any part of the funds in investments specified in Sections 16430 or 53601 of the Government Code. However, pursuant to the current policies of Treasurer, all school districts are deemed to be involuntary depositors and all funds thereof are deposited in the Treasury Pool.

The Treasurer believes that the Treasury Pool has sufficient liquidity to permit the payment of current expenses and other obligations of school districts in the County, including the Participants. See "THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS" herein.

PARTICIPANT FINANCES

General

Appendix A hereto contains a general description of each Participant, its employees, retirement programs and enrollment history and projections. Also set forth are tables for each Participant showing summaries of assessed value, recent audited results, actual and projected cash flow schedules and current budget information. The estimates and timing of receipts and disbursements in such cash flow analyses are based on certain assumptions and should not be construed as statements of fact. The cash flow projections represent the current best estimate of the Participants, based on information available as of the date of the projections. However, due to the uncertainties inherent in the State budgeting process (See "PARTICIPANT FINANCES – State Assistance"), these projections are subject to change and may vary considerably from actual cash flows experienced by the Participants.

The information regarding the Participants has been taken or constructed from the official records of the Participants. Such information has been reviewed by an authorized representative of each Participant acting in his or her official capacity. Such representative has determined that as of the date hereof the information contained herein is, to the best of his or her knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact, or omit to state a material fact, necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Payment of State assistance in the amounts anticipated depends on the State's adhering to its current budget, including the appropriations therein provided for local assistance. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Proposition 98" below. Also, see "– Major Revenues" and "PARTICIPANT FINANCES – State Assistance – 2021-22 State Budget" and "–Governor's Proposed 2022-23 State Budget" below for information concerning the Local Control Funding Formula (defined herein) included in the 2021-22 State Budget and 2022-23 State Budget (defined herein).

Major Revenues

The Treasurer manages, in accordance with California Government Code Section 53600 *et seq.*, funds deposited with the Treasurer by County school and community college districts, various special districts and some cities. State law generally requires that all moneys of the County, school districts and certain special districts be held in the County's Treasury Pool. See "INVESTMENT OF PARTICIPANT FUNDS" and "THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS." The composition and value of investments under management in the Treasury Pool vary from time to time, depending on cash flow needs of the County and the other public agencies invested in the Treasury Pool, the maturity or sale of investments, purchase of new securities and fluctuations in interest rates generally.

K-12 School Districts

The operating income of school districts in California is comprised of two components: a State portion funded from the State's general fund and a local portion derived from the Participants' share of the 1% local *ad valorem* tax authorized by the State Constitution. School districts may also be eligible for special categorical funding from State and federal government programs.

Local Control Funding Formula. As part of the 2013-14 State budget, State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97") was enacted to establish a new system for funding school districts, charter schools and county offices of education by the implementation of the Local Control Funding Formula (the "Local Control Funding Formula" or "LCFF") to replace the revenue limit funding system for determining State apportionments and the majority of categorical program funding. Subsequently, AB 97 was amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49). The LCFF consists primarily of base grant, supplemental grant and concentration grant funding that focuses resources based on a school's student demographics. Each school district and charter school will receive a per pupil base grant to support the basic costs of instruction and operations. The implementation of the LCFF began in Fiscal Year 2013-14 and is expected to be fully phased in by Fiscal Year 2020-21. The sum of a school district's adjusted base, supplemental and concentration grants will be multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable ERT (defined herein) or categorical block grant add-ons, will yield a district's total LCFF allocation. The State will calculate an annual transition adjustment for each school district, equal to such district's proportionate share of appropriations included in the 2013-14 State Budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. As a result, decreases in State revenues may significantly affect appropriations made by the State Legislature to school districts. Most school districts are expected to have the same proportion of their respective funding gaps closed in each year, with funding amount that vary in accordance with the size of each district's funding gap.

The LCFF includes the following components:

- A base grant for each local education agency equivalent to $7,643 per unit of ADA. This amount includes an adjustment of 10.4% to the base grant to support lowering class sizes in grades K‑3, and an adjustment of 2.6% to reflect the cost of operating career technical education programs in high schools. Unless otherwise collectively bargained for, following full implementation of the LCFF, school districts with students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site so as to continue receiving its adjustment to the K-3 base grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. Additional add-ons are also provided to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during Fiscal Year 2012-13.

- A 20% supplemental grant for students classified as English learners ("EL"), those eligible to receive a free or reduced price meal ("FRPM") and foster youth, to reflect increased costs associated with educating those students.

- An additional concentration grant of up to 22.5% of an LEA's (defined herein) base grant, based on the number of EL, FRPM, and foster youth served by a local education agency, which provides additional funding for districts with unduplicated counts greater than 55%, with an additional 50% of the base grant multiplied by the unduplicated count in excess of 55%.

- An economic recovery target ("ERT") to ensure that almost every LEA receives at least their pre‑recession funding level, adjusted for inflation, at full implementation of the LCFF. This ERT payment is based on the difference between the amount a school would have received under the old funding system and the amount a district would receive under the LCFF in Fiscal Year 2020–21. To determine this difference, assumptions for the old funding system include: (i) Fiscal Year 2012–13 undeficited revenue limits, or block grant funding for charter schools, with cost-of-living adjustments of 1.57% in 2013–14 and 1.94% each year from Fiscal Year 2014–15 through Fiscal Year 2020–21; and categorical program funding levels restored to the Fiscal Year 2007–08 level. The ERT add-on will be paid incrementally over the eight-year implementing period of the LCFF.

Base grants are to be adjusted for cost-of-living increases by applying the implicit price deflator for government goods and services. Following full implementation of the LCFF, the provision of COLAs will be subject to appropriation for such adjustment in the annual State budget. The differences among base grants are linked to differentials in Statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels.

The amounts below reflect funding levels used in the LCFF Entitlement calculations.

California School District and Charter School LCFF Entitlement
Base Grant Funding, Education Code Section 42238.02(d)

	A	B	C	D	E	F
Grade Span	**2021-22 Base Grant per ADA**	**Base Grant Adjustment (A*6.28%)**	**2022-23 Statutory COLA (A*6.56%)**	**2022-23 Base Grant per ADA before Grade Span Adjustments (A+B+C)**	**Grade Span Adjustments (K-3: D*10.4% 9-12: D*2.6%)**	**2022-23 Base Grant/ Adjusted Base Grant per ADA (D+E)**
TK/K–3	$8,093	$508	$531	$9,132	$950	$10,082
4–6	8,215	516	539	9,270	N/A	9,270
7–8	8,458	531	555	9,544	N/A	9,544
9–12	9,802	616	643	11,061	288	11,349

Source: California Department of Education

Local Control and Accountability Plan ("LCAP"). As part of the LCFF, school districts, county offices of education, and charter schools are required to develop, adopt and annually update a three-year Local Control and Accountability Plan or "LCAP," beginning on July 1, 2014, using a template adopted by the California State Board of Education ("SBE"). The SBE is required to adopt evaluation rubrics to assist school districts and oversight entities in evaluation strengths, weaknesses, areas that require improvement, technical assistance needs, and where interventions are warranted on or before October 1, 2015. Subsequent revisions to the template or evaluation rubrics are required to be approved by the SBE by January 31 before the fiscal year when the template or rubric would be used. The LCAP is required to identify goals and measure progress for student subgroups across multiple performance indicators.

Ad Valorem Property Taxes

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 State assessed 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 addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

Property taxes on the secured roll are due in semi-annual installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a ten percent penalty attaches to any delinquent payment. In addition, property on the secured roll secured by the assessee's fee ownership of land with respect to which taxes are delinquent is declared tax-defaulted on or about June 30. Those properties on the secured roll that become tax-defaulted on June 30 of the Fiscal Year that are not secured by the assessee's fee ownership of land are transferred to the unsecured roll and are then subject to the Treasurer's enforcement procedures (*i.e.*, seizures of money and property, liens and judgments). Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus costs and redemption penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the Treasurer.

Property taxes on the unsecured roll are currently due as of the January 1 lien date prior to the commencement of the Fiscal Year and become delinquent, if unpaid, on August 31 (or June 30). A ten percent penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of one and one-half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for 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.

Proposition 98

General. In 1988, California voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit ("SAL"). Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding "test" to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual COLA for the minimum guarantee would be the change in California's per-capita personal income, which is the same COLA used to make annual adjustments to the SAL (Article XIIIB). See "– State Assistance – 2021-22 State Budget" and "– Governor's Proposed 2022-23 State Budget" below.

Calculating Minimum Funding Guarantee. There are currently three tests which determine the minimum level of K-14 funding. Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40%. Because of the major shifts of property tax from local government to community colleges and K-12 which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Since 1989, each segment of public education (K-12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is

1989-90. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount of Proposition 98 guarantee (K-14 aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. From 1992-93 to 2007-08 this statutory split was suspended.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth (ADA) and per-capita personal income COLA.

A third formula, established pursuant to Proposition 111 as "Test 3," provides an alternative calculation of the funding base in years in which State per-capita general fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one-half of one percent of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue out paces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990, (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per-pupil total spending.

State Assistance

The Participants' principal funding formulas and revenue sources are derived from the budget of the State of California. **The following information concerning the State of California's budgets has been obtained from publicly available information which the Participants believe to be reliable; however, the State has not entered into any contractual commitment with the Participants, the County, the Underwriter, Bond Counsel, Underwriter's Counsel nor the owners of the Certificates to provide State budget information to the Participants or the owners of the Certificates. Although they believe the State sources of information listed above are reliable, none of the Participants, the County, Bond Counsel, Disclosure Counsel, Underwriter's Counsel nor the Underwriter assume any responsibility for the accuracy of the State budget information set forth or referred to herein or incorporated by reference herein. Additional information regarding State budgets is available at various State-maintained websites including www.dof.ca.gov, which website is not incorporated herein by reference.**

Proposition 30. The passage of the Governor's November Tax Initiative ("Proposition 30") on the November 6, 2012 ballot resulted in an increase in the State sales tax by a quarter-cent for four years and, for seven years, raising taxes on individuals after their first $250,000 in income and on couples after their first $500,000 in earnings. These increased tax rates affect approximately 1% of California personal income tax filers and went into effect starting in the 2012 tax year, ending at the conclusion of the 2018 tax year. The Legislative Analyst's Office (the "LAO") estimates that, as a result of Proposition 30, additional state tax revenues of about $6 billion annually from Fiscal Years 2012–13 through 2016–17 will be received by the State with lesser amounts of additional revenue available in Fiscal Years 2011–12, 2017–18, and 2018–19. These additional monies were available to fund programs in the 2012-13 State Budget and prevented certain "trigger cuts" included in the 2012-13 State Budget. Proposition 30 also placed into the State Constitution certain requirements related to the transfer of certain State program responsibilities to local governments, mostly counties, including incarcerating certain adult offenders, supervising parolees, and providing substance abuse treatment services.

New revenues generated from Proposition 30 are deposited into a newly created State account called the Education Protection Account ("EPA"). Local education agencies, comprised of school districts, county offices of education, and charter schools ("LEAs") will receive funds from the EPA based on their proportionate share of the Statewide revenue limit amount. A corresponding reduction is made to an LEA's revenue limit equal to the amount of their EPA entitlement. LEAs began to receive EPA payments quarterly beginning with Fiscal Year 2013-14.

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030. Tax revenue received under Proposition 55 is allocated 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales tax rate increase enacted under Proposition 30.

For further information on Proposition 30, see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS—Proposition 30."

Limitations on School District Reserves. The 2014-15 State Budget included the Education Budget Trailer Bill ("SB 858") which amended Education Code section 42127 to provide that, beginning in Fiscal Year 2015-16, if a school district's proposed budget includes a local reserve above the minimum recommended level, the governing board must provide the following information for review at the annual public hearing on its proposed budget: (i) the minimum recommended reserve adopted by the State Board of Education; (ii) the school district's fund balance in excess of the recommended reserve; and (iii) a statement substantiating the need for the excess reserve level. This information is to be included in the school district's budgetary submission to its county superintendent of schools and was effective commencing the 2015-16 school year.

A second provision of SB 858 adds section 42127.01 to the Education Code that voters approved in November 2014. This provision provides that in any Fiscal Year immediately after a Fiscal Year in which a transfer is made by the State to the "rainy day fund," a school district may not adopt a budget that contains a reserve in excess of twice the applicable minimum reserve amount. A county superintendent may grant a school district an exemption from the limitation on reserves for up to two consecutive Fiscal Years if the school district provides documentation indicating that "extraordinary fiscal circumstances" substantiate the need for a higher ending balance. Section 42127.01 became operative on December 15, 2014.

In any Fiscal Year following a year in which the State has made a transfer into the Public School System Stabilization Account (the "PSSSA") and all other applicable conditions have been satisfied, the combined unassigned and assigned ending fund balance in any budget adopted or revised by a school district may not be (i) more than two times the amount of the minimum recommended reserve specified under the Education Code for school districts with an ADA of less than 400,000 or (ii) more than three times the amount of the minimum recommended reserve specified under the Education Code for school districts with an ADA of 400,000 or greater. Further, a county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive Fiscal Years within a three-year period if certain extraordinary fiscal circumstances exist.

Each of the Participants is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

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

2022-23 State Budget. On June 30, 2022, Governor Newsom signed into law the Fiscal Year 2022-23 State Budget (the "2022-23 Budget"). The 2022-23 Budget totals about $308 billion and includes $37.2 billion in budgetary reserves, which are comprised of: $23.3 billion in the Budget Stabilization Account (the "Rainy Day Fund") for fiscal emergencies; $9.5 billion in the Public School System Stabilization Account ("PSSSA"), (the "rainy-day" fund used to lessen the impact of State revenue volatility on K-12 schools and community colleges); $900 million in the Safety Net Reserve (used to maintain benefits and services for CalWORKs and Medi-Cal participants during economic downturns); and $3.5 billion in the State's operating reserve. The Rainy Day Fund is now at its constitutional maximum (10 percent of General Fund revenues) requiring $465 million to be dedicated for infrastructure investments in Fiscal Year 2022-23. Over the multi-year forecast period, the 2022-23 Budget reflects $8 billion in supplemental deposits split evenly between the Rainy Day Fund and the Safety Net Reserve. These deposits are above what is constitutionally required. The 2022-23 Budget allocates 93 percent of the discretionary surplus for one-time purposes and is projected to be structurally balanced in Fiscal Year 2025-26, the last year in the multi-year forecast.

The 2022-23 Budget includes total funding of $128.6 billion ($78.6 billion General Fund and $50 billion other funds) for K-12 education, reflecting $22,893 per pupil ($16,993 K-12 Proposition 98 General Fund appropriation). In addition to this funding, the 2022-23 Budget includes $5.1 billion General Fund appropriation for K-12 school facilities, including new preschool and transitional kindergarten facilities. The 2022-23 Budget includes $35.8 billion Proposition 98 funds above the 2021-22 budget for K-14 education. The 2022-23 Budget reflects the highest Proposition 98 funding levels ever and provides ongoing funding for core programs such as the Local Control Funding Formula (LCFF), special education, transitional kindergarten, nutrition, school facilities, preschool and expanded learning.

The 2022-23 Budget includes Fiscal Years 2020-21, 2021-22, and 2022-23 payments of approximately $3.1 billion, $4 billion, and $2.2 billion, respectively into the PSSSA, for a balance of more than $9.5 billion at the end of Fiscal Year 2022-23. Under current law, there is a cap of 10 percent on school district reserves in fiscal years immediately succeeding those in which the balance in the PSSSA is equal to or greater than 3 percent of the total K-12 share of the Proposition 98 guarantee. The balance of $7.1 billion in Fiscal Year 2021-22 triggers school district reserve caps beginning in Fiscal Year 2022-23.

Proposition 98 Guarantee. The 2022-23 Budget reflects Proposition 98 funding levels of $96.1 billion in Fiscal Year 2020-21, $110.2 billion in Fiscal Year 2021-22, and $110.4 billion in Fiscal Year 2022-23, representing a three-year increase in the minimum guarantee of $35.8 billion over the level funded in the 2021-22 budget.

LCFF. The 2022-23 Budget includes $4.32 billion ongoing Proposition 98 General Fund appropriation to increase LCFF base funding by an additional 6.28% to help school districts and charter schools address ongoing fiscal pressures, staffing shortages, and other operational needs. The 2022-23

Budget includes an LCFF cost-of-living adjustment of 6.56%—the largest COLA in the history of LCFF. The 2022-23 Budget reflects $2.8 billion ongoing Proposition 98 General Fund appropriation and $413 million one-time Proposition 98 General Fund appropriation to implement school fiscal stabilization policies, including, allowing school districts to use the greater of current year or prior year ADA or an average of the three prior years' ADA to calculate LCFF funding. Further, to minimize reductions in LCFF funding that would otherwise occur due to increased absences in Fiscal Year 2021-22, the 2022-23 Budget enables all classroom-based local educational agencies ("LEAs") that can demonstrate they provided independent study offerings to students in Fiscal Year 2021-22 to be funded at the greater of their current year ADA or their current year enrollment adjusted for pre-COVID-19 absence rates in Fiscal Year 2021-22.

Learning Recovery Emergency Block Grant. The 2022-23 Budget establishes the Learning Recovery Emergency Fund and appropriates $7.9 billion one-time Proposition 98 General Fund to support the Learning Recovery Emergency Block Grant. This block grant will support local educational agencies in establishing learning recovery initiatives through the 2027–28 school year. Permissible uses of such funds include tutoring, learning recovery programs, literacy intervention and programs for Pre-K to 3rd grade, after-school programs, health, mental health and social-emotional support, and actions to reduce or stabilize staff-to-student ratios.

Arts, Music, and Instructional Material Discretionary Block Grant. The 2022-23 Budget provides $3.6 billion one-time Proposition 98 General Fund appropriation, usable through Fiscal Year 2025-26, to school districts, county offices of education, charter schools, and State special schools to be spent on a variety of purposes, including arts and music programs, obtaining standards-aligned professional development, acquiring instructional materials, developing diverse book collections, operational costs, and expenses related to COVID-19. This block grant will be distributed based on each school district's total ADA.

Significant features of the 2022-23 Budget affecting K-12 public schools included the following:

- *Expanded Learning Opportunities Program*. The 2022-23 Budget accelerates the implementation (four years ahead of schedule) of the Expanded Learning Opportunities Program by allocating an additional $3 billion ongoing Proposition 98 General Fund appropriation to the program, increasing the total ongoing program funding to $4 billion. Commencing Fiscal Year 2023-24, LEAs will be required to offer expanded learning opportunities to all low-income students, English language learners, and youth in foster care. LEAs with the highest concentrations of these students will be required to offer expanded learning opportunities to all elementary students.

- *Early Literacy*. To increase grade-level reading proficiency among young readers, and to provide access to effective literacy supports to California children, the 2022-23 Budget provides $250 million one-time Proposition 98 General Fund appropriation, available over five years, for grants to high-needs schools to train and hire literacy coaches and reading specialists to guide productive classroom instruction and to offer one-on-one and small group intervention for struggling readers. Additionally, the 2022-23 Budget provides $10 million one-time General Fund appropriation for the Department of Public Health to partner with First 5 California on the Books for Children Program.

- *STEM*. To support educators in providing effective science, technology, engineering, and mathematics ("STEM") instruction, the 2022-23 Budget includes $85 million one-time Proposition 98 General Fund appropriation to create Pre-K through 12th grade educator resources and professional learning to implement the Next Generation Science Standards, the California Math Framework, the California Computer Science Standards, and the math and science domains of the

California Preschool Learning Foundations. The funds will align other State STEM educator support initiatives to create a cohesive State-wide continuum of instructional support for all STEM educators.

- *Educator Initiatives*. Given the staffing shortages that have been exacerbated by COVID-19, the 2021-22 State budget appropriated $2.9 billion to support education initiatives, including preparation, training, and recruiting a diverse, expert workforce of administrative, credentialled, and classified staff to work in public K-12 schools. The 2022-23 Budget includes an additional $48.1 million appropriation for the following: Teacher Examination Fees ($24 million); Integrated Teacher Preparation Programs ($20 million); Commission on Teacher Credentialing (CTC) Support ($2.7 million); Career Counselors ($1.4 million) and Substitute Teaching Assignments.

- *Community Schools*. The 2021-22 budget included $3 billion Proposition 98 General Fund, available over several years, to expand and strengthen the implementation and use of the community school model to all schools in communities with high levels of poverty. The 2022-23 Budget includes additional funding of approximately $1.1 billion one-time Proposition 98 General Fund appropriation to assure that eligible LEAs interested in applying on behalf of its high-needs schools have access to the community schools grants.

- *Special Education.* The 2022-23 Budget includes: $500 million ongoing Proposition 98 General Fund for special education funding formula, paired with certain policy changes to improve special education instruction and services; $2 million one-time Proposition 98 General Fund to create resources for inclusionary practices for families and communities; and $2 million ongoing Proposition 98 General Fund to establish a special education resource lead to support families of pupils with disabilities, provide capacity to building, training and technical assistance on family support for families of pupils with disabilities, and conflict prevention and alternative dispute resolution in special education.

- *College and Career Pathways*. The 2022-23 Budget promotes pathways in technology, healthcare, education and climate-related fields allowing students to advance seamlessly from high school to college and career, providing the workforce needed for economic growth, by including: (1) $500 million one-time Proposition 98 General Fund appropriation over seven years to support the development of pathway programs focused on technology (including computer science, green technology and engineering), health care, education (including early education) and climate-related fields. These programs are predicated on developing local partnerships that bring together school systems, higher education institutions, employers and other relevant community stakeholders. (2) $200 million one-time Proposition 98 General Fund appropriation, available over five years, to strengthen and expand student access and participation in dual enrollment opportunities. Dual enrollment allows high school students to take classes that both count towards high school graduation and earning college credit, with some students able to graduate high school with an associate's degree.

- *Home-to-School-Transportation.* To support school transportation programs, the 2022-23 Budget provides $637 million ongoing Proposition 98 General Fund appropriation to reimburse local education agencies for up to 60% of their transportation costs in the prior year. Additionally, commencing in Fiscal Year 2023-24, the 2022-23 Budget reflects the application of an ongoing cost-of-living adjustment to the current LCFF Home-to-School transportation add-on.

- *Zero-Emission School Buses.* The 2022-23 Budget includes $1.5 billion one-time Proposition 98 General Fund appropriation, available over five years, to support greening school bus fleets throughout programs that will be operated by the California Air Resources Board and the California

Energy Commission. This is part of a larger $6.1 billion package to accelerate the State's transition to Zero-Emission Vehicles.

- *Nutrition.* The 2022-23 Budget includes $596 million Proposition 98 General Fund appropriation to fund universal access to subsidized school meals, and an additional $611.8 million ongoing Proposition 98 General Fund appropriation to augment the State meal reimbursements rate sufficient to maintain meal reimbursement rates beginning in Fiscal Year 2022-23. This higher rate of reimbursement will enable LEAs to continue offering higher-quality and more diverse meals for students. If the federal government extends the waiver that allows for the allocation of higher federal reimbursement rates, any unused State funding for rate increases in Fiscal Year 2022-23 would instead be made available for food procurement grants. The 2022-23 Budget also includes $600 million one-time Proposition 98 General Fund appropriation, available over three years, for school kitchen infrastructure upgrades and equipment, food service employee training, and compensation for work related to serving universal meals using more fresh, minimally processed California-grown foods. Also included is $100 million one-time Proposition 98 General Fund appropriation to support local educational agency procurement practices for plant-based or restricted-diet meals, or to prepare meals fresh onsite; and $30 million one-time General Fund appropriation to establish additional Farm-to-School demonstration projects with priority towards high-need schools, and $3 million ongoing General Fund appropriation to expand the regional California Farm to School Network by adding 16 new positions at the California Department of Food and Agriculture, which network supports local food procurement and farm to school programs throughout the State.

- *K-12 School Facilities.* The 2022-23 Budget allocates the remaining Proposition 51 bond funds – approximately $1.4 billion – to support school construction projects and provides $1.3 billion one-time General Fund appropriation with Fiscal Year 2021-22 funds, approximately $2.1 billion one-time General Fund appropriation in Fiscal Year 2023-24 and $875 million one-time General Fund appropriation in Fiscal Year 2024-25 to support new construction and modernization projects through the School Facility Program.

- *Classified School Employee Summer Assistance Program.* The 2022-23 Budget includes an increase of $35 million one-time Proposition 98 General Fund appropriation and $90 million ongoing Proposition 98 General Fund appropriation for the Classified School Employee Summer Assistance Program, which provides supplemental pay for classified staff during intersessional months when they are not employed.

Future Budgets. The Participants cannot predict how State income or State education funding will vary over the term of the Certificates, and the Participants take no responsibility for informing owners of the Certificates as to actions the State Legislature or Governor may take affecting the current year's budget after its adoption. Future State budgets will be affected by national and State economic conditions, and other factors over which the Participants will have no control. To the extent that the State budget process results in reduced revenues, deferred revenues or increased expenses for the Participants, the Participants will be required to make adjustments to its budget and cash management practices. In the event current or future State Budgets decrease the Participants' revenues or increase required expenditures by the Participants from the levels assumed by the Participants, the Participants will be required to generate additional revenues, curtail programs or services, or use its reserve funds to ensure a balanced budget.

Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget" or www.ebudget.ca.gov. An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov.

The information referred to is prepared by the respective State agency maintaining each website and not by the Participants, and the Participants can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

The State Constitution requires that from all State revenues there will first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education. As discussed herein, school districts in the State receive a significant portion of their funding from State appropriations. Accordingly, the State's economic condition can affect the economic condition of California school districts.

Federal Revenues

The federal government provides funding for several programs of the Participants, including programs that benefit educationally disadvantaged students and students with limited English skills, and that provide other specialized services to students and administration. The Participants are unable to predict variations in the amount and types of federal funding for such programs during any Fiscal Year.

Financial Statements and Accounting Practices

The Participants' financial statements are prepared on a modified accrual basis of accounting in accordance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board.

Funds and Account Groups used by the Participants are categorized as follows:

Government Funds	Fiduciary Funds
General Funds	Trust and Agency Funds
Special Revenue Funds	
Debt Service Funds	Account Groups
Proprietary Funds	General Fixed Assets Account Group
Internal Service Funds	General Long-Term Debt Account
Enterprise Funds	

Expenditures of Participants are accrued at the end of each Fiscal Year to reflect the receipt of goods and services in that Fiscal Year. Generally, revenues are recorded on a cash basis, except for items that are susceptible to accrual, measurable and/or available to finance operations. Current taxes are considered susceptible to accrual. Taxes which are due but are not in fact received until after the Fiscal Year-end are recorded as accrued revenues. The State Department of Education establishes expenditure categories for all California school districts and boards of education.

The general fund of each Participant, as shown in Appendix A, is a combined fund comprised of moneys which are unrestricted and available to finance the legally authorized activities of the Participant not financed by restricted funds and moneys which are restricted to specific types of programs or purposes. General fund revenues shown thereon are derived from such sources as taxes, aid from other government agencies, charges for current services and other revenue.

The financial statements included herein were prepared by the Participants using information from the Annual Financial Reports which are prepared by the Directors of Accounting for the Participants and audited by independent certified public accountants each year. Certain information, such as the General Fund Cash Flow Analyses, was developed by each Participant's staff for use in this Official Statement. The estimates and timing of receipts and disbursements in such Cash Flow Analyses are based on certain assumptions and should not be construed as statements of fact. The audited financial statements of the Participants for Fiscal Years 2018-19, 2019-20 and 2020-21 along with certain other information pertaining to each of the Participants is available at the following web address: https://www.lacoe.edu/BusinessServices/BusinessAdvisoryServices/PooledFinancing/TRANS.aspx, and are summarized in Appendix A.

Retirement Systems

The following information on CalPERS and CalSTRS (as defined below) has been obtained from publicly available sources and has not been independently verified by the Participants, is not guaranteed as to the accuracy or completeness of the information and is not to be construed as a representation by the Participants, the Underwriter or the Municipal Advisor. Furthermore, the summary data below should not be read as current or definitive, as recent losses on investments made by the retirement systems generally may have increased the unfunded actuarial accrued liabilities stated below.

The assets and liabilities of the funds administered by CalPERS and CalSTRS, as well as certain other retirement funds administered by the State, are included in the financial statements of the State for the year ended June 30, 2020, as fiduciary funds. Both CalPERS and CalSTRS have unfunded actuarial accrued liabilities in the tens of billions of dollars. The amount of unfunded actuarially accrued liability will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution.

CalSTRS and CalPERS each issue separate comprehensive annual financial reports that include financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275 and copies of the CalPERS annual financial report and actuarial valuations may be obtained from the CalPERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information presented in these reports is not incorporated by reference in this Official Statement.

CalSTRS. The Participants participate in the California State Teachers' Retirement System ("CalSTRS"). CalSTRS is a defined benefit plan that covers all full-time certificated employees and some classified employees, which are employees employed in a position that does not require a teaching credential from the State. CalSTRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "CalSTRS Defined Benefit Program"). The CalSTRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions are established by State legislation in accordance with the State Teachers' Retirement Law. CalSTRS is operated on a Statewide basis and, based on publicly available information, has substantial unfunded liabilities. Additional funding of CalSTRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282.

As part of the 2014-15 State Budget, the Legislature enacted AB 1469 (Chapter 47, Statutes of 2014) ("AB 1469"), a comprehensive funding solution intended to eliminate the projected CalSTRS unfunded liability on the CalSTRS Defined Benefit Program by 2046. Under AB 1469, the funding plan began in Fiscal Year 2014-15 and will be phased in over several years. The employer contribution rate increased by 1.85% of covered payroll annually beginning July 1, 2015 and will continue to increase until the employer contribution rate is 19.10% of covered payroll. Beginning in Fiscal Year 2021-22 through Fiscal Year 2045-46, AB 1469 authorizes the CalSTRS Board to adjust the employer contribution up or down 1 percentage point each year, but no higher than 20.25% total and no lower than 8.25%, to eliminate the remaining unfunded obligation that existed on July 1, 2014.

In addition, the CalSTRS Board is authorized to modify the percentages paid by employers and employees for Fiscal Year 2021-22 and each Fiscal Year thereafter in order to eliminate CalSTRS' unfunded liability by June 30, 2046 based upon actuarial recommendations. The CalSTRS Board would also have the authority to reduce employer and State contributions if they are no longer necessary.

The actuarial assumptions and methods adopted by the CalSTRS Board for funding the CalSTRS Defined Benefit Program include: the "Entry Age Normal Cost Method", with the actuarial gains/losses and the unfunded actuarial obligation amortized over a closed period ending June 30, 2046, an assumed 7.25% investment rate of return (net of investment and administrative expenses) for Fiscal Year 2015-16 and a 7.00% investment rate of return (net of investment and administrative expenses) for Fiscal Year 2016-17, an assumed 3.00% interest on member accounts (based on the CalSTRS Board's short-term interest crediting policy), projected 3.50% general wage growth, of which 2.75% is due to inflation and 0.75% is due to expected gains in productivity, and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases.

Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2015, through June 30, 2018) (the "2020 Experience Analysis"), on January 31, 2020, the STRS Board adopted a new set of actuarial assumptions that were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2019 (the "2019 CalSTRS Actuarial Valuation"). While no changes were made to the actuarial assumptions discussed above, which were established as a result of the 2017 Experience Study, certain demographic changes were made, including: (i) lowering the termination rates to reflect a continued trend of lower than expected teachers leaving their employment prior to retirement, and (ii) adopting changes to the retirement rates for both employees hired before the Implementation Date and after the Implementation Date to better reflect the anticipated impact of years of service on retirements. The 2019 CalSTRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

The CalSTRS Defined Benefit Program Actuarial Valuation, as of June 30, 2021 (the "2021 CalSTRS Actuarial Valuation") reports that the unfunded actuarial obligation decreased by approximately \$16.2 billion since the CalSTRS Defined Benefit Program Actuarial Valuation as of June 30, 2020 (the "2020 CalSTRS Actuarial Valuation") and the funded ratio increased by 5.9% to 73.0% over such time period. The increase in the funded ratio is primarily due to greater than expected investment returns, salary increases less than assumed, additional State contributions and contributions to pay down the unfunded actuarial obligation under the CalSTRS Board's valuation policy.

According to the 2021 CalSTRS Actuarial Valuation, the future revenues from contributions and appropriations for the CalSTRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations and the unfunded actuarial obligation is projected to be amortized by June 30, 2046, with a projected ending funded ratio of 107.9%. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the CalSTRS Board, including a 7.00% investment rate of return assumption and includes the \$1.117 billion State contribution made in July 2019 pursuant to SB 90. The supplemental \$410 million State contribution made in July 2021 will be reflected in the June 30, 2022 valuation and is reflected in the projections of funding levels and contribution rates included in the 2021 CalSTRS Actuarial Valuation.

The actuary for the CalSTRS Defined Benefit Program notes in the 2021 CalSTRS Actuarial Valuation that the increase in unfunded actuarial obligation represents a net actuarial gain of \$18.248 billion since the unfunded actuarial obligation was expected to be \$107.967 billion based on the 2020 CalSTRS Actuarial Valuation. Salaries increasing less than projected caused the unfunded actuarial obligation to decrease by \$3.433 billion from expectation. Of the various factors affecting future valuation results, the one with the greatest potential risk is future investment returns, while a decline in the number of teachers and payroll variation can also pose significant risks. For the 2021 CalSTRS Actuarial Valuation, the number of active teachers decreased from 448,419 on June 30, 2020 to 429,681 on June 30, 2021. This decrease resulted in a payroll growth of 0.3%, below the assumed 3.5% annual growth. Further, the return on market value compared to prior valuation is estimated at 27.1%, greater than the assumed 7.0% return, while the return on the actuarial value of assets was also greater, estimated at 13.9%. On July 29, 2022, CalSTRS announced a -1.3% net return on investments for Fiscal Year 2021-22, ending with the total fund value at $301.6 billion as of June 30, 2022 and reflecting the ongoing volatility of global financial markets impacted by inflation, rising interest rates, the COVID-19 pandemic and the war in Ukraine.

The CalSTRS Board established the employer contribution rates applicable for the period July 1, 2022 to June 30, 2023, based on the 2021 CalSTRS Actuarial Valuation and CalSTRS Employer Directive 2022-06, dated June 15, 2022. The contribution rate for Fiscal Year 2022-23 is adjusted to 19.10%, a slight increase over the adjusted contribution rate for Fiscal Year 2022-23 which was 16.92%. The 2020-21 State Budget re-directed the supplemental payment paid by the State on behalf of employers as part of the 2019-20 State budget. The supplemental payment was used to reduce the contribution rate for employers for Fiscal Years 2019-20, 2020-21 and 2021-22.

CalPERS. The Participants also participate in the State Public Employees' Retirement System ("CalPERS"). CalPERS is a defined benefit plan that covers classified personnel who work four or more hours per day. Benefit provisions are established by State legislation in accordance with the Public Employees' Retirement Law. The contribution requirements of the plan members are established by State statute. The actuarial methods and assumptions used for determining the rates are based on those adopted by Board of Administration of CalPERS (the "CalPERS Board").

Active plan miscellaneous members hired on or before December 31, 2012 are required to contribute 7.0% of their monthly salary and those hired on or after January 1, 2013 are required to contribute 6.5% of their monthly salary. The required contribution rate is the difference between the actuarially determined rate and the contribution rate of employees. The actuarial methods and assumptions used for determining the rates are based on those adopted by CalPERS Board. School districts are currently required to contribute to CalPERS at an actuarially determined rate, which was 11.847%, 13.888% and 15.531% of eligible salary expenditures for Fiscal Years 2015-16, 2016-17 and 2017-18 respectively, 18.062% of eligible salary expenditures for Fiscal Year 2018-19 and 19.721% of eligible salary for Fiscal Year 2019-20. The Fiscal Year 2020-21 State Budget redirected State funding paid to CalPERS in Fiscal Year 2019-20 towards long-term unfunded liabilities to reduce employer contribution rates in Fiscal Years 2020-21 and 2021-22. As a result, the CalPERS employer contribution rate was 20.7% in Fiscal Year 2020-21 and 22.91% in Fiscal Year 2021-22. The State's supplanting payments made under this redirection of funding expired at the end of Fiscal Year 2021-22.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2020 (the "2020 CalPERS Schools Pool Actuarial Valuation") for the CalPERS Schools Pool Plan, in which the District participates, was released in October 2021. The actuarial funding method used in the 2020 CalPERS Schools Pool Actuarial Valuation was the "Entry Age Normal Cost Method." The 2020 CalPERS Schools Pool Actuarial Valuation assumed, among other things, 2.50% inflation and payroll growth of 2.75% compounded annually. The 2020 CalPERS Schools Pool Actuarial Valuation reflected a discount rate of 6.8% compounded annually (net of administrative expenses) as of June 30, 2020. The CalPERS Board adopted new demographic assumptions on December 19, 2017, including a reduction in the inflation assumption. The reduction in the inflation assumption resulted in decreases in both the normal cost and the accrued liabilities in the future. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to January 1, 2013, to those hired after such date, the projected employer contribution (as a percentage of payroll) was 22.9% and 25.4% for Fiscal Year 2021-

22 and Fiscal Year 2022-23, respectively. According to the 2020 CalPERS Schools Pool Actuarial Valuation as of June 30, 2020, the funded ratio was approximately 68.6% on a market value of assets basis, as compared to the funded ratio of 68.5% reported in the Actuarial Valuation as of June 30, 2019, mainly due to the additional State contribution in July 2019 offset partially by the lower than expected investment return in Fiscal Year 2019-20. The funded ratio, on a market value basis, as of June 30, 2018, June 30, 2017, June 30, 2016, June 30, 2015, and June 30, 2014 was 70.4%, 72.1%, 71.9%, 77.5%, and 86.6%. On December 21, 2016, the CalPERS Board voted to lower the CalPERS discount rate to 7.00% over the next three years in accordance with the following schedule: 7.375% in Fiscal Year 2017-18, 7.25% in Fiscal Year 2018-19 and 7.00% in Fiscal Year 2019-20. The discount rates went into effect July 1, 2017 for the State and went into effect July 1, 2018 for K-14 school districts and other public agencies.

On November 17, 2021, the CalPERS Board adopted new actuarial assumptions based on recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study looked at various assumptions including retirement rates, termination rates, mortality rates, rates of salary increase and inflation. Assumptions based on this study will impact required contributions for Fiscal Year 2022-23. Additionally, the CalPERS Board selected a new asset allocation mix through its periodic Asset Liability Management Study that will guide the fund's investment portfolio for the next four years, retained the current 6.8% discount rate and approved adding 5% leverage to increase diversification. The new asset allocation took effect July 1, 2022 and will impact contribution rates for employers and employees hired after the Implementation Date beginning in Fiscal Year 2022-23.

As of April 19, 2022, the CalPERS Board approved the employer contribution rate of 25.37% for Fiscal Year 2022-23 and has released certain information from the CalPERS Schools Pool Actuarial Valuation as of June 30, 2021 (the "2021 CalPERS Schools Pool Actuarial Valuation"), with the full actuarial report set to be completed and released later this year. According to the 2021 CalPERS Schools Pool Actuarial Valuation, the funded ratio is 78.3% on a market value of assets basis, demonstrating an increase of 9.7% from the funded ratio of 68.6% reported in the Actuarial Valuation as of June 30, 2020. This increase is mainly due to the higher than expected investment return in Fiscal Year 2020-21, offset partially by the changes in assumptions, including the reduction in discount rate. The 2021 CalPERS Schools Pool Actuarial Valuation reports that the employer contribution rate for Fiscal Year 2023-24 is projected to be 25.2%, the contribution rate for Fiscal Year 2024-25 is projected to be 24.6%, the contribution rate for Fiscal Year 2025-26 is projected to be 23.7%, the contribution rate for Fiscal Year 2026-27 is projected to be 22.6%, and the contribution rate for Fiscal Year 2027-28 is projected to be 22.6%. The projected contribution rates in the 2021 CalPERS Schools Pool Actuarial Valuation assume an investment return of 6.8% in Fiscal Year 2021-22. The projections assume that all actuarial assumptions will be realized and that no further changes to assumptions, methods or benefits will occur during the projection period.

On July 20, 2022, CalPERS announced a preliminary net investment return of -6.1% for Fiscal Year 2021-22, with assets standing at $440 billion at the end of the fiscal year, and reflecting volatility in the global markets.

The Participants can make no representations regarding the future program liabilities of CalSTRS, or whether the Participants will be required to make additional contributions to CalSTRS in the future above those amounts required under AB 1469. Further, the Participants can provide no assurances that the respective Participants' required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. The Governor signed the California Public Employee's Pension Reform Act of 2013 (the "Reform Act" or "PEPRA") into law on September 12, 2012. The Reform Act affects both CalSTRS and CalPERS, most substantially as they relate to new employees hired after January 1, 2013 (the "Implementation Date"). As it pertains to CalSTRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age, increasing the eligibility for the 2% "age factor" (the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. For non-safety CalPERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5% to age 67.

The Reform Act also implements certain other changes to CalPERS and CalSTRS including the following: (a) all new participants enrolled in CalPERS and CalSTRS after the Implementation Date are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalSTRS and CalPERS are both required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for CalSTRS members who retire with 25 years of service), and (c) "pensionable compensation" is capped for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for CalSTRS and CalPERS members not participating in social security.

GASB Statements 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the Participants 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 Participants, took effect for the Fiscal Year beginning July 1, 2014.

GASB Statement 75. In June 2015, the Governmental Accounting Standards Board issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" ("GASB 75"), which revised and established new accounting and financial reporting requirements for state and local governments, such as the Participants that offer other post-employment benefits ("OPEB") to employees. Pursuant to GASB 75, net OPEB liabilities are required to be recognized in the financial statements for such state and local governments. In addition, GASB 75 provides additional guidance with respect to recognizing and measuring liabilities, deferred outflows and inflows of resources, and expense/expenditures. GASB 75 directs the use of "entry age normal" as the actuarial cost allocation method to be used and the various procedures, assumptions and discount rates to be used in connection with the calculation of liabilities. In connection therewith, states and local governments that do not pre-fund their respective OPEB obligations may report increased liabilities. GASB 75, among other things, requires additional note disclosures and the presentation of required supplementary information in financial statements.

Reports and Certifications

General. The Education Code of the State of California (Section 42133 *et seq*.) requires each school district to certify twice during the Fiscal Year whether or not it is able to meet its financial obligations for the remainder of such Fiscal Year, and, based on current forecasts, for the subsequent Fiscal Year. The first report covers the period ending October 31 and the second report covers the period ending January 31. Such certifications are based on the governing board's assessment based on standards and criteria for fiscal stability adopted by the State Board of Education and the State Superintendent of Public Instruction. Each certification is required to be classified as positive, qualified, or negative on the basis of a review of the respective report against such criteria, but may include additional financial information known by the governing board to exist at the time of each certification. Such certifications are to be filed with the Los Angeles County Superintendent of Schools ("County Superintendent") within forty-five days after the close of the period being reported and, in the event of a negative or qualified certification, to the State Controller and the State Superintendent of Public Instruction. A qualified certification is to be assigned to any school district that based upon then current projections may not meet its financial obligations for the current Fiscal Year or the two subsequent Fiscal Years.

A negative certification is to be assigned to any school district that likely will be unable to meet its financial obligations for the remainder of the Fiscal Year or for which existing expenditure practices jeopardize the ability of the district to meet its multi-year financial commitments.

In connection with each interim report, each school district submits a multi-year projection for the current Fiscal Year and the following two Fiscal Years to its respective county office of education and the SDE. The projections are based upon guidelines established by their respective county offices of education and information available to such school district as of the date the projection is submitted.

A qualified certification is to be assigned to any school district that may not meet its financial obligations for the current Fiscal Year or the two subsequent Fiscal Years based upon then current projections. A negative certification is to be assigned to any school district that likely will be unable to meet its financial obligations for the current Fiscal Year or the following Fiscal Year. Any school district or office of education that has a qualified or negative certification in any Fiscal Year may not issue, in that Fiscal Year or in the next succeeding Fiscal Year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district unless the County Superintendent determines that the school district's repayment of indebtedness is probable.

Copies of the reports and certifications of the Participants may be obtained upon request from such Participants at the addresses set forth in Appendix A hereto. The Participants may impose charges for copying, mailing and handling these reports and certifications.

Fiscal Year 2021-22 First and Second Interim Report Certifications. The San Gabriel Unified School District ("San Gabriel") was assigned a qualified certification to its 2021-22 First Interim Report.

Any school district that has a qualified or negative certification in any Fiscal Year may not issue tax and revenue anticipation notes, certificates of participation or any other debt instruments that do not require voter approval, unless the County Superintendent determines that the district's repayment is probable. On August 24, 2022, the County Superintendent issued a letter to San Gabriel stating that in accordance with California Education Code sections 42131 and 42133(a), and the California Department of Education's Management Advisory No. 92-04 dated June 17, 1992, the County Superintendent has reviewed San Gabriel's financial condition, cash flow projections and projected budget for Fiscal Year 2022-23 as they relate to the Notes and has determined that the repayment of principal and interest on the Notes is probable.

Other than as described above, each of the Participants was assigned a positive certification with respect to its respective Fiscal Year 2021-22 First and Second Interim Reports.

Budgets of Participants

The Fiscal Year of the Participants begins on the first day of July of each year and ends on the 30th day of June of the following year. The Participants adopt on or before July 1 of each year a fiscal line-item budget setting forth expenditures in priority sequence so that appropriations during the Fiscal Year can be adjusted if revenues do not meet projections.

The Participants are required by provisions of the Education Code to maintain a balanced budget each year, where the sum of expenditures plus the ending fund balance cannot exceed the revenues plus the carry-over fund balance from the previous year. The California State Department of Education imposes a uniform budgeting format for each school district in the State, and the Board of Governors of the California Community Colleges imposes a uniform budgeting format for each community college district in the State.

State Emergency Loan Program

The Education Code provides that a governing board of any county board of education or school district which determines during a Fiscal Year that its revenues are less than the amount necessary to meet its current year expenditure obligations may request an emergency apportionment from the State through the State Superintendent of Public Instruction (the "State Superintendent").

As a condition to the making of any such emergency apportionment, the following requirements must be met:

(a) The district requesting the apportionment must submit to the county superintendent of schools having jurisdiction over the district a report issued by an independent auditor approved by the county superintendent of schools on the financial conditions and budgetary controls of the district, a written management review conducted by a qualified management consultant approved by the county superintendent of schools and a fiscal plan adopted by the governing board to resolve the financial problems of the district.

(b) The county superintendent of schools must review, and provide written comment on, the independent auditor's report, the management review and the district plan. If the county superintendent disapproves the plan, the governing board must revise the district plan to respond to the concerns expressed by the county superintendent.

(c) Upon his or her approval of the district plan, the county superintendent must submit copies of the report, review, plan and written comments to the State Superintendent, the Auditor General, the Joint Legislative Budget Committee, the Director of Finance and the Controller.

(d) The State Superintendent must review the reports and comments submitted to him or her by the county superintendent and must certify to the Director of Finance that the action taken to correct the financial problems of the district is realistic and will result in placing the district on a sound financial basis.

(e) The district must develop a schedule to repay the emergency loan and submit it to the county superintendent of schools, who after reviewing and commenting on it submits it to the State Superintendent for approval or disapproval. Upon the approval of the repayment schedule and of the other reports, reviews, plans and the appointment of the trustee (as described below), the State Superintendent must request the State Controller to disburse the proceeds of the emergency loan to the district.

(f) The district requesting the apportionment must reimburse the county superintendent of schools for the costs incurred by the superintendent in performing such duties.

In addition, the acceptance by the district of the apportionments made pursuant to the Education Code constitutes the agreement by the district to the following conditions:

(i) The State Superintendent shall appoint a trustee who shall have recognized expertise in management and finance. The State Superintendent shall establish the terms and conditions of the employment, including the remuneration of the trustee and the trustee shall serve at the pleasure of, and report directly to, the State Superintendent until the loan is repaid and the district has adequate fiscal systems and controls in place. Before the district repays its loan, the recipient of the loan shall select an auditor from a list established by the State Superintendent and the Controller to conduct an audit of its fiscal systems. If the fiscal systems are deemed to be inadequate, the State Superintendent may retain the trustee until the deficiencies are corrected.

(ii) The trustee appointed by the State Superintendent shall monitor and review the operation of the district. During the period of his or her service, the trustee may stay or rescind any action of the local district governing board that, in the judgment of the trustee, may affect the financial condition of the district. The trustee shall approve or reject all reports and other materials required from the district as a condition of receiving the apportionment.

On or before October 31 of the year following receipt of an emergency apportionment, and each year thereafter, until the emergency apportionment is repaid, the governing board of the district shall prepare under the review and with the approval of the trustee, a report on the financial condition of the district which shall be transmitted to the county superintendent of schools, the State Superintendent and the State Controller. The report shall include all of the following information: (i) specific actions taken to reduce expenditures or increase income, and the cost savings and increased income resulting from those actions; (ii) a copy of the adopted budget for the current Fiscal Year; (iii) reserves for economic uncertainties; (iv) status of employee contracts; and (v) obstacles to the implementation of the adopted recovery plan.

The emergency apportionment is required to be repaid to the State over a five-year period, or less, together with interest at a rate determined in accordance with the Education Code.

The State Legislature expressly provides that these provisions of the Education Code are not intended to authorize emergency loans to school districts for the purpose of meeting cash-flow requirements pending the receipt of local taxes and other funds. Furthermore, no such emergency apportionment be made unless funds have been specifically appropriated therefor by the Legislature.

None of the Participants are currently participating in the State emergency loan program.

State Lottery

The State Lottery generates net revenues (gross revenue less prizes and administration expenses) which are used to supplement State assistance provided to public education, including K-14. State Lottery funds may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities or the financing of research. State Lottery revenues are allocated by computing an amount per total ADA or full-time equivalent Students ("FTES"), *i.e.,* by dividing the total net revenues figures by the total ADA for grades K-12 and California community colleges, and by the total FTES for each University of California system and California State University and College system. Each entity receives an amount equal to its total ADA or FTE, as applicable, multiplied by the per ADA or FTES figure; however, the exact allocation formula may vary from year to year. At this time, the amount of additional revenues that may be generated by the State Lottery in any given year cannot be predicted.

Insurance

Each Participant maintains insurance or self-insurance in such amounts and with such retentions and other terms providing coverages for property damage, fire and theft, general public liability and worker's compensation, as are adequate, customary and comparable with such insurance maintained by similarly situated educational agencies. In addition, based upon prior claims experience, each Participant believes that the recorded liabilities for self-insured claims are adequate.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIIIA of the California Constitution

Article XIIIA of the California Constitution limits the amount of any ad valorem tax on real property, to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness. Section 1 of Article XIIIA, Section 18 of Article XVI of the California Constitution and Section 47614 of the California Education Code allows an alternative means of seeking voter approval for bonded indebtedness by 55% of the vote (see the sub-caption "-- Proposition 39" below). Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." The full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

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

Other amendments to the California Constitution have implemented and modified limits on reassessment of property value upon transfers. Most recently, Proposition 19 limits people who inherit family properties from keeping a low property tax base resulting from the 2% restriction on increases, unless they use the home as their primary residence, but it also allows homeowners who are over 55 years of age, disabled, or victims of a wildfire or natural disaster to transfer their assessed value of their primary home to a newly purchased or newly constructed replacement primary residence up to three times.

Legislation Implementing Article XIIIA

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

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

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

Article XIIIB of the California Constitution

Under Article XIIIB of the California State Constitution state and local government entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriations of moneys which are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the "appropriations limit" is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) now Section 100 of the California Revenue and Taxation Code provides that revenues derived from most utility property assessed by the State Board of Equalization ("Unitary Property"), commencing with the 1988-89 Fiscal Year, will be allocated as follows: (1) each jurisdiction will receive up to 102% of its prior year State-assessed revenue; and (2) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

Proposition 39

On November 7, 2000, California voters approved Proposition 39, called the "Smaller Classes, Safer Schools and Financial Accountability Act" (the "Smaller Classes Act") which amends Section 1 of Article XIIIA, Section 18 of Article XVI of the California Constitution and Section 47614 of the California

Education Code and allows an alternative means of seeking voter approval for bonded indebtedness by 55% of the vote, rather than the two-thirds majority required under Section 18 of Article XVI of the Constitution. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, including the Participants, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property, such that property taxes could 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% voter requirement applies only if the bond measure submitted to the voters includes, among other items: (1) a restriction that the proceeds of the bonds may be used for "the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities," (2) a list of projects to be funded and a certification that the school district board has evaluated "safety, class size reduction, and information technology needs in developing that list" and (3) that annual, independent performance and financial audits will be conducted regarding the expenditure and use of the bond proceeds.

The Legislature enacted AB 1908, Chapter 44 ("AB 1908"), which became effective upon passage of Proposition 39 and amends various sections of the Education Code. Under amendments to Section 15268 and 15270 of the Education Code, the following limits on *ad valorem* taxes apply to any bond proposition: (1) for a school district, indebtedness shall not exceed $30 per $100,000 of taxable property, (2) for a unified school district, indebtedness shall not exceed $60 per $100,000 of taxable property, and (3) for a community college district, indebtedness shall not exceed $25 per $100,000 of taxable property. Finally, AB 1908 requires that a citizens' oversight committee be appointed to review the use of the bond funds and inform the public about their proper usage.

Proposition 46

On June 3, 1986, California voters approved Proposition 46, which added an additional exemption to the 1% tax limitation imposed by Article XIIIA. Under this amendment to Article XIIIA, local governments and school and community college districts may increase the property tax rate above 1% for the period necessary to retire new, general obligation bonds, if two-thirds of those voting in a local election approve the issuance of such bonds and the money raised through the sale of the bonds is used exclusively to purchase or improve real property.

Proposition 218

On November 5, 1996, an initiative to amend the California Constitution known as the "Right to Vote on Taxes Act" ("Proposition 218") was approved by a majority of California voters. Proposition 218 requires majority voter approval for the imposition, extension or increase of general taxes and 2/3 voter approval for the imposition, extension or increase of special taxes by a local government, which is defined in Proposition 218 to include counties. Proposition 218 also provides that any general tax imposed, extended or increased without voter approval by any local government on or after January 1, 1995, and prior to November 6, 1996 shall continue to be imposed only if approved by a majority vote in an election held within two years following November 6, 1996. All local taxes and benefit assessments which may be imposed by public agencies will be defined as "general taxes" (defined as those used for general governmental purposes) or "special taxes" (defined as taxes for a specific purpose even if the revenues flow through the local government's general fund) both of which would require a popular vote. New general taxes require a majority vote and new special taxes require a two-thirds vote. In addition, Proposition 218 limits the application of assessments, fees and charges and requires them to be submitted to property owners for approval or rejection, after notice and public hearing.

The Participants have no power to impose taxes except property taxes associated with a general obligation bond election, following approval by 2/3 of such Participant's voters. Under previous law, the Participants could apply provisions of the Landscape and Lighting Act of 1972 to create an assessment district for specified purposes, based on the absence of a majority protest. Proposition 218 significantly reduces the ability of the Participants to create such special assessment districts. Any assessments, fees or charges levied or imposed by any assessment district created by the Participants will become subject to the election requirements of Proposition 218 as described above, a more elaborate notice and balloting process and other requirements.

Proposition 218 also expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees and charges, regardless of the date such taxes, assessments, fees or charges were imposed, and reduces the number of signatures required for the initiative process. This extension of the initiative power to some extent constitutionalizes the March 6, 1995 State Supreme Court decision in *Rossi v. Brown*, which upheld an initiative that repealed a local tax and held that the State constitution does not preclude the repeal, including the prospective repeal, of a tax ordinance by an initiative, as contrasted with the State constitutional prohibition on referendum powers regarding statutes and ordinances which impose a tax. Generally, the initiative process enables California voters to enact legislation upon obtaining requisite voter approval at a general election. Proposition 218 extends the authority stated in *Rossi v. Brown* by expanding the initiative power to include reducing or repealing assessments, fees and charges, which had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Proposition 218 to fees imposed after November 6, 1996 and absent other legal authority could result in retroactive reduction in any existing taxes, assessments or fees and charges. Such legal authority could include the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution.

Proposition 218 has no effect upon the Participants' ability to pursue voter approval of a general obligation bond issue or a Mello-Roos Community Facilities District bond issue in the future, both of which are already subject to a 2/3 vote, although certain procedures and burdens of proof may be altered slightly. Proposition 218, by its terms, is inapplicable to short-term notes such as the Notes. The Participants are unable to predict the nature of any future challenges to Proposition 218 or the extent to which, if any, Proposition 218 may be held to be unconstitutional.

Proposition 1A

Proposition 1A (SCA 4), proposed by the Legislature in connection with the 2004-05 Budget Act and approved by the voters in November 2004, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any Fiscal Year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the State Legislature. Proposition 1A provides, however, that beginning in Fiscal Year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the Vehicle License Fee rate below 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A required the State, beginning March 1, 2006, to suspend State mandates affecting cities, counties and special districts, schools or community colleges, excepting mandates relating to employee rights, in any year that the State does not fully reimburse local governments for their costs of compliance with such mandates.

Proposition 30 and Proposition 55

The passage of the Governor's November Tax Initiative ("Proposition 30") on November 6, 2012 ballot resulted in an increase in the State sales tax by a quarter-cent for four years and, for seven years, raising taxes on individuals after their first $250,000 in income and on couples after their first $500,000 in earnings. These increased tax rates affect approximately 1% of California personal income tax filers and went into effect starting in the 2012 tax year, ending at the conclusion of the 2018 tax year. The LAO estimated that, as a result of Proposition 30, additional state tax revenues of about $6 billion annually from Fiscal Years 2012–13 through 2016–17 would be received by the State with lesser amounts of additional revenue available in Fiscal Years 2017–18, and 2018–19. These additional monies prevented certain "trigger cuts" included in the 2012-13 State Budget. Proposition 30 also placed into the State Constitution certain requirements related to the transfer of certain State program responsibilities to local governments, mostly counties, including incarcerating certain adult offenders, supervising parolees, and providing substance abuse treatment services.

Among other things, Proposition 30 provides for additional tax revenues aimed at balancing the State's budget through Fiscal Year 2018–19, providing several billion dollars annually through Fiscal Year 2018–19 available for purposes including funding existing State programs, ending K–14 education payment delays, and paying other State debts. Future actions of the State Legislature and the Governor will determine the use of these funds. According to the LAO, revenues raised by Proposition 30 could be subject to multibillion-dollar swings, above or below the revenues projections, due to the majority of the additional revenue coming from the personal income tax rate increases on upper-income taxpayers. These fluctuations in incomes of upper-income taxpayers could impact potential State revenue and complicate State budgeting in future years. After the proposed tax increases expire, the loss of the associated tax revenues could also create additional budget pressure in subsequent years.

New revenues generated from Proposition 30 are deposited into a newly created State account called the Education Protection Account ("EPA"). School districts, county offices of education, and charter schools ("LEAs") will receive funds from the EPA based on their proportionate share of the Statewide revenue limit amount. A corresponding reduction is made to an LEA's revenue limit equal to the amount of their EPA entitlement. LEAs receive EPA payments quarterly, which began with the 2013-14 Fiscal Year. Beginning Fiscal Year 2013-14, the California Department of Education will allocate EPA revenues on a quarterly basis through the Fiscal Year 2018-19. Payments will equal 25% of the annual EPA entitlement and future payments may be adjusted for ADA changes and previous over and under payments of EPA funds.

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030. Tax revenue received under Proposition 55 is allocated 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales tax rate increase enacted under Proposition 30.

Proposition 2

Proposition 2, also known as The Rainy Day Budget Stabilization Fund Act ("Proposition 2") was approved by California voters on November 4, 2014. Proposition 2 provides for changes to State budgeting practices, including revisions to certain conditions under which transfers are made into and from the State's

Budget Stabilization Account (the "Stabilization Account") established by the California Balanced Budget Act of 2004 (also known as Proposition 58). Commencing in Fiscal Year 2015-16 and for each Fiscal Year thereafter, the State is required to make an annual transfer to the Stabilization Account in an amount equal to 1.5% of estimated State general fund revenues (the "Annual Stabilization Account Transfer"). For a Fiscal Year in which the estimated State general fund revenues allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues, supplemental transfers to the Stabilization Account (a "Supplemental Stabilization Account Transfer") are also required. Such excess capital gains taxes, which are net of any portion thereof owed to K-14 school districts pursuant to Proposition 98, are required to be transferred to the Stabilization Account.

In addition, for each Fiscal Year, Proposition 2 increases the maximum size of the Stabilization Account to 10% of estimated State general fund revenues. Such excess amounts are to be expended on State infrastructure, including deferred maintenance, in any Fiscal Year in which a required transfer to the Stabilization Account would result in an amount in excess of the 10% threshold. For the period from Fiscal Year 2015-16 through Fiscal Year 2029-30, Proposition 2 requires that half of any such transfer to the Stabilization Account (annual or supplemental), shall be appropriated to reduce certain State liabilities, including repaying State interfund borrowing, reimbursing local governments for State mandated services, making certain payments owed to K-14 school districts, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. After Fiscal Year 2029-30, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the Stabilization Account to the reduction of such State liabilities and any amount not so applied shall be transferred to the Stabilization Account or applied to infrastructure, as set forth above.

Accordingly, the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the Stabilization Account are impacted by Proposition 2. Unilateral discretion to suspend transfers to the Stabilization Account are not retained by the Governor. Neither does the Legislature retain discretion to transfer funds from the Stabilization Account for any reason, as was previously provided by law. Instead, the Governor must declare a "budget emergency" (defined as an emergency within the meaning of Article XIIIB of the Constitution) or a determination that estimated resources are inadequate to fund State general fund expenditure, for the current or ensuing Fiscal Year, at a level equal to the highest level of State spending within the three immediately preceding Fiscal Years, and any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the Stabilization Account are limited to the amount necessary to address the budget emergency, and no draw in any Fiscal Year may exceed 50% of the funds on deposit in the Stabilization Account, unless a budget emergency was declared in the preceding Fiscal Year.

Proposition 2 also provides for the creation of a Public School System Stabilization Account (the "Public School System Stabilization Account") into which transfers will be made in any Fiscal Year in which a Supplemental Stabilization Account Transfer is required, requiring that such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. Transfers to the Public School System Stabilization Account are only to be made if certain additional conditions are met, including that: (i) the minimum funding guarantee was not suspended in the immediately preceding Fiscal Year, (ii) the operative Proposition 98 formula for the Fiscal Year in which a Public School System Stabilization Account transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the Fiscal Year in which a Public School System Stabilization Account transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the Fiscal Year in which a Public School System Stabilization Account transfer might be made is higher than the immediately preceding Fiscal Year, as adjusted for ADA growth and cost of living.

Under Proposition 2, the size of the Public School System Stabilization Account is capped at 10% of the estimated minimum guarantee in any Fiscal Year, and any excess funds must be paid to K-14 school districts. Any reductions to a required transfer to, or draws upon, the Public School System Stabilization Account, are subject to the budget emergency requirements as described above. However, in any Fiscal Year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living, Proposition 2 also mandates draws on the Public School System Stabilization Account.

Proposition 22

Under Proposition 1A, the State no longer has the authority to permanently shift city, county, and special district property tax revenues to schools, or take certain other actions that affect local governments. In addition, Proposition 1A restricts the State's ability to borrow state gasoline sales tax revenues. These provisions in the Constitution, however, do not eliminate the State's authority to temporarily borrow or redirect some city, county, and special district funds or the State's authority to redirect local redevelopment agency revenues. However, Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, reduces or eliminates the State's authority: (1) to use State fuel tax revenues to pay debt service on state transportation bonds; (2) to borrow or change the distribution of state fuel tax revenues; (3) to direct redevelopment agency property taxes to any other local government; (4) to temporarily shift property taxes from cities, counties, and special districts to schools; (5) and to use vehicle license fee revenues to reimburse local governments for state mandated costs. As a result, Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. The longer-term effect of Proposition 22, according to the LAO analysis, will be an increase in the State's general fund costs by approximately $1 billion annually for several decades.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in general obligation bonds for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional State grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school ($500 million) and technical education ($500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for State loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, State grants are capped at $3 million for a new facility and $1.5 for a modernized facility. Charter schools must be deemed financially sound before project approval.

Future Initiatives

Article XIIIA, Article XIIIB and Propositions 1A, 2, 22, 30, 39, 46, 51, 55, 98, 111 and 218 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting Participants' revenues or their ability to expend revenues.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Participants, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Notes designated as and comprising interest with respect to the Certificates is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes designated as and comprising interest with respect to the Certificates is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest designated as and comprising interest with respect to the Certificates is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by each Participant and others in connection with the Notes, and Bond Counsel has assumed compliance by each Participant with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Notes designated as and comprising interest with respect to the Certificates from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Participants, under existing statutes, interest on the Notes designated as and comprising interest with respect to the Certificates is exempt from personal income taxes imposed by the State of California.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Notes or the Certificates, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the date of execution and delivery, and assumes no obligation to update, revise or supplement its opinion after the date of execution and delivery to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or in interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes designated as and comprising interest with respect to the Certificates.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance of the Notes and execution and delivery of the Certificates in order that interest on the Notes designated as and comprising interest with respect to the Certificates be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes and Certificates, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes and the Certificates to become included in gross income for federal income tax purposes retroactive to their date of execution and delivery, irrespective of the date on which such noncompliance occurs or is discovered. Each of the Participants has covenanted to comply with certain applicable requirements of the

Code to assure the exclusion of interest on the Notes which is designated as and comprises interest with respect to the Certificates from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Certificates. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Certificate. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Certificates.

Prospective owners of the Certificates should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes designated as and comprising interest with respect to the Certificates may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable with respect to the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium Certificate"). In general, under Section 171 of the Code, an owner of a Premium Certificate must amortize the bond premium over the remaining term of the Premium Certificate, based on the owner's yield over the remaining term of the Premium Certificate, determined based on constant yield principles (in certain cases involving a Premium Certificate callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Certificate). An owner of a Premium Certificate must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Certificate, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Certificate may realize a taxable gain upon disposition of the Premium Certificate even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Certificates should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Certificates.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Certificates. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Certificate through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest with respect to the Certificates from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes designated as and comprising interest with respect to the Certificates under federal or state law or otherwise prevent beneficial owners of the Notes designated as and comprising interest with respect to the Certificates from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Certificates.

Prospective purchasers of the Certificates should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE

Continuing Disclosure. Each Participant has covenanted in its respective Participant Resolution to file with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system notices of the following events for so long as the Certificates are outstanding:

1. principal and interest payment delinquencies.

2. non-payment related defaults, if material.

3. modifications to rights of holders, if material.

4. Bond calls, if material and tender offers.

5. defeasances.

6. rating changes with respect to the related Series of Participation Certificates.

7. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (Internal Revenue Service Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes and the related Series of Participation Certificates, or other material events affecting the tax status of the Notes and the related Series of Participation Certificates.

8. unscheduled draws on the debt service reserves reflecting financial difficulties.

9. unscheduled draws on the credit enhancements reflecting financial difficulties.

10. release, substitution or sale of property securing repayment of the Notes and the related Series of Participation Certificates, if material.

11. bankruptcy, insolvency, receivership or similar event of the respective Participant (such event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the respective Participant in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the respective Participant, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the respective Participant);

12. substitution of credit or liquidity providers, or their failure to perform with respect to its Note and the related Series of Participation Certificates;

13. the consummation of a merger, consolidation, or acquisition involving the respective Participant or the sale of all or substantially all of the assets of the respective Participant, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. appointment of a successor or additional Certificate Agent or the change of name of a Certificate Agent, if material;

15. incurrence of a Financial Obligation of the respective Participant, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the respective Participant, any of which affect Note holders, if material; and

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the respective Participant, any of which reflect financial difficulties.

"Financial Obligation" means "financial obligation" as such term is defined in Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

There are currently no debt service reserves or liquidity providers in place with respect to the payment of principal and interest with respect to the Certificates, and the Certificates are not subject to prepayment prior to their Maturity Date in accordance with their terms. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. Each Participant's continuing disclosure obligations under its respective Participant Resolution shall terminate upon payment in full of its respective Note**.** If such termination occurs or is deemed to occur prior to the final maturity of the Certificates, the Participant shall give notice of such termination in the same manner as for a Notice Event.

Other Reports. Each Participant regularly prepares a variety of reports, including audits, budgets and related documents. Any owner of a Certificate may obtain a copy of any such report, as available, from any such Participant at its respective address designated in Appendix A hereto. Additional information regarding this Official Statement may be obtained by contacting: the Los Angeles County Office of Education, 9300 Imperial Highway, Downey, California 90242-2890; Attention, Assistant Director.

LITIGATION

No Litigation. There is no litigation now pending or threatened (i) to restrain or enjoin the issuance or sale of the Notes or the execution and delivery of the Certificates; (ii) questioning or affecting the validity of the Notes, the Certificates or the Resolutions; or (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution or delivery of the Notes or the Certificates.

There are a number of lawsuits and claims pending against certain of the Participants. The aggregate amount of uninsured liabilities of the Participants which may result from such suits and claims, as determined by the Participants, will not, in the opinion of each Participant (as to its own uninsured liabilities only), materially affect the Participants' finances or impair their ability to pay amounts sufficient to pay principal of and interest on the Notes as evidenced and represented by the Certificates.

RATINGS

The Certificates have been assigned the ratings of "SP-1+" by S&P Global Ratings ("S&P"). The ratings reflect only the views of S&P, and the Participants make no representation as to the appropriateness of the ratings. An explanation of the significance of such rating may be obtained at the following address: Standard & Poor's, 55 Water Street, New York, New York 10041, tel. (212) 438-2474. Further, there is no assurance that such ratings will continue for any given period of time or that it will not be revised or withdrawn entirely if, in the sole judgment of S&P, circumstances so warrant. Any downward revision or withdrawal of the ratings may have an adverse effect on the trading value and the market price of the Certificates.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Certificates and the Notes will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Los Angeles, California, Bond Counsel, the proposed form of which is attached hereto as Appendix C. Certain legal matters will be passed upon for the Underwriter by its counsel, Norton Rose Fulbright US LLP, Los Angeles, California. Compensation to be paid to Bond Counsel and Underwriter's Counsel is contingent upon the issuance of the Certificates.

MUNICIPAL ADVISOR

Montague DeRose and Associates, LLC is employed as Municipal Advisor to the Participants in connection with the issuance of the Certificates. The Municipal Advisor's compensation for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. Montague DeRose and Associates, LLC, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Certificates or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies. The Municipal Advisor to the Participants has provided the following sentence for inclusion in this Official Statement: The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Participants and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

UNDERWRITING

The Certificates are being purchased by the Underwriter. Pursuant to the Purchase Contract, dated September 8, 2022, by and between the Treasurer and the Underwriter (the "Purchase Contract"), the Underwriter has agreed to purchase the Certificates at a price of $14,345,337.00, which represents the aggregate principal amount of the Notes evidenced and represented by the Certificates in the amount of $14,200,000.00, plus a premium in the amount of $169,832.00 and less an Underwriter's discount of $24,495.00. The Purchase Contract provides that the Underwriter will purchase all of the Certificates, if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by Underwriter's Counsel and certain other conditions.

The Underwriter may offer and sell the Certificates to certain dealers and others at a price lower than the initial public offering price. The offering price may be changed from time to time by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of either the County or the Participants. The Underwriter and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the either the County or the Participants.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Participants and the purchasers or owners of any of the Certificates. This Official Statement speaks only as of its date, and the information contained herein is subject to change. Neither the County nor the Participants have entered into any contractual arrangement to provide information on a continuing basis to investors or any other party. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Participants since the date hereof. The delivery of this Official Statement has been duly authorized by the Participants.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

PARTICIPANT INFORMATION AND CASH FLOW STATEMENTS

Unless otherwise indicated, the following information has been provided by the Participants concerning their operations. Additional information concerning the Participants and copies of their most recent (as well as subsequent) audited financial statements may be obtained by contacting a Participant at the address set forth for such Participant in this Appendix A. Capitalized terms used herein but not otherwise defined shall have the respective meanings set forth in the forepart of this Official Statement.

The cash flow projections in the following pages represent the current best estimate of the respective Participant, based on information available as of the date of the projections. However, due to the uncertainties inherent in the State of California budgeting process (see "PARTICIPANT FINANCES – State Assistance"), these projections are subject to change and may vary considerably from actual cash flows experienced by the respective Participants during the Fiscal Year 2021-22 and for the Fiscal Year 2022-23. The audited financial statements of the Participants for Fiscal Years 2018-19, 2019-20 and 2020-21, along with certain other information pertaining to the Participants is available at https://www.lacoe.edu/BusinessServices/BusinessAdvisoryServices/PooledFinancing/TRANS.aspx. The cashflows have been posted on the above link and will be available through June 1, 2023, the final maturity of the Certificates, and also contains cash flow information pertaining to each Participant in Excel Spreadsheet format. Please note, however, that the material included in the referenced link is accurate only as of its date and should not in any way be deemed to otherwise update any other portions of the Official Statement. The website referred to is maintained by the Los Angeles County Office of Education ("LACOE") and not by the Participants or the Underwriters, and neither the Participants nor the Underwriters take any responsibility for the continued accuracy of this internet addresses or for the completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

The economic and demographic data contained in this Appendix are the latest available, but may be as of dates and for periods before the economic impact of the COVID-19 pandemic and the measures instituted to slow it. Accordingly, the information may not necessarily be indicative of the current financial condition or future economic prospects of the Participants.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

Manhattan Beach Unified School District
325 S. Peck Ave.
Manhattan Beach, CA 90266
Attn: Deputy Superintendent

General

Manhattan Beach Unified School District (the "District") was established in 1912 and unified in 1993, and consists of an area comprising approximately 3.88 square miles in the southwestern portion of Los Angeles County. Its boundaries are coterminous with the City of Manhattan Beach. The District operates five elementary schools, one middle school, one high school, and one preschool.

Organization

The District is governed by a five-member Board of Trustees, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The management and policies of the District are administered by a Board-appointed Superintendent who is responsible for the day-to-day operations and the supervision of other key personnel.

Outstanding Obligations

As of June 30, 2021, the District had the following long-term obligations:

Description	Balance
General obligation bonds payable and related premium	$211,976,430
General obligation bonds, accreted interest	59,671,451
Net pension liability	96,642,603
Compensated Absences	369,289
Supplementary retirement plan	0
OPEB obligation – net	3,050,048
TOTAL LONG-TERM OBLIGATIONS	$371,709,821

Source: District's Fiscal Year 2020-21 Audit.

Collective Bargaining Agreements

The District settled in Fiscal Year 2021-22 for an on-schedule increase of 2.5%. These agreements have been taken into account in the TRAN cash flows. The District and both the certificated and classified employee groups have begun the process of negotiations for Fiscal Year 2022-23 which will occur in the upcoming months. The cash flows do not reflect any changes to the current salaries and benefits.

Cash Flow Assumptions

The District made the following assumptions in its cash flows:

- The District has assumed 3 year average daily attendance averaging for purposes of its Local Control Funding Formula (LCFF) revenue calculations

- The District is using the State Adopted Budget assumptions for its Fiscal Year 2022-23 budget

- The collective bargaining agreements described above have been incorporated into the cash flows

LCFF Funding History and Projection

The following table sets forth funded ADA and LCFF figures for the District for Fiscal Years 2017-18 through 2021-22 and an estimate for Fiscal Year 2022-23.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SUMMARY OF ADA AND LCFF

Fiscal Year	Funded ADA	LCFF per ADA
2017-18[1]	6,533	7,989
2018-19[1]	6,411	8,534
2019-20[1]	6,376	8,812
2020-21[1]	6,306	8,839
2021-22[2]	5,567	10,555
2022-23[3]	5,594	11,058

[1] Source: California Department of Education.
[2] Source: District's Fiscal Year 2021-22 Estimated Actuals.
[3] Source: District's Fiscal Year 2022-23 Adopted Budget.

Assessed Value

The following table sets forth assessed values for the District for the past five Fiscal Years:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SUMMARY OF ASSESSED VALUE

Fiscal Year	Local Secured	Utility	Unsecured	Total
2017-18	$17,312,304,271	$0	$280,014,996	$17,592,319,267
2018-19	18,378,047,880	0	298,552,478	18,676,600,358
2019-20	19,508,213,309	0	314,957,785	19,823,171,094
2020-21	20,909,183,076	0	327,083,220	21,236,266,296
2021-22	21,840,276,126	0	347,170,632	22,187,446,758

Source: California Municipal Statistics, Inc.

Retirement Systems

The District participates in STRS for qualified certificated employees. The contribution requirements of the plan members are established by State statute. The following table sets forth the District's contributions to STRS for Fiscal Years 2017-18 through 2021-22. These amounts are the required contributions for each Fiscal Year.

Fiscal Year	Contribution
2017-18[1]	$4,900,159
2018-19[1]	5,833,189
2019-20[1]	6,265,539
2020-21[1]	5,657,683
2021-22[2]	9,669,420

[1] Source: District's Audited Financial Statements.
[2] Source: District's Fiscal Year 2021-22 Estimated Actuals.

The District also participates in PERS for all full-time and some part-time classified employees. The contribution requirements of the plan members are established by State statute. The following table sets forth the District's contributions to PERS for Fiscal Years 2017-18 through 2021-22. These amounts are the required contributions for each Fiscal Year.

Fiscal Year	Contribution
2017-18[1]	$2,073,274
2018-19[1]	2,722,751
2019-20[1]	3,135,238
2020-21[1]	3,103,897
2021-22[2]	3,656,056

[1] Source: District's Audited Financial Statements.
[2] Source: District's Fiscal Year 2021-22 Estimated Actuals.

Other Post-Employment Benefits

The District pays a portion of the medical costs for eligible retirees through a retiree benefit plan ("OPEB Plan"), which is a defined benefit plan for OPEB. For a general discussion of the calculation of the OPEB liabilities, see "PARTICIPANT FINANCES-- Financial Statements and Accounting Practices-- GASB Statement 75." For the fiscal year ended June 30, 2021, the District reported total and net OPEB liabilities and OPEB contributions for its OPEB Plan as set forth in the following table:

OPEB Plan	Total OPEB Liability	Net OPEB Liability	District Contribution
District Plan[(1)]	$2,614,075	$2,614,075	$178,537
Medicare Premium Payment Program[(1)]	453,973	453,973	15,030
TOTAL	$3,050,048	$3,050,048	$193,567

[(1)] Based on a measurement date of June 30, 2020.
Source: District's Fiscal Year 2020-21 Audit.

Sources of Alternate Liquidity

The District has moneys in certain accounts which are designated for certain uses but which can be used on a temporary basis for its other obligations, including its Note.

Name or Type of Fund	Balance as of June 30, 2021	Estimated Balance as of June 30, 2022	Estimated Balance as of June 30, 2023
Capital Facilities/Developer Fees	$6,329,863	$1,167,739	$1,809,059
Total	$6,329,863	$1,167,739	$1,809,059

Prospective purchasers of the Certificates should be aware that such funds have restricted uses but can be used as alternative sources of liquidity for the payment of District obligations; no representation is made by the District that such funds would in fact be made available for the payment of its Note in the absence of other revenues.

COVID-19 State and Federal Funding

The District has received or is expected to receive approximately $11.9 million in State and federal funding related to COVID-19. The aforementioned State and federal funding is considered one-time, restricted, emergency relief funding to address the impact COVID-19 has had on elementary and secondary schools and is not available for payment of the Notes or Certificates.

Financial Reports

The General Fund is the major fund classification of the District. The following table is a summary of the District's General Fund during Fiscal Years 2018-19, 2019-20 and 2020-21.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN
GENERAL FUND BALANCES FOR FISCAL YEARS ENDING
JUNE 30, 2019, 2020 AND 2021

	GENERAL FUND 2018-19 AUDITED	GENERAL FUND 2019-20 AUDITED	GENERAL FUND 2020-21 AUDITED
BEGINNING FUND BALANCE	$11,149,418	$8,253,453	$5,901,728
Total Revenues	85,707,344	85,757,688	92,017,329
Total Beginning Fund Balance and Revenues	96,856,762	94,011,141	97,919,057
Total Expenditures	(88,629,639)	(88,109,413)	(86,323,473)
Other Financing Sources (Uses)	26,330	-	-
ENDING FUND BALANCE	$8,253,453	$5,901,728	$11,595,584

Source: District's Audited Financial Statements.

District General Fund Budgets

The following table is a summary of the District's General Fund budgets for Fiscal Years 2021-22 and 2022-23.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SUMMARY OF 2021-22 BUDGET AND 2022-23 BUDGET[(1)]
FOR DISTRICT GENERAL FUND

	GENERAL FUND 2021-22 BUDGET	GENERAL FUND 2022-23 BUDGET
BEGINNING FUND BALANCE	$10,142,937	$11,744,770
Total Revenues	87,443,065	91,926,350
Total Beginning Fund Balance and Revenues	97,586,002	103,671,120
Total Expenditures	(84,178,684)	(88,057,793)
Other Financing Sources (Uses)	(110,863)	(0)
ENDING FUND BALANCE	$13,296,455	$15,613,327

[(1)] District's Fiscal Year 2021-22 and 2022-23 Adopted Budgets.

District General Fund Balance Sheets

The following table is a summary of the District's General Fund Balance Sheets for Fiscal Years 2018-19, 2019-20 and 2020-21.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
GENERAL FUND BALANCE SHEET
FOR FISCAL YEARS ENDING
JUNE 30, 2019, 2020 AND 2021

	GENERAL FUND 2018-19 AUDITED	GENERAL FUND 2019-20 AUDITED	GENERAL FUND 2020-21 AUDITED
Total Assets	$16,584,778	$15,783,155	$28,491,141
Total Liabilities	8,331,325	9,881,427	16,895,557
Fund Balance			
Nonspendable	19,442	19,440	23,783
Restricted	677,494	1,187,671	4,414,495
Assigned	0	-	-
Unassigned	7,556,517	4,694,617	7,157,306
Total Fund Balance	8,253,453	5,901,728	11,595,584
Total Liabilities and Fund Balance	$16,584,778	$15,783,155	$28,491,141

Source: District's Audited Financial Statements.

Secured Tax Charges and Delinquencies

The following table sets forth the secured tax charges and delinquencies for the District for Fiscal Years 2016-17 through 2020-21.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SECURED TAX CHARGES AND DELINQUENCIES

	Secured Tax Charge(1)	Amt. Del. June 30	% Del. June 30
2016-17	$25,134,674.71	$299,680.15	1.19%
2017-18	27,155,926.97	338,606.83	1.25
2018-19	28,866,792.41	395,745.34	1.37
2019-20	30,832,321.19	697,585.99	2.26
2020-21	33,146,093.84	566,677.80	1.71

	Secured Tax Charge(2)	Amt. Del. June 30	% Del. June 30
2016-17	$11,014,889.20	$110,983.85	1.01%
2017-18	16,481,417.76	162,627.64	0.99
2018-19	17,120,283.99	180,793.21	1.06
2019-20	18,251,335.31	289,568.11	1.59
2020-21	18,550,876.33	235,853.16	1.27

(1) 1% General Fund apportionment. Excludes redevelopment agency impounds. Reflects Countywide delinquency rate.
(2) District's general obligation bond debt service levy.
Source: California Municipal Statistics, Inc.

Largest Fiscal Year 2021-22 Local Secured Taxpayers

The following table sets forth the largest local secured taxpayers in the District in Fiscal Year 2021-22.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
LARGEST FISCAL YEAR 2021-22 LOCAL SECURED TAXPAYERS

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% of Total[(1)]
1.	MBS Media Campus LLC	Industrial	$343,799,205	1.57%
2.	Rreef America REIT II Corp. BBB	Shopping Center	224,442,565	1.03
3.	Onni Manhattan Towers LP	Office Building	109,688,416	0.50
4.	Manhattan Beach Hotel Owner LLC	Hotel	108,270,967	0.50
5.	Northrop Grumman Systems Corp.	Industrial	77,617,248	0.36
			$863,818,401	3.96%

(1) 2021-22 Local Secured Assessed Valuation: $21,840,276,126
Source: California Municipal Statistics, Inc.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
CASH FLOWS

Los Angeles County Schools FY 2022-23 Pooled TRANs, Series A
Manhattan Beach Unified School District

	FY 2020-21 Cash Flows													
	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Accruals &	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adjustments	Total
REVENUES														
LCFF Sources														
Principal Apportionment	522,204	522,204	1,258,768	939,967	939,967	1,258,768	939,967	298,036	454,512	140,525	138,700	315,069	775,032	8,503,719
Property Taxes	327,533	1,606,105	11,273	-	650,466	17,684,762	4,431,218	1,942,772	87,816	13,396,731	5,820,076	1,710,830	-	47,669,581
Miscellaneous Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenue	-	-	2,198,613	-	-	21,579	154	-	-	-	-	469,963	2,018,389	4,708,698
Other State Revenue	-	2,475	479,422	174,297	1,078,558	667,617	313,735	313,735	496,448	256,215	2,920,211	1,338,520	6,213,324	14,254,558
Other Local Revenue	93,835	1,398,651	177,216	9,943	9,515	1,704,518	1,828,871	235,177	36,924	1,549,609	1,273,943	5,658,049	2,873,303	16,849,556
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**943,572**	**3,529,435**	**4,125,292**	**1,124,207**	**2,678,506**	**21,337,245**	**7,513,945**	**2,789,720**	**1,075,701**	**15,343,080**	**10,152,930**	**9,492,432**	**11,880,049**	**91,986,112**
EXPENDITURES														
Certificated Salaries	31,558	287,219	3,059,407	3,088,683	3,049,790	3,148,062	3,072,372	3,054,295	3,073,141	3,100,949	3,110,136	7,331,514	102,969	35,510,095
Classified Salaries	38,244	465,894	1,057,375	1,184,151	1,192,775	1,154,587	1,215,103	1,225,324	1,094,620	1,263,088	1,312,431	2,773,034	46,137	14,022,763
Employee Benefits	301,904	194,281	966,614	1,656,892	1,645,276	1,660,546	1,668,673	1,651,942	1,613,925	1,679,690	1,683,321	3,257,118	3,795,143	21,775,325
Books and Supplies	22,895	158,382	296,156	157,295	289,156	515,531	296,765	151,535	220,873	237,601	137,228	269,924	23,060	2,776,401
Services	177,981	1,183,253	353,664	430,426	656,779	1,357,200	909,638	1,391,390	897,881	637,808	1,078,409	1,861,003	799,934	11,735,365
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	3,354	-	3,354
Other Outgo	1,947	1,947	3,504	3,504	88,775	3,504	3,504	1,673	10,820	789	169,492	(10,000)	220,711	500,170
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**574,530**	**2,290,975**	**5,736,719**	**6,520,951**	**6,922,551**	**7,839,428**	**7,166,056**	**7,476,159**	**6,911,261**	**6,919,925**	**7,491,017**	**15,485,948**	**4,987,954**	**86,323,473**
REVENUES MINUS EXPENDITURES	**369,042**	**1,238,460**	**(1,611,428)**	**(5,396,744)**	**(4,244,045)**	**13,497,817**	**347,890**	**(4,686,439)**	**(5,835,560)**	**8,423,155**	**2,661,913**	**(5,993,516)**	**6,892,095**	**5,662,640**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	4,510,377	(8,811)	269,673	1,165	7,268	725,076	233,985	(5,148)	102,173	1,801,175	997,872	1,168,943	(9,732,480)	71,268
Total Current Liabilities	(8,001,814)	(1,180,618)	(333,154)	204,852	565,369	(803,926)	137,904	1,794,827	1,086,820	(2,645,847)	139,388	5,989,212	3,083,297	36,311
TOTAL BALANCE SHEET TRANS.	**(3,491,438)**	**(1,189,429)**	**(63,480)**	**206,017**	**572,637**	**(78,851)**	**371,889**	**1,789,679**	**1,188,993**	**(844,672)**	**1,137,260**	**7,158,155**	**(6,649,183)**	**107,578**
BEG. CASH BALANCE, BEFORE TRAN	**3,937,806**	**815,410**	**864,441**	**(810,467)**	**(6,001,194)**	**(9,672,602)**	**3,746,364**	**4,466,143**	**1,569,382**	**(3,077,185)**	**4,501,299**	**8,300,472**	**9,465,112**	
NET CHANGE IN CASH	(3,122,395)	49,031	(1,674,908)	(5,190,727)	(3,671,408)	13,418,966	719,778	(2,896,760)	(4,646,567)	7,578,484	3,799,173	1,164,639	242,912	5,770,218
END. CASH BALANCE, BEFORE TRAN	**815,410**	**864,441**	**(810,467)**	**(6,001,194)**	**(9,672,602)**	**3,746,364**	**4,466,143**	**1,569,382**	**(3,077,185)**	**4,501,299**	**8,300,472**	**9,465,112**	**9,708,023**	
TRAN BORROWING														
FY 2019-20 Cross FY TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2020-21 TRAN	-	15,085,000	-	-	-	-	(15,279,848)	194,848	-	-	-	-	-	-
FY 2020-21 Cross FY TRAN	-	-	-	-	-	-	-	6,810,000	-	-	(3,010,000)	-	-	3,800,000
BEG. CASH BALANCE, AFTER TRAN	**3,937,806**	**815,410**	**15,949,441**	**14,274,533**	**9,083,806**	**5,412,398**	**18,831,364**	**4,271,295**	**8,379,382**	**3,732,815**	**11,311,299**	**12,100,472**	**13,265,112**	
NET CHANGE IN CASH	(3,122,395)	15,134,031	(1,674,908)	(5,190,727)	(3,671,408)	13,418,966	(14,560,070)	4,108,088	(4,646,567)	7,578,484	789,173	1,164,639	242,912	9,570,218
END. CASH BALANCE, AFTER TRAN	**815,410**	**15,949,441**	**14,274,533**	**9,083,806**	**5,412,398**	**18,831,364**	**4,271,295**	**8,379,382**	**3,732,815**	**11,311,299**	**12,100,472**	**13,265,112**	**13,508,023**	

Los Angeles County Schools FY 2022-23 Pooled TRANs, Series A
Manhattan Beach Unified School District

	FY 2021-22 Cash Flows													
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Accruals &	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Adjustments	Total
REVENUES														
LCFF Sources														
Principal Apportionment	153,788	2,476,613	1,248,496	933,186	933,186	1,236,273	933,186	552,254	865,204	552,254	552,254	114,318	(498)	10,550,514
Property Taxes	690,749	1,624,129	(67,130)	-	661,917	18,443,862	4,655,277	2,249,882	136,754	13,719,651	6,079,291	600,175	677,971	49,472,528
Miscellaneous Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenue	-	135,436	152,136	29,035	(80,091)	26,127	138,229	-	-	745	207	487,767	5,323,712	6,213,303
Other State Revenue	-	-	837,845	394,211	683,280	3,549,571	620,151	462,807	1,005,169	447,811	427,482	1,940,459	3,578,974	13,947,760
Other Local Revenue	49,653	92,312	1,248,413	449,665	736,555	1,041,906	260,155	244,389	269	1,077,075	282,377	7,432,437	1,341,675	14,256,880
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**894,190**	**4,328,490**	**3,419,759**	**1,806,097**	**2,934,847**	**24,297,739**	**6,606,997**	**3,509,332**	**2,007,397**	**15,797,536**	**7,341,611**	**10,575,157**	**10,921,834**	**94,440,986**
EXPENDITURES														
Certificated Salaries	221,386	463,890	2,980,507	3,100,931	3,124,672	3,123,549	3,125,854	3,128,096	3,586,367	3,278,260	3,233,787	6,630,115	1,809,155	37,806,568
Classified Salaries	94,453	555,911	1,034,881	1,292,081	1,321,527	1,258,298	1,294,957	1,364,417	1,226,309	1,557,975	1,307,225	2,257,352	776,447	15,341,833
Employee Benefits	70,236	277,463	1,014,288	1,707,693	1,724,756	1,713,225	1,727,526	1,747,120	1,811,389	1,835,358	1,749,961	3,243,083	4,006,825	22,628,924
Books and Supplies	(586)	102,803	263,486	242,092	158,073	234,768	250,729	444,289	210,922	183,233	308,545	521,987	627,455	3,547,795
Services	-	1,109,632	709,832	730,905	600,375	1,215,282	800,859	983,519	685,912	697,390	1,013,077	2,449,306	2,043,879	13,039,966
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Outgo	5,241	10,886	3,618	(6,996)	(19,043)	(8,489)	3,618	38,938	(575)	(575)	(575)	204,321	247,402	477,771
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**390,730**	**2,520,585**	**6,006,612**	**7,066,706**	**6,910,360**	**7,536,632**	**7,203,543**	**7,706,378**	**7,520,324**	**7,551,642**	**7,612,020**	**15,306,163**	**9,511,163**	**92,842,857**
REVENUES MINUS EXPENDITURES	**503,459**	**1,807,905**	**(2,586,852)**	**(5,260,608)**	**(3,975,513)**	**16,761,107**	**(596,545)**	**(4,197,047)**	**(5,512,927)**	**8,245,894**	**(270,409)**	**(4,731,006)**	**1,410,671**	**1,598,129**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	37,294	(12,459)	(26,989)	2,190,647	2,131,191	23,370	1,019	(198)	238	(6,993)	(12,693)	3,889,422	(10,921,834)	(2,707,985)
Total Current Liabilities	(6,094,849)	(102,549)	(1,493,280)	(1,347,472)	(241,789)	(517,328)	410,979	(752,671)	(379,645)	(153,791)	282,334	6,748,517	9,511,163	5,869,620
TOTAL BALANCE SHEET TRANS.	**(6,057,555)**	**(115,008)**	**(1,520,269)**	**843,175**	**1,889,402**	**(493,958)**	**411,998**	**(752,869)**	**(379,407)**	**(160,784)**	**269,641**	**10,637,939**	**(1,410,671)**	**3,161,635**
BEG. CASH BALANCE, BEFORE TRAN	**13,508,023**	**7,953,928**	**9,646,825**	**5,539,703**	**1,122,270**	**(963,841)**	**15,303,308**	**15,118,761**	**10,168,845**	**4,276,511**	**12,361,621**	**12,360,854**	**18,267,787**	
NET CHANGE IN CASH	(5,554,096)	1,692,897	(4,107,122)	(4,417,433)	(2,086,111)	16,267,150	(184,547)	(4,949,916)	(5,892,334)	8,085,110	(767)	5,906,933	-	4,759,764
END. CASH BALANCE, BEFORE TRAN	**7,953,928**	**9,646,825**	**5,539,703**	**1,122,270**	**(963,841)**	**15,303,308**	**15,118,761**	**10,168,845**	**4,276,511**	**12,361,621**	**12,360,854**	**18,267,787**	**18,267,787**	
TRAN BORROWING														
FY 2020-21 Cross FY TRAN	(952,280)	(780,900)	(2,185,238)	-	-	118,418	-	-	-	-	-	-	-	(3,800,000)
FY 2021-22 TRAN	-	11,665,000	-	-	-	-	(5,832,500)	-	-	-	(6,011,363)	178,863	-	-
FY 2021-22 Cross FY TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BEG. CASH BALANCE, AFTER TRAN	**13,508,023**	**7,001,648**	**19,578,645**	**13,286,285**	**8,868,851**	**6,782,740**	**23,168,308**	**17,151,261**	**12,201,345**	**6,309,011**	**14,394,121**	**8,381,991**	**14,467,787**	
NET CHANGE IN CASH	(6,506,376)	12,576,997	(6,292,360)	(4,417,433)	(2,086,111)	16,385,568	(6,017,047)	(4,949,916)	(5,892,334)	8,085,110	(6,012,131)	6,085,797	-	959,764
END. CASH BALANCE, AFTER TRAN	**7,001,648**	**19,578,645**	**13,286,285**	**8,868,851**	**6,782,740**	**23,168,308**	**17,151,261**	**12,201,345**	**6,309,011**	**14,394,121**	**8,381,991**	**14,467,787**	**14,467,787**	

Los Angeles County Schools FY 2022-23 Pooled TRANs, Series A
Manhattan Beach Unified School District

	FY 2022-23 Cash Flows													
	Jul-22 Projected	Aug-22 Projected	Sep-22 Projected	Oct-22 Projected	Nov-22 Projected	Dec-22 Projected	Jan-23 Projected	Feb-23 Projected	Mar-23 Projected	Apr-23 Projected	May-23 Projected	Jun-23 Projected	Accruals & Adjustments	Total
REVENUES														
LCFF Sources														
Principal Apportionment	793,612	793,612	1,428,502	1,428,502	1,428,502	1,428,502	1,428,502	1,168,299	1,168,299	1,168,299	1,168,299	1,168,299	-	14,571,229
Property Taxes	690,749	1,624,129	(67,130)	-	661,917	18,443,862	4,655,277	2,249,882	136,754	13,719,651	6,079,291	-	1,278,146	49,472,528
Miscellaneous Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenue	-	431,907	431,907	431,907	431,907	431,907	431,907	431,907	431,907	431,907	431,907	431,907	431,908	5,182,885
Other State Revenue	-	850,000	751,939	690,000	3,500,000	351,939	450,000	498,058	791,939	425,000	800,000	1,001,939	2,149,465	12,260,279
Other Local Revenue	50,000	90,000	1,250,000	450,000	735,000	1,040,000	260,000	240,000	-	1,100,000	300,000	6,000,000	1,316,210	12,831,210
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**1,534,361**	**3,789,648**	**3,795,218**	**3,000,409**	**6,757,326**	**21,696,210**	**7,225,686**	**4,588,146**	**2,528,899**	**16,844,857**	**8,779,497**	**8,602,145**	**5,175,729**	**94,318,131**
EXPENDITURES														
Certificated Salaries	1,040,066	2,992,121	2,992,121	2,992,121	2,992,121	2,992,121	2,992,121	2,992,121	3,289,090	2,992,121	2,992,121	2,992,121	2,695,151	36,945,517
Classified Salaries	507,225	1,251,965	1,251,965	1,251,965	1,251,965	1,251,965	1,251,965	1,251,965	1,251,965	1,251,965	1,251,965	1,251,965	1,251,966	15,530,806
Employee Benefits	215,410	2,004,762	2,004,762	2,004,762	2,004,762	2,004,762	2,004,762	2,004,762	2,004,762	2,004,762	2,004,762	2,004,762	2,004,767	24,272,559
Books and Supplies	19,275	169,986	169,986	169,986	169,986	169,986	169,986	169,986	169,986	169,986	169,986	169,986	169,990	2,059,111
Services	211,505	960,232	960,232	971,317	960,232	960,232	960,232	960,232	960,232	960,232	960,232	960,232	949,142	11,734,284
Capital Outlay	-	-	89,592	-	-	-	-	-	-	-	-	-	-	89,592
Other Outgo	-	-	117,940	-	-	117,940	-	-	117,940	-	-	-	117,940	471,760
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,993,481**	**7,379,066**	**7,586,598**	**7,390,151**	**7,379,066**	**7,497,006**	**7,379,066**	**7,379,066**	**7,793,975**	**7,379,066**	**7,379,066**	**7,379,066**	**7,188,956**	**91,103,629**
REVENUES MINUS EXPENDITURES	**(459,120)**	**(3,589,418)**	**(3,791,380)**	**(4,389,742)**	**(621,740)**	**14,199,204**	**(153,380)**	**(2,790,920)**	**(5,265,076)**	**9,465,791**	**1,400,431**	**1,223,079**	**(2,013,227)**	**3,214,502**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	4,172	3,732	-	2,187,743	2,134,061	22,347	-	(3,322)	1,820	3,128	(17,402)	1,084,870	(5,175,729)	245,420
Total Current Liabilities	(4,754,849)	(1,702,049)	(85,119)	710,084	(241,789)	(517,328)	137,904	(892,671)	(480,645)	(493,791)	147,274	3,048,517	7,188,956	2,064,495
TOTAL BALANCE SHEET TRANS.	**(4,750,677)**	**(1,698,317)**	**(85,119)**	**2,897,827**	**1,892,272**	**(494,981)**	**137,904**	**(895,993)**	**(478,825)**	**(490,663)**	**129,872**	**4,133,387**	**2,013,227**	**2,309,915**
BEG. CASH BALANCE, BEFORE TRAN	**14,467,787**	**9,257,990**	**3,970,255**	**93,756**	**(1,398,159)**	**(127,627)**	**13,576,596**	**13,561,120**	**9,874,207**	**4,130,306**	**13,105,435**	**14,635,738**	**19,992,204**	
NET CHANGE IN CASH	(5,209,797)	(5,287,735)	(3,876,499)	(1,491,915)	1,270,532	13,704,223	(15,476)	(3,686,913)	(5,743,900)	8,975,128	1,530,304	5,356,466	-	5,524,417
END. CASH BALANCE, BEFORE TRAN	**9,257,990**	**3,970,255**	**93,756**	**(1,398,159)**	**(127,627)**	**13,576,596**	**13,561,120**	**9,874,207**	**4,130,306**	**13,105,435**	**14,635,738**	**19,992,204**	**19,992,204**	
TRAN BORROWING														
FY 2021-22 Cross FY TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2022-23 TRAN	-	-	8,900,000	-	-	-	(4,450,000)	-	-	-	(4,450,000)	-	-	-
FY 2022-23 Cross FY TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BEG. CASH BALANCE, AFTER TRAN	**14,467,787**	**9,257,990**	**3,970,255**	**8,993,756**	**7,501,841**	**8,772,373**	**22,476,596**	**18,011,120**	**14,324,207**	**8,580,306**	**17,555,435**	**14,635,738**	**19,992,204**	
NET CHANGE IN CASH	(5,209,797)	(5,287,735)	5,023,501	(1,491,915)	1,270,532	13,704,223	(4,465,476)	(3,686,913)	(5,743,900)	8,975,128	(2,919,696)	5,356,466	-	5,524,417
END. CASH BALANCE, AFTER TRAN	**9,257,990**	**3,970,255**	**8,993,756**	**7,501,841**	**8,772,373**	**22,476,596**	**18,011,120**	**14,324,207**	**8,580,306**	**17,555,435**	**14,635,738**	**19,992,204**	**19,992,204**	

SAN GABRIEL UNIFIED SCHOOL DISTRICT

San Gabriel Unified School District
408 Junipero Serra Drive
San Gabriel, CA 91776
Attn: Assistant Superintendent of Business Services

General

The San Gabriel Unified School District (the "District") was first established as an elementary school district in 1868 and became a unified school district on July 1, 1992. The District is located in Los Angeles County, California, and is comprised of approximately 4.54 square miles. The District includes portions of the incorporated cities of San Gabriel and Rosemead, as well as unincorporated areas of the County, located about nine miles east of downtown Los Angeles. The District includes five elementary schools, one middle school, one comprehensive high school, one continuation high school.

Organization

The governing board of the District is the Board of Education of the San Gabriel Unified School District (the "Board"). The Board consists of five members who are elected at-large to overlapping four-year terms at elections held every two years.

Outstanding Obligations

As of June 30, 2021, the District had the following long-term obligations:

Description	Balance
General obligation bonds payable and related premium	$99,981,945
Net pension liability	65,263,679
Compensated Absences	800,564
Capital leases	-
OPEB obligation – net	9,053,242
TOTAL LONG-TERM OBLIGATIONS	$175,099,430

Source: District's Fiscal Year 2020-21 Audit.

Collective Bargaining Agreements

The District has an agreement with its certificated bargaining unit, the San Gabriel Teachers Association ("SGTA") for Fiscal Years 2021-22 and 2022-23. The agreement with the SGTA included a 2% on schedule increase effective January 1, 2022, 3% on schedule increase effective July 1, 2022, and adjustments to the salary schedule valued at approximately $650,000 (including statutory benefits). The District also has an agreement with Classified Staff for Fiscal Years 2021-22 and 2022-23. There was no increase for Fiscal Year 2021-22 but there will be a 5% on schedule increase effective July 1, 2022 and the addition of one column on the salary schedule (equivalent to a 3.5% increase). These changes to the Classified schedule are valued at approximately $300,000 (including statutory benefits). Confidential and Management employees received no increase for Fiscal Year 2021-22, but will receive a 5% on schedule increase effective July 1, 2022 and the addition of one column on the salary schedule (equivalent to a 3% increase).

Cash Flow Assumptions

The District made the following assumptions in its cash flows:

- The District has assumed 3 year average daily attendance averaging for purposes of its Local Control Funding Formula (LCFF) revenue calculations
- The District is using the State Adopted Budget assumptions for its Fiscal Year 2022-23 budget
- The collective bargaining agreements described above have been incorporated into the cash flows

LCFF Funding History and Projection

The following table sets forth funded ADA and LCFF figures for the District for Fiscal Years 2017-18 through 2021-22 and an estimate for Fiscal Year 2022-23.

SAN GABRIEL UNIFIED SCHOOL DISTRICT
SUMMARY OF ADA AND LCFF

Fiscal Year	Funded ADA	LCFF per ADA
2017-18(1)	5,112	9,170
2018-19(1)	5,030	9,852
2019-20(1)	4,824	10,145
2020-21(1)	4,794	10,070
2021-22(2)	4,788	10,820
2022-23(3)	4,669	12,031

(1) Source: California Department of Education.
(2) Source: District's Fiscal Year 2021-22 Estimated Actuals.
(3) Source: District's Fiscal Year 2022-23 Adopted Budget.

Assessed Value

The following table sets forth assessed values for the District for the past five Fiscal Years:

SAN GABRIEL UNIFIED SCHOOL DISTRICT
SUMMARY OF ASSESSED VALUE

Fiscal Year	Local Secured	Utility	Unsecured	Total
2017-18	$5,463,426,900	$83,136	$77,049,295	$5,540,559,331
2018-19	5,783,315,231	83,136	85,009,657	5,868,408,024
2019-20	6,209,218,262	83,136	83,226,175	6,292,527,573
2020-21	6,484,834,512	105,452	79,986,412	6,564,926,376
2021-22	6,710,845,285	105,352	79,204,611	6,790,155,248

Source: California Municipal Statistics, Inc.

Retirement Systems

The District participates in STRS for qualified certificated employees. The contribution requirements of the plan members are established by State statute. The following table sets forth the District's contributions to STRS for Fiscal Years 2017-18 through 2021-22. These amounts are the required contributions for each Fiscal Year.

Fiscal Year	Contribution
2017-18[1]	$3,625,741
2018-19[1]	4,230,782
2019-20[1]	4,489,483
2020-21[1]	4,210,807
2021-22[2]	7,884,090

[1] Source: District's Audited Financials.
[2] Source: District's Fiscal Year 2021-22 Estimated Actuals.

The District also participates in PERS for all full-time and some part-time classified employees. The contribution requirements of the plan members are established by State statute. The following table sets forth the District's contributions to PERS for Fiscal Years 2017-18 through 2021-22. These amounts are the required contributions for each Fiscal Year.

Fiscal Year	Contribution
2017-18[1]	$1,294,391
2018-19[1]	1,607,714
2019-20[1]	1,736,709
2020-21[1]	1,854,414
2021-22[2]	2,106,156

[1] Source: District's Audited Financials.
[2] Source: District's Fiscal Year 2021-22 Estimated Actuals.

Other Post-Employment Benefits

The District pays a portion of the medical costs for eligible retirees through a retiree benefit plan ("OPEB Plan"), which is a defined benefit plan for OPEB. For a general discussion of the calculation of the OPEB liabilities, see "PARTICIPANT FINANCES-- Financial Statements and Accounting Practices-- GASB Statement 75." For the fiscal year ended June 30, 2021, the District reported total and net OPEB liabilities and OPEB contributions for its OPEB Plan as set forth in the following table:

OPEB Plan	Total OPEB Liability	Net OPEB Liability	District Contribution
District Plan(1)	$9,053,242	$9,053,242	$850,887

(1) Based on a measurement date of June 30, 2021.
Source: District's Fiscal Year 2020-21 Audit.

Sources of Alternate Liquidity

The District has moneys in certain accounts which are designated for certain uses but which can be used on a temporary basis for its other obligations, including its Note.

Name or Type of Fund	Balance as of June 30, 2021	Projected Balance as of June 30, 2022	Projected Balance as of June 30, 2023
Deferred Maintenance	$ 374,023	$ 375,832	$ 375,000
Developer Fees	734,384	1,988,520	1,500,000
Self Insurance	597,783	571,011	550,000
Total	$1,706,190	$2,935,363	$2,425,000

Prospective purchasers of the Certificates should be aware that such funds have restricted uses but can be used as alternative sources of liquidity for the payment of District obligations; no representation is made by the District that such funds would in fact be made available for the payment of its Note in the absence of other revenues.

COVID-19 State and Federal Funding

As of June 30, 2022, the District has received or is expected to receive approximately $24.7 million in State and federal funding related to COVID-19. The aforementioned State and federal funding is considered one-time, restricted, emergency relief funding to address the impact COVID-19 has had on elementary and secondary schools and is not available for payment of the Notes or Certificates.

Financial Reports

The General Fund is the major fund classification of the District. The following table is a summary of the District's General Fund during Fiscal Years 2018-19, 2019-20 and 2020-21.

SAN GABRIEL UNIFIED SCHOOL DISTRICT
SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCES FOR FISCAL YEARS ENDING JUNE 30, 2019, 2020 AND 2021

	GENERAL FUND 2018-19 AUDITED	GENERAL FUND 2019-20 AUDITED	GENERAL FUND 2020-21 AUDITED
BEGINNING FUND BALANCE	$10,288,018	$10,584,704	$8,665,201
Total Revenues	66,053,924	64,457,535	69,412,972
Total Beginning Fund Balance and Revenues	76,341,942	75,042,239	78,078,173
Total Expenditures	65,743,050	66,262,388	67,796,396
Other Financing Sources (Uses)	(14,188)	(114,650)	(241,614)
ENDING FUND BALANCE	$10,584,704	$8,665,201	$10,040,163

Source: District's Audited Financial Statements.

District General Fund Budgets

The following table is a summary of the District's General Fund budgets for Fiscal Years 2021-22 and 2022-23.

SAN GABRIEL UNIFIED SCHOOL DISTRICT
SUMMARY OF 2021-22 BUDGET AND 2022-23 BUDGET[(1)]
FOR DISTRICT GENERAL FUND

	GENERAL FUND 2021-22 BUDGET	GENERAL FUND 2022-23 BUDGET
BEGINNING FUND BALANCE	$17,138,533	$9,777,671
Total Revenues	68,770,109	76,183,677
Total Beginning Fund Balance and Revenues	85,908,642	85,961,348
Total Expenditures	72,242,947	78,025,389
Other Financing Sources (Uses)	22,506	29,531
ENDING FUND BALANCE	$13,688,202	$7,965,490

(1) District's Fiscal Year 2021-22 and 2022-23 Adopted Budgets.

District General Fund Balance Sheets

The following table is a summary of the District's General Fund Balance Sheets for Fiscal Years 2018-19, 2019-20 and 2020-21.

SAN GABRIEL UNIFIED SCHOOL DISTRICT
GENERAL FUND BALANCE SHEET
FOR FISCAL YEARS ENDING
JUNE 30, 2019, 2020 AND 2021

	GENERAL FUND 2018-19 AUDITED	GENERAL FUND 2019-20 AUDITED	GENERAL FUND 2020-21 AUDITED
Total Assets	$17,200,970	$20,543,343	$30,171,851
Total Liabilities	6,616,266	11,878,142	20,131,687
Fund Balance			
Nonspendable	49,902	85,485	74,520
Restricted	1,943,885	2,561,628	4,174,835
Assigned	654,825	581,246	2,557,015
Unassigned	7,936,092	5,436,842	3,233,794
Total Fund Balance	10,584,704	8,665,201	10,040,164
Total Liabilities and Fund Balance	$17,200,970	$20,543,343	$30,171,851

Source: District's Audited Financial Statements.

Secured Tax Charges and Delinquencies

The following table sets forth the secured tax charges and delinquencies for the District for Fiscal Years 2016-17 through 2020-21.

SAN GABRIEL UNIFIED SCHOOL DISTRICT
SECURED TAX CHARGES AND DELINQUENCIES

	Secured Tax Charge(1)	Amt. Del. June 30	% Del. June 30
2016-17	$8,784,290	$104,930	1.19%
2017-18	9,358,298	116,888	1.25
2018-19	9,896,910	135,901	1.37
2019-20	10,655,666	241,487	2.27
2020-21	11,132,999	190,594	1.71

	Secured Tax Charge(2)	Amt. Del. June 30	% Del. June 30
2016-17	$5,409,039	$ 30,396	0.56%
2017-18	5,484,007	40,505	0.74
2018-19	5,696,227	49,888	0.88
2019-20	6,000,141	89,101	1.48
2020-21	6,404,994	80,557	1.26

(1) 1% General Fund apportionment. Excludes redevelopment agency impounds. Reflects Countywide delinquency rate.
(2) Bond debt service levy only.
Source: California Municipal Statistics, Inc.

Largest Fiscal Year 2021-22 Local Secured Taxpayers

The following table sets forth the largest local secured taxpayers in the District in Fiscal Year 2021-22.

SAN GABRIEL UNIFIED SCHOOL DISTRICT
LARGEST FISCAL YEAR 2021-22 LOCAL SECURED TAXPAYERS

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% of Total[1]
1.	San Yi US Investment Company Inc.	Hotel	$99,582,758	1.48%
2.	Universal Shopping Plaza	Shopping Center	70,605,799	1.05
3.	Landwin DMV LLC	Commercial	55,278,353	0.82
4.	Landwin Hospitality LLC	Hotel	50,349,588	0.75
5.	SGVMC Calmed Investment LP	Hospital	44,171,035	0.66
			$319,987,533	4.77%

(1) 2021-22 Local Secured Assessed Valuation: $6,710,845,285
Source: California Municipal Statistic, Inc.

SAN GABRIEL UNIFIED SCHOOL DISTRICT
CASH FLOWS

Los Angeles County Schools FY 2022-23 Pooled TRANs, Series A
San Gabriel Unified School District

	FY 2020-21 Cash Flows													
	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Accruals &	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adjustments	Total
REVENUES														
LCFF Sources														
Principal Apportionment	5,788,880	1,331,498	4,729,598	2,396,696	2,396,696	4,729,599	2,396,696	(4,138,569)	3,163,987	609,520	601,605	5,368,636	4,998,024	34,372,866
Property Taxes	110,990	442,459	30,657	-	211,456	4,609,353	1,399,232	546,326	100,775	3,422,914	2,404,602	2,287,182	-	15,565,944
Miscellaneous Funds	-	-	-	(175,907)	-	(175,907)	(344,865)	(175,907)	(259,186)	(263,861)	(263,861)	(539,344)	(86,771)	(2,285,609)
Federal Revenue	41,628	1,068,842	3,490,289	1,398,889	82,197	988,178	197,690	(2,442,130)	218	17,969	196,736	1,472,856	1,750,705	8,264,066
Other State Revenue	48,375	92,549	636,291	260,326	203,727	256,225	367,439	(531,790)	391,770	123,713	2,670,937	367,374	2,132,411	7,019,347
Other Local Revenue	(52)	227,278	284,365	425,610	301,847	13,638	441,622	(2,176,541)	327,061	155,788	271,115	511,930	5,064,469	5,848,131
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	29,568	29,568
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**5,989,821**	**3,162,627**	**9,171,200**	**4,305,614**	**3,195,923**	**10,421,086**	**4,457,814**	**(8,918,611)**	**3,724,625**	**4,066,042**	**5,881,133**	**9,468,634**	**13,888,405**	**68,814,313**
EXPENDITURES														
Certificated Salaries	369,855	2,374,250	2,415,919	2,349,316	2,426,910	2,322,862	2,344,174	2,338,079	2,354,991	2,346,237	2,419,876	2,973,107	-	27,035,576
Classified Salaries	73,060	378,814	812,573	830,102	804,816	847,420	828,823	795,421	810,073	837,482	873,850	1,345,291	-	9,237,726
Employee Benefits	110,639	655,348	1,296,143	1,497,851	1,494,419	1,491,266	1,494,540	1,480,567	1,473,695	1,448,126	1,489,345	1,901,519	2,621,293	18,454,751
Books and Supplies	12,066	160,455	112,208	167,725	180,876	52,684	60,154	104,898	1,024,294	352,236	283,752	902,627	(3,717)	3,410,257
Services	112,520	808,666	527,594	560,478	317,802	324,160	535,418	466,509	397,307	540,605	734,264	1,149,772	17,917	6,493,013
Capital Outlay	-	-	-	-	-	-	-	-	-	-	25,317	5,339	-	30,656
Other Outgo	38,688	5,639	10,151	10,151	35,999	10,151	21,053	34,343	5,080	4,939	2,184	480,772	2,455,925	3,115,074
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	241,614	241,614
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**716,828**	**4,383,173**	**5,174,588**	**5,415,623**	**5,260,822**	**5,048,543**	**5,284,162**	**5,219,817**	**6,065,440**	**5,529,624**	**5,828,589**	**8,758,427**	**5,333,032**	**68,018,668**
REVENUES MINUS EXPENDITURES	**5,272,993**	**(1,220,546)**	**3,996,611**	**(1,110,009)**	**(2,064,900)**	**5,372,543**	**(826,348)**	**(14,138,428)**	**(2,340,815)**	**(1,463,582)**	**52,545**	**710,207**	**8,555,373**	**795,646**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	113,320	74,244	3,364	24,339	10,615	5,871	112,539	10,686,237	15,520	5,261	(942)	25,966	(14,503,437)	(3,427,102)
Total Current Liabilities	(2,309,914)	(1,323,371)	(439,590)	(482,231)	(948,909)	(597,375)	(284,176)	303,736	26,363	383,656	215,318	866,190	5,805,971	1,215,669
TOTAL BALANCE SHEET TRANS.	**(2,196,594)**	**(1,249,126)**	**(436,225)**	**(457,892)**	**(938,294)**	**(591,504)**	**(171,637)**	**10,989,973**	**41,883**	**388,918**	**214,375**	**892,157**	**(8,697,466)**	**(2,211,433)**
BEG. CASH BALANCE, BEFORE TRAN	**8,390,114**	**11,466,512**	**8,996,841**	**12,557,227**	**10,989,326**	**7,986,132**	**12,767,171**	**11,769,186**	**8,620,731**	**6,321,799**	**5,247,135**	**5,514,055**	**7,116,419**	
NET CHANGE IN CASH	3,076,399	(2,469,672)	3,560,386	(1,567,901)	(3,003,194)	4,781,039	(997,985)	(3,148,455)	(2,298,932)	(1,074,664)	266,920	1,602,364	(142,093)	(1,415,788)
END. CASH BALANCE, BEFORE TRAN	**11,466,512**	**8,996,841**	**12,557,227**	**10,989,326**	**7,986,132**	**12,767,171**	**11,769,186**	**8,620,731**	**6,321,799**	**5,247,135**	**5,514,055**	**7,116,419**	**6,974,326**	
TRAN BORROWING														
FY 2019-20 Cross FY TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2020-21 TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2020-21 Cross FY TRAN	-	-	-	-	-	-	-	-	-	6,870,000	-	-	-	6,870,000
BEG. CASH BALANCE, AFTER TRAN	**8,390,114**	**11,466,512**	**8,996,841**	**12,557,227**	**10,989,326**	**7,986,132**	**12,767,171**	**11,769,186**	**8,620,731**	**6,321,799**	**12,117,135**	**12,384,055**	**13,986,419**	
NET CHANGE IN CASH	3,076,399	(2,469,672)	3,560,386	(1,567,901)	(3,003,194)	4,781,039	(997,985)	(3,148,455)	(2,298,932)	5,795,336	266,920	1,602,364	(142,093)	5,454,212
END. CASH BALANCE, AFTER TRAN	**11,466,512**	**8,996,841**	**12,557,227**	**10,989,326**	**7,986,132**	**12,767,171**	**11,769,186**	**8,620,731**	**6,321,799**	**12,117,135**	**12,384,055**	**13,986,419**	**13,844,326**	

Los Angeles County Schools FY 2022-23 Pooled TRANs, Series A
San Gabriel Unified School District

	FY 2021-22 Cash Flows													
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Accruals &	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Adjustments	Total
REVENUES														
LCFF Sources														
Principal Apportionment	360,636	8,180,900	4,723,014	2,379,710	2,379,710	5,345,871	2,379,710	2,374,071	4,871,824	(2,900,486)	2,374,071	5,167,045	970,561	38,606,637
Property Taxes	198,908	441,302	(2,367)	-	294,891	4,642,683	1,420,254	587,336	153,207	3,459,598	3,494,159	96,054	-	14,786,024
Miscellaneous Funds	-	-	-	-	-	-	-	-	-	-	(526,228)	(1,130,090)	114,112	(1,542,206)
Federal Revenue	19,980	687,132	543,342	3,582,410	5,282	3,349,167	960,785	47,834	869,862	(3,129,956)	422,485	(282,836)	3,488,696	10,564,183
Other State Revenue	-	16,125	722,518	582,955	727,262	2,497,910	196,321	119,570	467,374	680,167	155,969	1,330,252	3,756,420	11,252,842
Other Local Revenue	1,739	691,458	153,342	309,343	368,245	308,996	460,880	57,331	496,013	445,468	360,687	330,627	2,521,815	6,505,946
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	29,531	29,531
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**581,263**	**10,016,916**	**6,139,849**	**6,854,418**	**3,775,391**	**16,144,628**	**5,417,950**	**3,186,143**	**6,858,279**	**(1,445,210)**	**6,281,144**	**5,511,052**	**10,881,135**	**80,202,957**
EXPENDITURES														
Certificated Salaries	376,095	4,003,165	2,509,972	2,521,106	2,514,313	2,475,172	2,472,471	2,538,712	2,543,983	2,532,218	2,514,881	3,065,428	-	30,067,517
Classified Salaries	116,156	770,255	844,553	869,308	878,824	872,524	845,894	898,387	863,604	854,960	825,308	1,418,340	-	10,058,114
Employee Benefits	137,026	954,996	1,355,032	1,568,586	1,572,686	1,538,902	1,559,021	1,577,305	1,561,906	1,552,724	1,539,166	1,988,471	3,130,137	20,035,957
Books and Supplies	11,678	312,594	372,460	121,580	311,328	174,458	390,241	179,766	99,374	193,678	269,315	329,633	1,067,402	3,833,506
Services	1,068,652	502,626	576,550	554,997	711,971	755,446	515,940	950,263	747,686	825,894	588,484	1,404,778	1,635,067	10,838,355
Capital Outlay	-	65,044	116,752	1,564	-	(14,523)	-	71,985	-	50,716	-	133,835	(129,840)	295,533
Other Outgo	14,816	30,657	10,356	15,219	13,714	10,356	(45,666)	3,659	3,659	20,264	9,397	13,682	2,741,746	2,841,859
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,724,423**	**6,639,338**	**5,785,676**	**5,652,359**	**6,002,836**	**5,812,335**	**5,737,901**	**6,220,078**	**5,820,211**	**6,030,455**	**5,746,550**	**8,354,167**	**8,444,512**	**77,970,841**
REVENUES MINUS EXPENDITURES	**(1,143,160)**	**3,377,578**	**354,173**	**1,202,059**	**(2,227,446)**	**10,332,293**	**(319,950)**	**(3,033,935)**	**1,038,068**	**(7,475,665)**	**534,593**	**(2,843,115)**	**2,436,622**	**2,232,116**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	2,801	60,384	32,265	843,084	3,641	8,858	7,256	(180)	7,775	9,073,609	(13,890)	4,449,492	(10,671,599)	3,803,496
Total Current Liabilities	(2,366,091)	(1,395,096)	495,889	(4,772,151)	335,258	529,072	(276,745)	24,074	169,538	338,431	592,129	(1,831,140)	8,444,512	287,680
TOTAL BALANCE SHEET TRANS.	**(2,363,291)**	**(1,334,712)**	**528,154**	**(3,929,067)**	**338,899**	**537,930**	**(269,489)**	**23,894**	**177,313**	**9,412,040**	**578,240**	**2,618,352**	**(2,227,086)**	**4,091,177**
BEG. CASH BALANCE, BEFORE TRAN	**13,844,326**	**10,337,876**	**12,380,742**	**13,263,069**	**10,536,061**	**8,647,514**	**19,517,737**	**18,928,298**	**15,918,257**	**17,133,638**	**19,070,013**	**20,182,846**	**19,958,083**	
NET CHANGE IN CASH	(3,506,451)	2,042,866	882,327	(2,727,008)	(1,888,547)	10,870,223	(589,439)	(3,010,041)	1,215,382	1,936,375	1,112,833	(224,762)	209,536	6,323,293
END. CASH BALANCE, BEFORE TRAN	**10,337,876**	**12,380,742**	**13,263,069**	**10,536,061**	**8,647,514**	**19,517,737**	**18,928,298**	**15,918,257**	**17,133,638**	**19,070,013**	**20,182,846**	**19,958,083**	**20,167,619**	
TRAN BORROWING														
FY 2020-21 Cross FY TRAN	(1,721,805)	(1,411,880)	(3,834,022)	-	-	97,707	-	-	-	-	-	-	-	(6,870,000)
FY 2021-22 TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2021-22 Cross FY TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BEG. CASH BALANCE, AFTER TRAN	**13,844,326**	**8,616,071**	**9,247,057**	**6,295,362**	**3,568,354**	**1,679,807**	**12,647,737**	**12,058,298**	**9,048,257**	**10,263,638**	**12,200,013**	**13,312,846**	**13,088,083**	
NET CHANGE IN CASH	(5,228,256)	630,986	(2,951,695)	(2,727,008)	(1,888,547)	10,967,929	(589,439)	(3,010,041)	1,215,382	1,936,375	1,112,833	(224,762)	209,536	(546,707)
END. CASH BALANCE, AFTER TRAN	**8,616,071**	**9,247,057**	**6,295,362**	**3,568,354**	**1,679,807**	**12,647,737**	**12,058,298**	**9,048,257**	**10,263,638**	**12,200,013**	**13,312,846**	**13,088,083**	**13,297,619**	

Los Angeles County Schools FY 2022-23 Pooled TRANs, Series A
San Gabriel Unified School District

	FY 2022-23 Cash Flows													
	Jul-22 Projected	Aug-22 Projected	Sep-22 Projected	Oct-22 Projected	Nov-22 Projected	Dec-22 Projected	Jan-23 Projected	Feb-23 Projected	Mar-23 Projected	Apr-23 Projected	May-23 Projected	Jun-23 Projected	Accruals & Adjustments	Total
REVENUES														
LCFF Sources														
Principal Apportionment	1,558,705	1,558,705	6,109,003	2,805,670	2,805,670	6,109,003	2,805,670	3,146,398	5,621,172	3,146,398	3,146,398	5,621,172	-	44,433,962
Property Taxes	198,908	441,302	(2,367)	-	294,891	4,642,683	1,420,254	587,336	153,207	3,459,598	3,494,159	71,763	-	14,761,734
Miscellaneous Funds	-	(94,750)	(189,499)	(126,333)	(126,333)	(126,333)	(126,333)	(260,562)	(130,281)	(130,281)	(130,281)	(138,177)	-	(1,579,162)
Federal Revenue	-	-	-	-	-	-	-	-	-	31,589	-	-	5,530,917	5,562,505
Other State Revenue	49,570	65,695	267,184	267,184	449,180	678,493	267,184	267,184	507,210	702,529	303,583	464,916	4,363,548	8,653,459
Other Local Revenue	1,739	646,915	153,342	297,343	327,351	308,996	537,898	12,342	496,013	492,809	315,698	17,949	3,340,981	6,949,377
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	29,531	29,531
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**1,808,922**	**2,617,867**	**6,337,663**	**3,243,864**	**3,750,759**	**11,612,842**	**4,904,673**	**3,752,698**	**6,647,321**	**7,702,641**	**7,129,557**	**6,037,624**	**13,264,976**	**78,811,407**
EXPENDITURES														
Certificated Salaries	1,521,215	1,699,489	2,683,431	2,406,590	2,406,590	2,406,590	2,406,590	2,406,590	2,406,590	2,406,590	2,406,590	2,304,547	-	27,461,401
Classified Salaries	116,156	838,833	913,132	937,886	947,402	941,102	914,472	966,965	932,182	923,538	893,886	872,110	464,026	10,661,691
Employee Benefits	137,026	997,085	1,460,435	1,610,675	1,614,775	1,580,990	1,601,109	1,619,393	1,603,995	1,594,813	1,581,255	1,548,007	4,959,935	21,909,492
Books and Supplies	187,818	187,818	338,073	338,073	338,073	338,073	338,073	338,073	338,073	338,073	338,073	338,073	-	3,756,362
Services	1,316,787	676,429	1,012,513	1,010,626	1,105,197	1,078,066	910,897	1,408,050	1,208,605	1,272,701	1,051,518	692,925	1,027,808	13,772,121
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Outgo	5,750	5,750	10,350	10,350	13,850	10,350	10,350	10,350	10,350	10,350	10,350	10,350	2,742,141	2,860,641
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**3,284,752**	**4,405,404**	**6,417,933**	**6,314,199**	**6,425,887**	**6,355,171**	**6,181,491**	**6,749,421**	**6,499,794**	**6,546,065**	**6,281,671**	**5,766,011**	**9,193,910**	**80,421,708**
REVENUES MINUS EXPENDITURES	**(1,475,830)**	**(1,787,537)**	**(80,270)**	**(3,070,335)**	**(2,675,128)**	**5,257,671**	**(1,276,818)**	**(2,996,723)**	**147,527**	**1,156,576**	**847,886**	**271,613**	**4,071,067**	**(1,610,301)**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	535,597	5,378,324	144,512	150,279	-	1,268,287	-	194,112	2,107,325	194,112	194,112	194,112	(13,264,976)	(2,904,202)
Total Current Liabilities	(5,325,997)	(6,198,326)	(1,150,137)	-	-	-	-	-	-	-	-	-	9,193,910	(3,480,550)
TOTAL BALANCE SHEET TRANS.	**(4,790,400)**	**(820,001)**	**(1,005,625)**	**150,279**	**-**	**1,268,287**	**-**	**194,112**	**2,107,325**	**194,112**	**194,112**	**194,112**	**(4,071,067)**	**(6,384,753)**
BEG. CASH BALANCE, BEFORE TRAN	**13,297,619**	**7,031,389**	**4,423,851**	**3,337,956**	**417,900**	**(2,257,228)**	**4,268,730**	**2,991,912**	**189,302**	**2,444,153**	**3,794,841**	**4,836,840**	**5,302,565**	
NET CHANGE IN CASH	(6,266,230)	(2,607,538)	(1,085,895)	(2,920,056)	(2,675,128)	6,525,958	(1,276,818)	(2,802,611)	2,254,851	1,350,688	1,041,999	465,725	-	(7,995,054)
END. CASH BALANCE, BEFORE TRAN	**7,031,389**	**4,423,851**	**3,337,956**	**417,900**	**(2,257,228)**	**4,268,730**	**2,991,912**	**189,302**	**2,444,153**	**3,794,841**	**4,836,840**	**5,302,565**	**5,302,565**	
TRAN BORROWING														
FY 2021-22 Cross FY TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2022-23 TRAN	-	-	5,300,000	-	-	-	(2,650,000)	-	-	-	(2,650,000)	-	-	-
FY 2022-23 Cross FY TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BEG. CASH BALANCE, AFTER TRAN	**13,297,619**	**7,031,389**	**4,423,851**	**8,637,956**	**5,717,900**	**3,042,772**	**9,568,730**	**5,641,912**	**2,839,302**	**5,094,153**	**6,444,841**	**4,836,840**	**5,302,565**	
NET CHANGE IN CASH	(6,266,230)	(2,607,538)	4,214,105	(2,920,056)	(2,675,128)	6,525,958	(3,926,818)	(2,802,611)	2,254,851	1,350,688	(1,608,001)	465,725	-	(7,995,054)
END. CASH BALANCE, AFTER TRAN	**7,031,389**	**4,423,851**	**8,637,956**	**5,717,900**	**3,042,772**	**9,568,730**	**5,641,912**	**2,839,302**	**5,094,153**	**6,444,841**	**4,836,840**	**5,302,565**	**5,302,565**	

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

PROJECTED COVERAGE AND SET-ASIDE TABLE

Los Angeles County Schools Pooled Financing Program
2022-23 Series A Tax and Revenue Anticipation Notes
Projected Coverage and Set-Asides Table

$14,200,000 Aggregate Principal Amount

Participant	Manhattan Beach Unified School District	San Gabriel Unified School District
Note Amount	$ 8,900,000	$ 5,300,000
2022-23 Projected Total Revenues	$ 94,318,131	$ 78,811,407
Note Amount as % of Proj. Total Revenues	9.4%	6.7%
Note Amount w/ Interest (1)	$ 9,147,222	$ 5,447,222
Set-Asides		
First Set-Aside - January 2022	$ 4,450,000	$ 2,650,000
Final Set-Aside w/Interest - May 2022	$ 4,697,222	$ 2,797,222
Total Set-Asides	$ 9,147,222	$ 5,447,222
Projected Ending Cash Balances		
After First Set-Aside (2)	$ 18,011,120	$ 5,641,912
After Final Set-Aside	$ 14,635,738	$ 4,836,840
After Maturity	$ 14,635,738	$ 4,836,840
Alternate Cash Resources (3)	$ 1,356,794	$ 1,818,750
Projected Coverage Metrics		
Coverage after First Set-Aside	5.05x	3.13x
Coverage after Final Set-Aside	4.12x	2.73x
Coverage at Maturity - June 2023	2.60x	1.89x
Coverage at Maturity w/Alternate Cash Resources (3)	2.75x	2.22x

(1) Interest calculated using 4.00% coupon rate
(2) Projected ending cash balances do not reflect original issue premium, coupon payment, nor investment earnings
(3) Maximum legally borrowable amount of alternate cash resources (75% of total) projected as of May 31, 2023
(4) Respective set-aside amounts have been added to projected ending cash balances to calculate cash coverage metrics

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the Certificates, Hawkins Delafield & Wood LLP, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

County of Los Angeles
Los Angeles, California 90012

Los Angeles County Office of Education
Downey, California 90242

Ladies and Gentlemen:

We have examined a record of proceedings relating to the execution and delivery of $14,200,000 aggregate principal amount of Los Angeles County Schools Pooled Financing Program 2022-23 Pooled TRAN Participation Certificates, Series A (the "Certificates").

The Certificates are being executed and delivered pursuant to the Trust Agreement (the "Trust Agreement"), dated as of September 1, 2022, by and between the County of Los Angeles (the "County") and The Bank of New York Mellon Trust Company, N.A., as certificate agent (the "Certificate Agent"). The Certificates evidence and represent proportionate and undivided interests in 2022-23 Tax and Revenue Anticipation Notes (individually, a "Note" and collectively, the "Notes") issued by certain school districts (collectively, the "Participants") located in the County of Los Angeles (the "County") participating in such series and the debt service payments on the Notes attributable to the Certificates to be made by the respective Participants. Each Note is issued pursuant to Article 7.6, Sections 53850 et seq., and particularly under authority of Section 53853, of the California Government Code (the "Government Code"), and separate resolutions adopted by the governing board of each Participant (collectively, the "Participant Resolutions") and a resolution adopted by the Los Angeles County Board of Supervisors (the "Board of Supervisors") on July 26, 2022.

Pursuant to the Trust Agreement, the Certificate Agent has acquired the Notes and has executed and delivered the Certificates. The Certificates evidence proportionate and undivided interests of the registered owners thereof in the Notes and the payments of principal of and interest on such Notes by the Participants. The respective Notes are general obligations of the respective Participants, payable as to principal and interest from certain unrestricted revenues pledged by the Participants pursuant to Section 53856 of the Government Code of the State of California (the "Government Code") and the Participant Note Resolutions, and to the extent not paid from such pledged revenues, the Notes shall be paid with interest thereon from any other moneys of the respective Participants lawfully available therefor, pursuant to Section 53857 of the Government Code. No Participant has any obligation to pay the principal of or interest on the Notes of any other Participant.

In our capacity as Bond Counsel, we have examined certain estimates, expectations and assumptions made by or on behalf of the Participants, originals, or copies identified to our satisfaction as being true copies, of such records and proceedings of the County and the Participants, certificates of officials of the Participants and others, including a certificate of each Participant relating to certain federal income tax matters (each, a "Tax Certificate"), and such other documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions expressed below.

We are of the opinion that:

1. Each Note has been duly authorized, executed, issued and delivered by, and constitutes a valid and legally binding obligation of the Participants, and is payable from the first unrestricted revenues of the respective Participant in the amounts and on the dates set forth in the respective Note, and, to the extent not so paid, from taxes, income, revenue, cash receipts and other moneys which are received by the respective Participant during or attributable to Fiscal Year 2022-23 of such Participant and lawfully available for payment of the respective Note. Such obligation, however, is subject to and may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and is subject to general principals of equity (regardless of whether such enforceability is considered in equity or at law).

2. The Trust Agreement has been duly authorized, executed and delivered by the County and, assuming due authorization, execution and delivery by the Certificate Agent, constitutes a valid and legally binding obligation of the County, enforceable in accordance with its terms.

3. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Notes designated as and comprising interest with respect to the Certificates is excluded from gross income for federal income tax purposes pursuant to Section 103 the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes designated as and comprising interest with respect to the Certificates is not treated as a preference item in calculating the alternative minimum tax imposed under the Code, however for tax years beginning after December 31, 2022, interest designated as and comprising interest with respect to the Certificates is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Notes and the execution and delivery of the Certificates in order that, for federal income tax purposes, interest on the Notes designated as and comprising interest with respect to the Certificates is excluded from gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Notes, restrictions on the investment of proceeds of the Notes prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes and the Certificates to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of delivery of the Notes, each Participant will execute a Tax Certificate with respect to the Notes containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, each Participant will covenant that it will comply with the provisions and procedures set forth therein and that they will do and perform all acts and things necessary or desirable to assure that interest paid on the Notes and Certificates will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 3, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in each Participant's Tax Certificate with respect to matters affecting the status of interest paid on the Notes, and (ii) compliance by each Participant with the procedures and covenants set forth in its respective Tax Certificate as to such tax matters.

4. Under existing statutes, interest on the Notes designated as and comprising interest with respect to the Certificates is exempt from present State of California personal income taxes.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Notes or the Certificates, or the ownership or disposition thereof, except as stated in paragraphs 3 and 4 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes designated as and comprising interest with respect to the Certificates.

The foregoing opinions are qualified to the extent that the enforceability of the Certificates, the Notes, the Trust Agreement and each Tax Certificate may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditor's rights or remedies and are subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law).

Very truly yours,