PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 5, 2020

NEW ISSUES – FULL BOOK-ENTRY-ONLY

RATINGS: Series A-1: Standard & Poor's: "SP-1+ "
Series A-2: 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. 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.

$54,635,000*
LOS ANGELES COUNTY SCHOOLS POOLED FINANCING PROGRAM 2020-21 POOLED TRAN PARTICIPATION CERTIFICATES SERIES A

Evidencing and Representing Proportionate and Undivided Interests of the Owners Thereof in 2020-21 Tax and Revenue Anticipation Notes of Certain Los Angeles County School Districts

$23,050,000*
LOS ANGELES COUNTY SCHOOLS POOLED FINANCING PROGRAM 2020-21 POOLED TRAN PARTICIPATION CERTIFICATES SERIES A-1

$31,585,000*
LOS ANGELES COUNTY SCHOOLS POOLED FINANCING PROGRAM 2020-21 POOLED TRAN PARTICIPATION CERTIFICATES SERIES A-2

Date of Issue: Date of Delivery **Maturity Dates: 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) 2020-21 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 2020-21 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 Underwriters, 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 Underwriters by 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 August 26, 2020.

RBC Capital Markets

STIFEL

Dated: August __, 2020

* Preliminary; subject to change.

MATURITY SCHEDULE

$54,635,000*
LOS ANGELES COUNTY SCHOOLS
POOLED FINANCING PROGRAM
2020-21 POOLED TRAN
PARTICIPATION CERTIFICATES
SERIES A

Evidencing and Representing Proportionate and Undivided Interests
of the Owners Thereof in 2020-21 Tax and Revenue Anticipation Notes of
Certain Los Angeles County School Districts

$23,050,000*	$31,585,000*
SERIES A-1	SERIES A-2

Principal Amounts, Interest Rates, Yields and CUSIP

Series	Principal Amount*	Interest Rate	Priced to Yield	CUSIP No. (54515E)[1]	Maturity Date
A-1	$23,050,000				February 1, 2021
A-2	$31,585,000				February 1, 2021

[1] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business 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 Underwriters, the Participants, nor the County is responsible for the selection or correctness of the CUSIP numbers set forth herein.

* Preliminary; subject to change.

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 Agreements, 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 Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriters do 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.

This Preliminary Official Statement has been "deemed final" by the Participants for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

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 UNDERWRITERS 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 UNDERWRITERS 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 UNDERWRITERS.

TABLE OF CONTENTS

Page

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

$54,635,000*
LOS ANGELES COUNTY SCHOOLS
POOLED FINANCING PROGRAM
2020-21 POOLED TRAN
PARTICIPATION CERTIFICATES
SERIES A

Evidencing and Representing Proportionate and Undivided Interests
of the Owners Thereof in 2020-21 Tax and Revenue Anticipation Notes of
Certain Los Angeles County School Districts

$23,050,000*
LOS ANGELES COUNTY SCHOOLS POOLED FINANCING PROGRAM
2020-21 POOLED TRAN PARTICIPATION CERTIFICATES
SERIES A-1

$31,585,000*
LOS ANGELES COUNTY SCHOOLS POOLED FINANCING PROGRAM
2020-21 POOLED TRAN PARTICIPATION CERTIFICATES
SERIES A-2

INTRODUCTION

This Official Statement, including the cover page, inside cover, table of contents and appendices, sets forth certain information concerning $54,635,000* aggregate principal amount of the Los Angeles County Schools Pooled Financing Program 2020-21 Pooled TRAN Participation Certificates, Series A, comprised of the $23,050,000* aggregate principal amount of the Los Angeles County Schools Pooled Financing Program 2020-21 Pooled TRAN Participation Certificates, Series A-1 (the "Series A-1 Certificates"), and $31,585,000* aggregate principal amount of the Los Angeles County Schools Pooled Financing Program 2020-21 Pooled TRAN Participation Certificates, Series A-2 (the "Series A-2 Certificates" and together with the Series A-1 Certificates, the "Certificates"). The Certificates evidence and represent proportionate and undivided interests in (1) 2020-21 Tax and Revenue Anticipation Notes (individually, a "Note" and collectively, the "Notes") issued by certain school districts (collectively, the "Participants," and with respect to the Series A-1 Certificates, the "Series A-1 Participants," with respect to the Series A-2 Certificates, the "Series A-2 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 August 4, 2020 (the "County Resolution," and collectively with the Participant Resolutions, the "Resolutions").

The Certificates of each series 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 separate Trust Agreements, each dated as of August 1, 2020 related to each series of Certificates (the "Trust Agreements"), 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 – "COVERAGE ANALYSIS" for a summary description of certain information relating to each Participant.

---

* Preliminary; subject to change.

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 related Trust Agreement.

Risks Related to COVID-19

Background. The outbreak of the respiratory disease caused by a new strain of coronavirus ("COVID-19") has been declared a Pandemic by the World Health Organization, a National Emergency by President Trump (the "President") and a State of Emergency by California State Governor Newsom (the "Governor"). The emergency has resulted in tremendous volatility in the financial markets in the United States and globally, and the likely 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. The President's declaration of a National Emergency on March 13, 2020 made available more than $50 billion in federal resources to combat the spread of the virus. A multibillion-dollar Coronavirus relief package was signed into law by the President on March 18, 2020 providing for Medicaid expansion, unemployment benefits and paid emergency leave during the crisis. In an effort to calm the markets, the Federal Reserve lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending programs to banks and money market mutual funds.

CARES Act. In response to COVID-19, the U.S. Congress passed the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), which was signed into law on March 27, 2020. The CARES Act appropriates over $2 trillion to (i) provide cash payments to individuals, (ii) expand unemployment assistance and eligibility, (iii) provide emergency grants and loans for small businesses, (iv) provide loans and other assistance to corporations, including the airline industry, (v) provide funding for hospitals and community health centers, (vi) expand funding for safety net programs, including child nutrition programs and (vii) provide aid to state and local governments. The CARES Act includes $13.2 billion in direct funding for elementary and secondary school emergency relief. California will receive approximately $1.65 billion, with 10 percent set aside for emergencies designated by the California Department of Education. School district distribution is based on a district's share of federal Title I funding which uses a formula based primarily on the number of students whose family income is below the federal poverty threshold of $26,200 for a family of four and who receive Temporary Assistance for Needy Families.

State Response. On March 15, 2020, the Governor ordered the closing of California bars and nightclubs, the cancellation of gatherings of more than 250 and confirmed continued funding for school districts that close under certain conditions. On March 16, 2020, the State legislature passed $1.1 billion in general purpose spending authority for emergency funds to respond to the coronavirus crisis. On March 19, 2020, Governor Newsom issued 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, which is in effect until further notice.

Pursuant to the Governor's Order N-60-20 of May 4, 2020, on May 7, 2020, the State's Public Health Officer released an order supporting the gradual movement of the State from Stage 1 to Stage 2 of "California's Pandemic Resilience Roadmap." Effective as of May 8, 2020, the order allows for the return of certain kinds of retail, manufacturing and other "low risk" businesses if physical distancing measures are implemented, and identifies criteria and procedures for reducing restrictions by local officers that might be less restrictive than statewide measures. Local jurisdictions within the State also issued their own shelter-in-place orders. California Counties that have met certain readiness criteria and worked with the California Department of Public Health can open more workplaces and move further ahead according to the State's resilience roadmap. However, as COVID-19 cases increase, additional restrictions could be implemented.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, the economic impacts and actions that may be taken by governmental authorities to contain the outbreak or to treat its impacts are uncertain and cannot be predicted. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to: the Governor's office (http://www.gov.ca.gov) and the California Department of Public Health (https://covid19.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 State and Local Revenues. The COVID-19 public health emergency will have negative impacts on global and local economies, including the economy of the State and in the region of the Participants. The extent and duration of the COVID-19 emergency is currently unknown, and the reach of its impacts uncertain. The State has asserted that the State's General Fund will be materially adversely impacted by the health-related and economic impacts of the COVID-19 pandemic and that the negative impact on revenues will be immediate, affecting the current fiscal year and running into several fiscal years in the future. Delayed deadlines for the filing and payment of personal income, corporation, and sales and use taxes have further created uncertainties for the State with respect to its General Fund cash flows. The State's revenue sources are anticipated to be materially impacted by the COVID-19 pandemic, including with respect to reductions in personal income tax receipts and capital gains tax receipts. Economic uncertainty caused by the outbreak will significantly affect California's near-term fiscal outlook, with a likely recession due to pullback in activity across wide swaths of the economy. In an attempt to mitigate the effects of the COVID-19 pandemic on State property taxpayers, on May 6, 2020, the Governor signed an executive order suspending penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent.

Property tax delinquencies may be impacted by economic and other factors beyond the Participants' control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the Participants, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the COVID-19 or other pandemic or natural or manmade disaster, such as earthquake, drought, flood, fire, toxic dumping. It is not possible for the Participants to make any representation regarding the extent to which an economic recession or depression, stemming from the effects of COVID-19 or otherwise, could impact the ability or willingness of property owners within the respective Participant to pay property taxes in the future. If delinquencies increase substantially as a result of the unprecedented events of the COVID-19 pandemic or other events outside the control of the Participants, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

In an attempt to mitigate the effects of the COVID-19 pandemic on State property taxpayers, on May 6, 2020, the Governor signed an executive order suspending penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent.

On March 24, 2020, the State Department of Finance indicated in a budget letter to State agency secretaries and State budget and accounting officials that, despite sustained efforts, COVID-19 continued to spread and was at that time impacting nearly all sectors of the State's economy. The letter also indicated that these impacts included a severe drop in economic activity, with corresponding negative effects on anticipated revenues. As a result, the impact on revenues was expected to be immediate, affecting the 2019-20 fiscal year, and to produce impacts for the upcoming fiscal year 2020-21 and beyond. On April 5, 2020, the State Office of Legislative Analyst (the "LAO") published an Update on State and School District Reserves, indicating that State revenues would be lower than estimated in the January 10, 2020 proposed fiscal year 2020-21 budget. The LAO indicated that the State at that time had $17.5 billion in reserves, including $16.5 billion in the Budget Stabilization Account ("BSA") and $900 million in a reserve established to protect safety net services during a recession (the "Safety Net Reserve"). The LAO reported that due to a transfer of $1.3 billion from the Special Fund for Economic Uncertainties ("SFEU") to its disaster fund to address the effects of COVID-19, the SFEU was then nearly depleted. However, the LAO expected the State to be reimbursed by the Federal government for most – if not all – of the funds transferred from the SFEU. The State may withdraw moneys from the BSA if a "budget emergency" is declared, and the LAO expected that if the State faces a budget deficit in either fiscal year 2019-20 or 2020-21, the conditions for the declaration of a budget emergency would likely exist. The LAO noted that the State made its first deposit into the Public School System Stabilization Account ("PSSSA") in connection with the 2019-20 State Budget for approximately $377 million, representing less than one percent of State spending on schools in fiscal year 2019-20. The 2020-21 State Budget draws down the full of amounts in the PSSSA. School districts, however, may also hold reserves in their local operating accounts, and although there is significant variation in the level of reserves held by the various school districts, the LAO indicates that school district reserves average seventeen percent of school funding statewide. According to the LAO, the median school district holds reserves equal to approximately twenty-two percent of its expenditures, although about twenty-five percent of school districts hold reserves that account for less than fourteen percent of their expenditures.

For more detail regarding the State's 2020-21 Budget, see "PARTICIPANT FINANCES - State Assistance - 2020-21 Budget" herein.

Impacts on School Districts in California. Shelter in place orders suspended in-person classroom instruction indefinitely throughout California schools. Most school districts (including the Participants) enacted distance learning efforts to provide continuing instruction to students, and are currently in the process of planning distance learning, in-person learning protocols, or a hybrid of both for fall classes. State law allows school districts to apply for a waiver to hold them harmless from the loss of

State apportionment funding based on attendance and state instructional time penalties when they are forced to close schools due to emergency conditions. On March 13, 2020, Governor Newsom signed Executive Order N-26-20 under the provisions of Government Code Section 8571 (the “Order”) in an effort to mitigate the effects of the COVID-19 pandemic as it relates to California Local Educational Agencies (“LEAs”), including school districts, county offices of education, and charter schools. The Order provides that if an LEA closes its schools to address COVID-19, the LEA will continue to receive State funding to support the LEA to continue delivering services including distance learning and/or independent study; provide school meals in non-congregate settings through the Summer Food Service Program and Seamless Summer Option; arrange for, to the extent practicable, supervision for students during ordinary school hours; and continue to pay its employees. The order waives any State or local law that might be interpreted to prohibit an LEA from offering distance learning or independent study. Senate Bill 117 (“SB 117”) was passed on March 17, 2020, addressing attendance issues and instructional hour requirements, among other items, and effectively holds schools harmless from incurring funding losses that could result from these issues under existing funding formulas. SB 117 provides that for schools that comply with the Executive Order, only attendance during full school months from July 1, 2019 to and including February 29, 2020, will be reported for apportionment purposes. SB 117 also holds that certain minimum instructional day and minute requirements will be deemed to have been met during the period complying school districts are closed due to COVID-19, in order to prevent a loss of funding due to the COVID-19 outbreak.

On April 22, 2020, Governor Newsom signed Executive Order N-56-20, which extends the deadline for school districts to adopt their Local Control and Accountability Plan (“LCAP”) and budget overview, from July 1, 2020 to December 15, 2020 subject to certain conditions. One of the conditions to qualify for the extended deadline is for the governing board of the school district to adopt a written report to the community, during the same meeting at which it adopts the annual budget due by July 1, 2020, that explains how the school district has responded to COVID-19, including steps taken to deliver distance learning, provide school meals in non-congregated settings, and arrange for supervision of students during ordinary school hours. The decline in revenue as a consequence of the impacts of COVID-19 has significantly impacted the State and as such, a significant decline in revenue is expected to be available for funding school districts.

Executive Orders N-26-20, N-30-20, N-45-20 have defined expectations for LEAs for service delivery during COVID-19 school closures, suspended state academic assessments for the 2019-20 school year, increased programmatic flexibility for after school programs, and required LEAs to be transparent with their communities about actions taken to ensure continuity of student learning during the COVID-19 pandemic. Additional executive orders or legislation may be enacted in response to the pandemic, but the Participants cannot predict the nature or content of such orders, or the effect they will have on its operations or finances. In addition, certain of these executive orders have been challenged in the courts by affected plaintiffs. The Participants cannot predict the outcome of any such litigation or whether any resulting change to any executive order will affect the funding of school districts in the State, including the Participants.

Plans to Re-open the Economy. On April 13, 2020, the Governor announced plans to lift shelter-in-place orders and gradually re-open economic sectors of the State. The Governor has listed six factors that will be considered with respect to the State, including (1) expanding testing, (2) protecting high risk groups, including seniors, medically vulnerable people, and people in nursing homes and similar facilities, (3) ensuring hospitals have sufficient beds and supplies to care for patients, (4) progress in developing treatments, (5) the ability of schools and businesses to support physical distancing, and (6) the ability to decide when to reinstate stay-at-home orders, if needed. The Governor suggested that requirements being considered could alter the current practices and behaviors of schools and students, including by requiring staggered school start times, not allowing students to congregate during meal times or recess, limitations or reforms to procedures involving assemblies and physical education, and the potential disallowance of school sporting events, concerts or parent nights. The Governor also suggested that significant sanitation and deep cleaning would be necessary to prevent the spread of COVID-19 in schools and on playgrounds when campuses are reopened. The Governor is engaged in conversations with county public health officials throughout the State, the State Superintendent of Public Instruction, labor leaders, and other leaders in education, and expects to re-evaluate the situation as it evolves based on the rate of hospitalizations, availability of medical equipment, and development of a vaccine.

On July 17, 2020, the Governor announced guidelines to determine which school districts may reopen classrooms in the Fall. In order to resume in-person class instruction, a county must have been off the State's COVID-19 watch list for 14 consecutive days. School districts in counties on the watch list will conduct distance learning. Los Angeles County currently appears on the State's COVID-19 watch list.

Impacts on the Participants. The Participants are currently receiving guidance on COVID-19 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 a letter to the State Legislature dated May 18, 2020, the superintendents of six large school districts in the State (including Los Angeles Unified School District, San Diego Unified School District San Francisco Unified School District, Oakland Unified School District, Long Beach Unified School District and Sacramento City Unified School District) indicated that the funding cuts described in the 2020-21 May Revision to the State Budget, combined with the additional expenses to restart schools with measures to prevent spreading the coronavirus among students and staff, will be untenable without additional funding. In addition, on May 20, 2020, the State Superintendent of Public Instruction indicated that due to the significant reductions in school funding described in the 2020-21 May Revision to the State Budget, certain school openings throughout the State may be delayed until additional funding for safety accommodations is received. On May 19, 2020, the Center for Disease Control (the "CDC") released detailed guidance for reopening of schools during the COVID-19 pandemic. The guidelines provide a three-step approach on scaling up operations, promoting health hygiene practices and intense cleaning, training on social distancing protocols, and establishing a plan in the event someone becomes sick and/or schools require closing. Additional recommendations for schools include additional spacing of desks, staggered arrival times, additional protective equipment for staff, practicing daily health checks, and limiting large gatherings, among others. The Participants cannot predict costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

In accordance with the Governor's announcement on July 17, 2020, the Participants may not reopen for in-person classroom instruction if the County appears on the State's COVID-19 watch list for 14 consecutive days. 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 further impact their finances or operations. Additional information with respect to events surrounding the outbreak of COVID-19 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), the California Department of Public Health (http://cdph.ca.gov). *The Participants have not incorporated by reference the information on such websites and do not assume any responsibility for the accuracy of the information on such websites*.

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. As 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 the COVID-19 emergency, 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 related Trust Agreements, 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 Series A-1 Notes in trust until February 1, 2021* (the "Series A-1 Maturity Date"), the Series A-2 Notes in trust until February 1, 2021* (the "Series A-2 Maturity Date" and along with the Series A-1 Maturity Date, the "Maturity Dates"); (b) the Certificate Agent shall sell the Certificates to, and such Certificates shall be purchased by, RBC Capital Markets, LLC and Stifel, Nicolaus & Company, Incorporated (collectively, the "Underwriters") pursuant to a Purchase Contract by and between the Treasurer and RBC Capital Markets, LLC, as representative of the Underwriters; and (c) pursuant to the related Trust Agreements, 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 related Trust Agreement or the terms of the Certificates. See "THE TRUST AGREEMENTS" herein.

Each Participant expects to apply all the proceeds of its Note during Fiscal Year 2020-21 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.

---

* Preliminary; subject to change.

THE PARTICIPANTS*

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

Series A-1 Notes:

Series A-1 Participants*	Principal Amount*
Burbank Unified School District	$23,050,000
Total:	$23,050,000

Series A-2 Notes:

Series A-2 Participants*	Principal Amount*
Manhattan Beach Unified School District	$15,085,000
Redondo Beach Unified School District	16,500,000
Total:	$31,585,000

DESCRIPTION OF THE CERTIFICATES

The Certificates

The Series A-1 Certificates will be executed and delivered as fully registered certificates in the aggregate principal amount of $23,050,000*, and the Series A-2 Certificates will be executed and delivered as fully registered certificates in the aggregate principal amount of $31,585,000*. 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 each series 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

---

* Preliminary; subject to change.

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 of each series evidence and represent proportionate and undivided interests in the Notes of such series 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 each 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 related 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 related 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 related series of 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 2020-21 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 a percentage of the principal amount of each Participant's Note are reflected in the following table, 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:

PARTICIPANT(1)	**Pledge Month**(2)(3)	**% of Notes**
Burbank Unified School District	January	100%
Manhattan Beach Unified School District	January	100%
Redondo Beach Unified School District	January	100%

(1) Preliminary; subject to change.
(2) Pledge months are in 2021.
(3) The payment in the final Pledge Month includes an amount sufficient to pay the interest due on the particular Participant Note.

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 related 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 Agreements provide that Note proceeds and amounts in the Repayment Funds are permitted to be invested at the direction of the Treasurer in the following investments; <u>provided</u>, 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 related 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 related 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 related 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 AGREEMENTS

Pursuant to the Trust Agreement for each series of Certificates, 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 of each series 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 each of the Trust Agreements, 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 each of the Trust Agreements 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 Agreements 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 each Trust Agreement that it will faithfully observe and perform all of the conditions, covenants and requirements of such 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 such 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 each 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 Underwriters in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

LIMITATIONS ON REMEDIES

The primary source of repayment of each series 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 Underwriters. Moreover, neither the Participants nor the Underwriters 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 May 31, 2020, 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	$15,869
Schools and Community Colleges	17,480
Discretionary Participants	2,967
Total	$36,316

The Treasury pool participation composition is as follows:

Non-discretionary Participants	91.83%
Discretionary Participants	
Independent Public Agencies	7.82%
County Bond Proceeds and Repayment Funds	0.35%
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 31, 2020, 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 June 30, 2020, the May 31, 2020 book value of the Treasury Pool was approximately $36,316 billion and the corresponding market value was approximately $36,419 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 May 31, 2020.

Type of Investment	**% of Pool**
Certificates of Deposit	8.54
U.S. Government and Agency Obligations	67.83
Bankers Acceptances	0.00
Commercial Paper	23.13
Municipal Obligations	0.22
Corporate Notes & Deposit Notes	0.28
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	0.00
Total	100.00

The Treasury Pool is highly liquid. As of May 31, 2020, approximately 34% of the investments mature within 60 days, with an average of 623 days to maturity for the entire portfolio.

Neither the Participants nor the Underwriters 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 – 2019-20 State Budget" and "– 2020-21 State Budget" below for information concerning the Local Control Funding Formula (defined herein) included in the 2019-20 State Budget and 2020-21 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 average daily attendance ("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 percent, with an additional 50 percent of the base grant multiplied by the unduplicated count in excess of 55 percent.

- 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 percent in

2013–14 and 1.94 percent 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.

Of the more than $25 billion in funding to be invested through the LCFF through Fiscal Year 2020-21, the vast majority of new funding will be provided for base grants. Specifically, under current law, of every dollar invested through the LCFF, 84 cents is expected to go to base grants, 10 cents is expected to go to supplemental grants, and 6 cents is expected to go to concentration grants. In the State Budget for the Fiscal Year 2013-14, the average base grant was $7,643, which was an increase of $2,375 from the current average revenue limit. 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.

LCFF includes a "hold harmless" provision which provides that a school district or charter school will maintain total revenue limit and categorical funding at its 2012-13 level, unadjusted for changes in ADA, or cost of living adjustments.

A summary of the target LCFF funding amounts for California school districts and charter schools based on grade levels and targeted students classified as EL, FRPM, foster youth, or any combination of these factors ("unduplicated" count) is shown below:

California School Districts and Charter Schools
Grade Span Funding at Full LCFF Implementation

Grade Span	Base Grant	K–3 Class Size Reduction and Grades 9-12 Adjustments	Average Assuming 0% Unduplicated FRPM, EL, Foster Youth	Average Assuming 25% Unduplicated FRPM, EL, Foster Youth	Average Assuming 50% Unduplicated FRPM, EL, Foster Youth	Average Assuming 100% Unduplicated FRPM, EL, Foster Youth
K–3	$6,845	$712	$7,557	$7,935	$8,313	$10,769
4–6	6,947	N/A	6,947	7,294	7,642	9,899
7–8	7,154	N/A	7,154	7,512	7,869	10,194
9–12	8,289	216	8,505	8,930	9,355	12,119

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

<u>General</u>. 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. 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 State appropriations limit (Article XIIIB). See "-- State Assistance –2019-20 Budget" and "-2020-21 Proposed 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 percent. 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 Underwriters, Bond Counsel, Underwriters' 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, Underwriters' Counsel nor the Underwriters 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 percent 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.

2019-20 State Budget.

Since the adoption of the 2019-20 State Budget preceded the COVID-19 pandemic, it did not take into account the significant adverse impacts COVID-19 would have on the State's financial condition beginning in fiscal years 2019-20, 2020-21 and beyond. Certain limited information from the 2019-20 State Budget relating to the funding of education is provided herein as a historical baseline solely for context and reference.

On June 27, 2019, Governor Newsom signed a final State budget for Fiscal Year 2019-20 (the "2019-20 State Budget") in the total amount of $214.8 billion, including $147.8 billion from the State General Fund. The 2019-20 State Budget projects that the State will end Fiscal Year 2018-19 with total reserves of $19.2 billion, of which $16.5 billion is in the Rainy Day Fund, $1.4 billion in the Special Fund for Economic Uncertainties, $900 million in the Safety Net Reserve, and approximately $380 million in the Public School System Stabilization Account. The 2019-20 State Budget makes an additional payment of $9 billion over the four succeeding fiscal years to pay down unfunded pension liabilities, including $3 billion to CalPERS, $2.9 billion to CalSTRS on behalf of the State, and $3.15 billion to CalSTRS and CalPERS on behalf of schools. The 2019-20 State Budget also invests $4.5 billion to eliminate the so-called 'Wall of Debt' and reverses the debt deferral undertaken during the last recession.

With respect to K-12 education, the 2019-20 State Budget sets the minimum funding guarantee at $81.1 billion, including $55.9 billion from the State general fund, reflecting an increase of $2.7 billion from the prior-year level. For K-12 schools, the 2019-20 State Budget sets ongoing per-pupil spending at $11,993 and includes total funding of $103.4 billion ($58.8 billion General Fund and $44.6 billion other funds) for all K-12 education programs. For Fiscal Year 2019-20, the 2019-20 State Budget includes the constitutionally required deposit into the Public School System Stabilization Account of $376.5 million which does not initiate school district reserve caps (as the amount in the account is not equal to or greater than 3 percent of the total K-12 share of the Proposition 98 Guarantee). The 2019-20 State Budget also provides $1.9 billion in new Proposition 98 funding for the LCFF, reflecting a 3.26 percent COLA. Other significant features of the 2019-20 State Budget affecting K-12 schools include the following:

- ***Special Education.*** The 2019-20 State Budget includes $152.6 million to provide all Special Education Local Plan Areas with at least the Statewide target rate for base special education funding, approximately $557 per unit of average daily attendance, under the existing special education funding formula. The 2019-20 State Budget also includes $492.7 million for special education allocated based on the number of children ages 3 to 5 years with exception needs that the school district is serving.

- ***CalSTRS and CalPERS.*** The 2019-20 State Budget includes a $3.15 billion non-Proposition 98 General Fund payment on their behalf to CalSTRS and the CalPERS Schools Pool. Of this amount, an estimated $850 million will buy down the employer contribution rates in 2019-20 and 2020-21. This payment is expected to save employers $6.1 billion over the next three decades, with an estimated reduction in the out-year contribution rate to CalSTRS of 0.3 percentage points, and to the CalPERS Schools Pool of 0.1 to 0.3 percentage points.

- ***After School Programs.*** The 2019-20 State Budget includes $50 million ongoing Proposition 98 General Fund to provide an increase of approximately 8.3 percent to the per-pupil daily rate for After School Education and Safety Program (increasing this rate from $8.19 to $8.87 per day).

- ***Teacher Training and Resources.*** The 2019-20 State Budget includes $43.8 million one-time non-Proposition 98 General Fund to provide training and resources for classroom educators, including teachers and paraprofessionals, comprised of $37.1 million for the Educator Workforce Investment Grants for teachers and paraprofessionals, and $6.7 million for the California Subject Matter Projects. The 2019-20 State Budget also includes $13.8 million ongoing Federal funds to establish the "21st Century California Leadership Academy," to provide professional learning opportunities for public K-12 administrators and school leaders.

- ***Teacher Recruitment.*** To recruit and retain qualified teachers in school districts with high rates of under-prepared teachers, the 2019-20 State Budget includes $89.8 million one-time non-Proposition 98 General Fund to provide up to 4,487 grants of $20,000 for students enrolled in a professional teacher preparation program who commit to working in a high-need field at a priority school for at least four years.

- ***Kindergarten Programs.*** The 2019-20 State Budget includes $300 million one-time non-Proposition 98 General Fund to construct new or retrofit existing facilities to support full-day kindergarten programs, which will increase participation in kindergarten by addressing barriers to access.

- ***Proposition 98 Settle-Up.*** The 2019-20 State Budget includes an increase of $686.6 million for K-12 schools and community colleges to pay the balance of past year Proposition 98 funding owed through fiscal year 2017-18.

- ***Classified School Employees Summer Assistance Program.*** The 2019-20 State Budget includes an increase of $36 million one-time Proposition 98 General Fund to provide an additional year of funding for this program, which provides a State match for classified employee savings used to provide income during summer months.

Department of Finance Budget Letter. On March 24, 2020, the State Department of Finance (the "Department") released Budget Letter 20-08 which states that the Department anticipates a severe drop in economic activity in California as a result of the COVID-19 pandemic, which could negatively impact anticipated revenue levels in fiscal year 2019-20, and will certainly produce impacts in fiscal year 2020-21 and beyond. The Governor released the May Revision to the Proposed 2020-21 State Budget (the "May Revision") on May 14, 2020, and the final 2020-21 State Budget om June 29, 2020 (as described below under "—2020-21 Budget").

State and School District Reserves. On April 5, 2020, the Office of the Legislative Analyst ("LAO") published an Update on State and School District Reserves, addressing the current levels of State and local reserves in light of the COVID-19 outbreak. The LAO indicates that State revenues will be lower than estimated in the Proposed 2020-21 State Budget, and that economic and budget conditions continue to rapidly evolve. The LAO indicated that the State currently has $17.5 billion in reserves, including $16.5 billion in the Budget Stabilization Account ("BSA") and $900 million in the Safety Net Reserve. The LAO explained that the balance of the SFEU was nearly zero because the State recently transferred $1.3 billion from the SFEU to its disaster fund to address the effects of COVID-19. The LAO noted, however, that the State will likely be reimbursed by the federal government for most of the funds transferred from the SFEU.

The LAO also addressed the accessibility of funds in the BSA, recounting that the State can make a withdrawal from the BSA in the case of a budget emergency that is declared by the Governor and approved by both houses of the State Legislature. A budget emergency may be declared if either (i) the estimated resources in the current or upcoming fiscal year are insufficient to maintain spending at the highest level of the last three enacted budgets; or (ii) it is made in response to a natural or man-made emergency. The LAO noted that if the State faces a budget deficit in either fiscal year 2019-20 or 2020-21, the conditions for the declaration of a budget emergency will likely exist. If a budget emergency exists and the State elects to make a withdrawal from the BSA, the State may withdraw the lesser of (i) the amount needed to maintain general fund spending at the highest level of the past three enacted budget acts; and (ii) fifty percent of the balance of the BSA.

The LAO also analyzed two sources of reserves that school districts in the State may use to mitigate some of the reduction in State revenue that is likely to occur as a result of the COVID-19 outbreak: the State-level reserve for schools and local school district reserves. The LAO noted that the State made its first deposit into the State-level reserve for schools in connection with the 2019-20 State Budget. That deposit was only approximately $377 million, representing less than 1% of State spending on schools in fiscal year 2019-20. School districts, however, may also hold reserves in their local operating accounts, and although there is significant variation in the level of reserves held by the various school districts, the LAO indicated that school district reserves average 17% of school spending Statewide. According to the LAO, the median school district holds reserves equal to approximately 22% of its expenditures, although about 25% of school districts hold reserves that account for less than 14% of their expenditures.

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 LAO 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 significantly affect the economic condition of California school districts.

Fiscal Update from Department of Finance. The State Department of Finance (the "DOF") released a fiscal update memorandum (the "Fiscal Update") on May 7, 2020 reflecting the economic forecast for the May Revision to the Proposed 2020-21 Budget. The Fiscal Update makes it clear that the onset of COVID-19 has had a severe and immediate impact on the State's economy, including in excess of 4.4 million claims for State and federal unemployment benefits since mid-March 2020 and disproportionate job losses in lower-wage sectors of the economy. The DOF also projects that the 2020 unemployment rate will be as high as 18% and states that the May Revision economic forecast projects that COVID-19 will continue to cause economic losses in 2020, including a projected drop in State personal income by nearly 9% on an annual basis and a projected drop of 21% in permits for new housing construction, a key economic indicator. Consequently, compared to the projections included in the Proposed 2020-21 Budget, the State's three main revenues sources are projected to drop as follows: (i) personal income taxes by 25.5%, (ii) sales and use taxes by 27.2%, and (iii) corporation taxes by 22.7%. As a result, the DOF projects that State general fund revenues will decline by $41.2 billion from the projected level included in the Proposed 2020-21 Budget, including $9.7 billion allocable to fiscal year 2019-20 and $32.2 billion allocable to fiscal year 2020-21. This revenue decline would result in a reduction of the Proposition 98 minimum funding guarantee by approximately $19 billion.

These revenue declines, together with $7.1 billion in caseload increases supporting health and human services programs and other expenditures of approximately $6.1 billion largely attributable to the COVID-19 outbreak, are projected to result in an overall State budget deficit of approximately $54.3 billion. Of this amount, $13.4 billion occurs in fiscal year 2019-20 and $40.9 billion would occur in fiscal year 2020-21. For additional information regarding the Fiscal Update, see the DOF website at *www.dof.ca.gov*. However, the information presented on such website is not incorporated herein by reference.

2020-21 State Budget. On June 29, 2020 Governor Newsom signed into law the Fiscal Year 2020-21 State Budget (the "2020-21 Budget"), closing a $54.3 billion gap in Fiscal Year 2020-21 and reducing the State's structural deficit, balancing the State's budget by drawing $8.8 billion in reserves from the Rainy Day Fund ($7.8 billion), the Safety Net Reserve ($450 million), and all of the funds in the Public School System Stabilization Account. The 2020-21 Budget (i) includes $11.1 billion in reductions and deferrals that will be restored if at least $14 billion in federal funds are received by October 15, 2020; (ii) relies on $10.1 billion in federal funds that provide General Fund relief, including $8.1 billion already received; (iii) temporarily suspends the use of net operating losses for medium and large businesses and temporarily limits to $5 million the amount of business incentive credits a taxpayer can use in any given tax year (generating $4.4 billion in additional revenues in Fiscal Year 2020-21); and (iv) relies on $9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 schools.

In addition, the 2020-21 Budget reflects estimated spending of $5.7 billion to respond directly to the COVID-19 pandemic, including personal protective equipment, hospital surge preparation, and other expenditures to support populations at greater risk of contracting COVID-19. Of the $9.5 billion in Coronavirus Relief Fund received by the State, $4.5 billion is allocated to local school districts, $1.3 billion is allocated to counties, and $500 million to cities. The 2020-21 Budget also includes $750 million General Fund to provide support for counties experiencing revenue losses due to the pandemic. (See "INTRODUCTION--Risks Related to COVID-19"). The 2020-21 Budget also temporarily suspends for three years net operating loss tax deductions for medium and large businesses and limits business tax credits, with an estimated increase in tax revenues of $4.3 billion in fiscal year 2020-21.

For Fiscal Year 2019-20, the 2020-21 Budget projects total general fund revenues and transfers of $137.6 billion and authorizes expenditures of $146.9 billion and the State is projected to end Fiscal Year 2019-20 with total available general fund reserves of $17 billion, including $16.1 billion in the BSA and $900 million in the Safety Net Reserve Fund. For Fiscal Year 2020-21, the 2020-21 Budget projects total general fund revenues and transfers of $137.7 billion and authorizes expenditures of $133.9 billion. The State is projected to end the Fiscal Year 2020-21 with total available general fund reserves of $11.4 billion, including $2.6 billion in the traditional general fund reserve (of which $716 million is earmarked for COVID-related responses), $8.3 billion in the BSA and $450 million in the Safety Net Reserve Fund.

K-12 Education. The 2020-21 State Budget includes total funding of $98.8 billion ($48.1 billion General Fund and $50.7 billion other funds) for all K-12 education programs and provides for $1.9 billion of LCFF apportionment deferrals in Fiscal Year 2019-20, increasing to $11 billion LCFF apportionment deferrals in Fiscal Year 2020-21 to allow LCFF funding to remain at Fiscal Year 2019-20 levels in both fiscal years. The 2020-21 Budget suspends the statutory LCFF cost-of-living adjustment in Fiscal Year 2020-21. Of the total LCFF deferrals, $5.8 billion will be triggered off in Fiscal Year 2020-21 if the federal government provides sufficient funding that can be used for this purpose.

Proposition 98 Guarantee. As a result of declining State revenue, the 2020-21 Budget states that the constitutional Proposition 98 guarantee level of $70.9 billion is more than $10 billion below the minimum guarantee at the 2019 Budget Act, a loss which is offset by the 2020-21 Budget and defers $12.9 billion in payments to preserve programs and to provide K-12 schools, as well as California community colleges, the resources necessary to safely reopen. In addition, the 2020-21 Budget commits to making supplemental appropriations above the Proposition 98 guarantee for several years starting in Fiscal Year 2021-22, which will accelerate General Fund support for schools over the multi-year forecast period.

Learning Loss Mitigation (COVID-19). The 2020-21 Budget includes a one-time investment of $5.3 billion ($4.4 billion federal Coronavirus Relief Fund, $539.9 million Proposition 98 General Fund, and $355.2 million federal Governor's Emergency Education Relief Fund) to local educational agencies to address learning loss related to COVID-19 school closures, especially for students most heavily impacted by those closures. These funds are to be allocated to local educational agencies on an equity basis, with an emphasis on ensuring the greatest resources are available to local educational agencies serving students with the greatest needs, and are intended to track and mitigate the inequitable impact that the COVID-19 pandemic has had on different student populations, including low-income students and students with disabilities. Specifically, funds will be allocated in the following manner: (i) $2.9 billion based on the LCFF supplemental and concentration grant allocation; (ii) $1.5 billion based on number of students with exceptional needs; and (iii) $979.8 million based on total LCFF allocation. These funds may be used for purposes including the following: learning supports that begin prior to the start of the school year, and the continuing intensive instruction and supports into the school year; extending the instructional school year, including an earlier start date, by increasing the number of instructional minutes or days; providing additional academic services for pupils, including diagnostic assessments of student learning needs, intensive instruction for addressing gaps in core academic skills, additional instructional materials or supports, or devices and connectivity for the provision of in-classroom and distance learning; and also providing integrated student supports to address other barriers to learning, such as the provision of health, counseling or mental health services; professional development opportunities to help teachers and parents support pupils in distance-learning contexts; access to school breakfast and lunch programs; or programs to address student trauma and social-emotional learning.

Supplemental Appropriations. The 2020-21 Budget provides for a new, multi-year payment obligation to supplement K-14 education funding. The total obligation would equal approximately $12.4 billion, and reflects the administration's estimate of the additional funding K-14 school districts would have received in the absence of COVID-19-related reductions. Under this proposal the State will make annual payments toward this obligation beginning in Fiscal Year 2021-22. These payments would equal 1.5% of State general fund revenue. The 2020-21 Budget also increases the share of State general fund revenue required to be spent on K-14 school districts from 38% to 40% by Fiscal Year 2023-24.

Revised CalPERS and CalSTRS Contributions. The 2020-21 Budget redirects $2.3 billion appropriated in the 2019 Budget Act to CalSTRS and CalPERS for long-term unfunded liabilities to reduce employer contribution rates in Fiscal Years 2020-21 and 2021-22. This reallocation will further reduce the CalSTRS employer rate from 18.41 percent to approximately 16.15 percent in Fiscal Year 2020-21 and from 17.9 percent to 16.02 percent in Fiscal Year 2021-22. The CalPERS Schools Pool employer contribution rate will be further reduced from 22.67 percent to 20.7 percent in Fiscal Year 2020-21 and from 24.6 percent to 22.84 percent in Fiscal Year 2021-22.

Allocation of Federal Funds. In addition to the federal Coronavirus Relief Fund and Governor's Emergency Education Relief Fund allocated to K-12 education, the 2020-2021 Budget appropriates $1.6 billion in federal Elementary and Secondary School Emergency Relief funds that California was recently awarded. Of this amount, 90 percent ($1.5 billion) will be allocated to local educational agencies in proportion to the amount of Title I-A funding they receive to be used for COVID-19 related costs. The remaining 10 percent ($164.7 million) is available for COVID-19 related state-level activities, as follows: (i) $112.2 million to provide up to $0.75 per meal for local educational agencies participating in the National School Lunch Program, School Breakfast Program, Seamless Summer Option, or Summer Food Service Program and serving meals between March 2020 and August 2020 due to physical school closures caused by the COVID-19 pandemic; (ii) $45 million for grants to local educational agencies, including county offices of education, to coordinate or expand community schools to increase access to health, mental health, and social service supports for high-needs students; and (iii) $1.5 million for the Department of Education for State operations costs associated with the COVID-19 pandemic.

Average Daily Attendance. To help minimize additional learning loss related to COVID-19, the 2020-21 Budget presumes that local educational agencies should transition back to providing in-classroom instruction in the 2020-21 school year, provided that if local or State public health official orders necessitate a school closure, local educational agencies will need flexibility to provide distance learning. The 2020-21 Budget includes a hold harmless for the average daily attendance used to calculate school funding for all local educational agencies and requirements for distance learning to ensure that, when in-person instruction is not possible, students continue to receive access to a quality education via distance learning.

In this regard, the 2020-21 Budget includes: (i) a hold-harmless for the purpose of calculating apportionment in Fiscal Year 2020-21; average daily attendance shall be based on the 2019-20 year, except for new charter schools commencing instruction in Fiscal Year 2020-21; (ii) an exemption for local educational agencies from the annual minimum instructional minutes requirement; (iii) requirements for distance learning services, including the provision of devices and connectivity and supports for students with exceptional needs, English language learner students, youth in foster care, and youth experiencing homelessness, as well as students in need of mental health supports; and (iv) distance learning attendance requirements, including documentation of daily student participation, weekly engagement records, and attendance reporting for purposes of chronic absenteeism tracking.

Employee Protections. The 2020-21 Budget includes the suspension of the August 15, 2020, layoff window for teachers and other non-administrative certificated staff and suspension of layoffs for classified staff working in transportation, nutrition, and custodial services from July 1, 2020 through June 30, 2021. The 2020-21 Budget also includes (i) the intent of the State Legislature that school districts, community college districts, joint powers authorities, and county offices of education retain all classified employees in Fiscal Year 2020-21; and (ii) an increase of $60 million Proposition 98 General Fund to provide a match of State funds for participating classified employees to be paid during the summer recess period.

Other significant features of the 2020-21 Budget affecting K-12 schools include the following:

- *Special Education* – The 2020-21 Budget increases special education base rates to $625 per pupil, and provides $100 million to increase funding for students with low-incidence disabilities.

- *Child Care* - Of the $350.3 million received by California through the CARES Act for COVID-19 related child care activities, the 2020-21 Budget applies $144.3 million for State costs associated with SB 89 expenditures, family fee waivers, and provider payment protection; $125 million for voucher provider hold harmless and stipends; and $73 million to continue care for at-risk children and essential workers.

- *Learning Continuity and Attendance Plan* – To replaces the annual LCAP requirement with a Learning Continuity and Attendance Plan, with public stakeholder engagement, to outline local education agencies compliance with applicable provisions, including student participation and attendance reporting, device accessibility and instruction. The 2020-21 Budget requires the State Superintendent to develop a template of this plan for use by local educational agencies which will include a description of how such agencies will provide continuity of learning during the COVID-19 pandemic, expenditures related to addressing the impacts of the pandemic, and how such agencies are increasing or improving services in proportion to concentration funding that is received under the LCFF.

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. 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.

Future State Budgets. Under State law, the State Legislature is required to adopt its budget by June 15 of each year for the upcoming fiscal year, with approval by the Governor to occur on June 30. Following the implementation of Proposition 25 (permitting State budget passage with a simple majority and mandating forfeiture of Legislators' daily salaries until the budget bill passes), the Governor signed the 2011-12 Budget in a timely manner on June 30, 2011. While the fiscal years 2016-17 through 2020-21 Budgets were timely adopted, in the past, budgets have been adopted and signed after this date. Accordingly, the Participants cannot anticipate future delays in State budget adoption or their impact. In any year where the State budget lags adoption of each Participant's budget, it will be necessary for each Participant's staff to review the consequences of the changes, if any, at the State level from the proposals in the Governor's May Revision for that year, and determine whether such Participant's budget will have to be revised. In addition, the Participants cannot predict the effect that the general economic conditions within the State and the State's budgetary problems may have in the future on the Participants' budgets or operations.

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:

<u>Government Funds</u>	<u>Fiduciary Funds</u>
General Funds	Trust and Agency Funds
Special Revenue Funds	
Debt Service Funds	<u>Account Groups</u>
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 2016-17, 2017-18 and 2018-19 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 Underwriters 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, 2019, 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.

In May 2019, CalSTRS released an update on the financial position of the pension system, including estimates of the unfunded liability and contribution rates required for districts, employees and the State. The May funding update reflected an estimated unfunded liability of $107.2 billion for the valuation period ending June 30, 2018.

Pursuant to Assembly Bill 1469, school districts' contribution rates will increase in accordance with the following schedule:

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
CalSTRS (Defined Benefit Program)

Effective Date[1]	K-14 school districts
July 1, 2017	14.43%
July 1, 2018	16.28
July 1, 2019	17.10
July 1, 2020	16.15

[1] The State's 2020-21 Budget redirected funds paid to CalSTRS towards long-term unfunded liabilities to further reduce employer contribution rates in fiscal years 2020-21 and 2021-22. This reallocation will reduce the CalSTRS employer contribution rates to approximately 16.15% in fiscal year 2020-21 and to 16.02% in fiscal year 2021-22. See "PARTICIPANT FINANCES – State Assistance *–2020-21 State Budget.*"
Source: AB 1469.

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 STRS 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 hire before the Implementation Date and after the Implementation Date to better reflect the anticipated impact of years of service on retirements. The 2019 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on salary increases less than assumed, additional State contributions and actuarial asset gains recognized from the current and prior years, the 2019 STRS Program Actuarial Valuation reports that the unfunded actuarial obligation decreased by $1.5 billion since the 2018 Actuarial Valuation and the funded ratio increased by 2.0% to 66.0% over such time period.

According to the 2019 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 with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.9%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990. AB 1469 provides no authority to the CalSTRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. 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 actuary for the CalSTRS Defined Benefit Program notes in the 2019 STRS Actuarial Report that, since such report is dated as of June 30, 2019, the significant declines in the investment markets that have occurred in the first half the 2020 calendar year are not directly reflected in the 2019 STRS Actuarial Report. The actuary notes that such declines will almost certainly impact the future of the STRS Defined Benefit Program funding, and that, all things being equal, it is expected that the actuarial valuation for the fiscal year ending June 30, 2020 will show a greater increase in the projected State contribution rate (and possibly the employer rate) and a possible decline in the funded ratio.

To provide local educational agencies and California community colleges with increased fiscal relief, the 2020-21 State Budget redirects $2.3 billion appropriated in the 2019 Budget Act to CalSTRS and PERS for long-term unfunded liabilities to further reduce employer contribution rates in Fiscal Years 2020-21 and 2021-22. See "FUNDING OF SCHOOL DISTRICTS N CALIFORNIA – State Budget - *2020-21 State Budget*" herein.

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, and 18.062% of eligible salary expenditures for fiscal year 2018-19 and 19.721% of eligible salary for fiscal year 2019-20.

On April 17, 2019, the CalPERS Board established the employer contribution rates and released certain information from the CalPERS Schools Pool Actuarial Valuation as of June 30, 2018 (the "2018 CalPERS Schools Pool Actuarial Valuation"). The actuarial funding method used in the 2018 CalPERS Schools Pool Actuarial Valuation is the "Entry Age Normal Cost Method." The 2018 CalPERS Schools

Pool Actuarial Valuation assumes, among other things, 2.625% inflation and payroll growth of 2.875% compounded annually. The 2018 CalPERS Schools Pool Actuarial Valuation reflects a discount rate of 7.25% compounded annually (net of administrative expenses) as of June 30, 2018 and 7.00% compounded annually (net of administrative expenses) as of June 30, 2019. The CalPERS Board adopted new demographic assumptions on December 19, 2017, including a reduction in the inflation assumption from 2.625% as of June 30, 2018 to 2.50% as of June 30, 2019. The reduction in the inflation assumption results in decreases in both the normal cost and the accrued liabilities in the future. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, the addition of $904 million contributed by the State in July 2019, 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) is 22.8% and 24.9% for fiscal year 2020-21 and fiscal year 2021-22, respectively. According to the CalPERS Schools Actuarial Valuation as of June 30, 2018, the funded ratio as of June 30, 2018 is approximately 70.4% on a market value of assets basis, as compared to the funded ratio of 72.1% reported in the Actuarial Valuation as of June 30, 2017. The funded ratio, on a market value basis, as of June 30, 2016, June 30, 2015, June 30, 2014, June 30, 2013 and June 30, 2012 was 71.9%, 77.5%, 86.6%, 80.5%, and 75.5%. On December 21, 2016, the CalPERS Board voted to lower the CalPERS discount rate to 7.0% 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 June 27, 2019, CalPERS informed school employers that the employer and employee pension contribution rates approved by the CalPERS Board of Administration on April 17, 2019 were modified by Senate Bill 90 and codified at California Government Code Section 20825.2. The employer contribution rate for Fiscal Year 2019-20 would be 19.721%, representing a reduction of 1.012% in the employer contribution rate from the 20.733% adopted by the CalPERS Board on April 17, 2019. The employer contribution rate of 19.721% for fiscal year 2019-20 was the first fiscal year that employer contributions were impacted by demographic assumptions adopted by the CalPERS Board in December 2017. The 19.721% contribution rate became effective with the first payroll period beginning July 2019. The employer contribution rate for fiscal year 2020-21 will be 22.68%, which reflects an initial actuarially determined rate of 23.35% that has been reduced by 0.67% pursuant to Senate Bill 90. Participants enrolled in CalPERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2019-20 and will be 7% of such salaries in fiscal year 2020-21, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2019-20 and will be 7% in fiscal year 2020-21. The Fiscal Year 2020-21 State Budget redirects State funding paid to CalPERS in fiscal year 2019-20 towards long-term unfunded liabilities to further reduce employer contribution rates in fiscal years 2020-21 and 2021-22. As a result, the CalPERS employer contribution rate will be reduced to 20.7% in fiscal year 2020-21 and to 22.84% in fiscal year 2021-22.

The PERS Board established the employer contribution rates for 2020-21 on April 21, 2020, releasing certain information from the Schools Pool Actuarial Valuation as of June 30, 2019, ahead of its release date in the latter half of 2020. From June 30, 2018 to June 30, 2019 the funded status for the Schools Pool decreased by 1.9% (from 70.4% to 68.5%); mainly due to the reduction in the discount rate from 7.25% to 7.00% and investment return in 2018-19 being lower than expected. The funded status as of June 30, 2019 does not reflect the State's additional payment of $660 million that was made pursuant to SB 90, since PERS received the payment in July 2019. PERS attributes the decline in the funded status over the last five years to recent investment losses in excess of investment gains, adoption of new assumptions, both demographic and economic, lowering of the discount rate, and negative amortization. Assuming all actuarial assumptions are realized, including investment return of 7% in fiscal year 2019-20, that no changes to assumptions, methods of benefits will occur during the projection period, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the contribution rate was projected to increase annually, resulting in a projected 26.2% employer contribution rate for fiscal year 2026-27. As of the April 21, 2020, PERS reported that the year to date return for the 2019-20 fiscal year was well below the 7% assumed return. See "FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA—State Budget--*2020-21 State Budget*."

The Participants can make no representations regarding the future program liabilities of CalSTRS, or whether the District will be required to make additional contributions to CalSTRS in the future above those amounts required under AB 1469. 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 2019-20 First and Second Interim Report Certifications. Each of the Participants was assigned a positive certification with respect to its respective Fiscal Year 2019-20 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 CCCs, 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 percent 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.

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 percent 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 percent 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 percent 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 percent 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 percent 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 percent 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. 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 Dates in accordance with their terms. These covenants have been made in order to assist the Underwriters 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.

In the past five years, Burbank Unified School District ("Burbank") did not timely file its Audited Financial Statements for Fiscal Years 2014-15 as required pursuant to certain of its continuing disclosure undertakings for certain of its outstanding obligations. Burbank has since filed its Audited Financial Statements for that Fiscal Year. In addition, Burbank's Annual Reports for Fiscal Years 2014-15 through 2016-17 did not include certain information required pursuant to certain of its undertakings for certain of its outstanding obligations. Burbank has since filed complete Annual Reports for such Fiscal Years. Also, Burbank's Fiscal Year 2015-16 Budget were not timely filed. Burbank has since made such filings for such Fiscal Years. Burbank did not timely file certain notices with respect to credit ratings of Burbank and its bond insurers for Fiscal Years 2016-17, 2017-18, 2018-19 and 2019-20. Burbank has since made such filings. Burbank has retained Caldwell Flores Winters, Inc. as its dissemination agent in connection with its continuing disclosure obligations.

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.

Manhattan Beach Unified School District Environmental Investigation. In August 2018 in connection with construction at Manhattan Beach Unified School District ("Manhattan Beach") high school library, a contractor sanded certain material on the floor which is alleged to have caused a release of asbestos into the air. Manhattan Beach employees notified certain regulatory authorities regarding the event. As a result the Environmental Protection Agency and the Federal Bureau of Investigation are conducting a federal grand jury investigation into the matter. Manhattan Beach cannot predict the outcome of the investigation or whether any charges will be filed. If charges were to be brought against Manhattan Beach for a violation of the Clean Air Act, it is possible that Manhattan Beach would be required to pay a fine if it is found to be criminally liable for the release of asbestos. The maximum fine for a knowing violation of the Clean Air Act is $1,000,000.

The South Coast Air Quality Management District ("SCAQMD") issued a Notice of Violation following the event which listed 9 violations of SCAQMD regulations and 7 violations of federal regulations and stated that if proven such violations could result in the imposition of civil or criminal penalties. Neither SCAQMD nor any other State agency has pursued any claim against the District. Other than several small claims brought by students for property lost in lockers due to the event, all of which have been resolved, there have been no other civil actions filed against Manhattan Beach as a result of the event.

While Manhattan Beach is unable to predict the amount of costs that it will incur to resolve the matters discussed above or the degree to which the outcome will impact Manhattan Beach's financial condition, Manhattan Beach does not believe that these matters will have any impact on its ability to pay the principal of and interest on its Notes when due.

RATINGS

The Series A-1 Certificates and the Series A-2 Certificates have each 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.) 208-8000. 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 Underwriters by their counsel, Norton Rose Fulbright US LLP, Los Angeles, California.

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 Underwriters. Pursuant to the Purchase Contract, dated August __, 2020, by and between the Treasurer and RBC Capital Markets, LLC, as representative of itself and Stifel Nicolaus & Company, Incorporated (the "Purchase Contract"), the Underwriters have agreed to purchase the Certificates at a price of $_________ which represents the aggregate principal amount of the Notes evidenced and represented by the Certificates in the amount of $_________, plus a premium in the amount of $__________ and less an Underwriters' discount of $_________. The Purchase Contract provides that the Underwriters 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 Underwriters' Counsel and certain other conditions.

The Underwriters 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 Underwriters.

The Underwriters and their 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 Underwriters 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 Underwriters 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 Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters 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.

Conflicts of Interest Disclosures. While Stifel does not believe that the following represents a potential or actual material conflict of interest, we note that: (1) On September 28, 2018, Stifel made a contribution to assist with the costs of the LACOE Fiscal Summit Seminar; and (2) In 2019, Stifel made a contribution to assist with the costs of the CBO Luncheon for the Office of Education.

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 2019-20 and for the Fiscal Year 2020-21. The audited financial statements of the Participants for Fiscal Years 2016-17, 2017-18 and 2018-19 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, 2020, 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.

BURBANK UNIFIED SCHOOL DISTRICT

Burbank Unified School District
1900 West Olive Boulevard
Burbank, CA 91506
Attn: Assistant Superintendent, Administrative Services

General

The Burbank Unified School District (the "District") was first established on July 1, 1936. The District is located in Los Angeles County, California, and is comprised of approximately 17 square miles. The District has boundaries contiguous with the City of Burbank, about 12 miles northeast of downtown Los Angeles. The District includes 11 elementary schools, three middle schools, two comprehensive high schools, one adult school, a continuation high school, a special education school, and 11 daycare centers. Organization

Organization

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

Outstanding Obligations

As of June 30, 2019, the District had the following long-term obligations:

Description	Balance
General obligation bonds payable and related premium	$138,932,407
General obligation bonds, accreted interest	$49,145,243
Net pension liability	181,760,980
Compensated Absences	1,436,737
Capital leases	16,687,271
OPEB obligation – net	50,489,531
TOTAL LONG-TERM OBLIGATIONS	$438,452,169

Source: District's Fiscal Year 2018-19 Audit

Collective Bargaining Agreements

The District has settled with its certificated bargaining unit, the Burbank Teachers Association (BTA), for Fiscal Year 2019-20. The new agreement with the BTA does not include salary increases or any other stipend or monetary increases that would fiscally impact the District. The agreement will be presented to the governing board of the District for approval on August 20, 2020. The District and the classified bargaining unit have agreed to continue to work under the terms of their expired agreement until a new agreement has been made.

Cash Flow Assumptions

The District made the following assumptions in its cash flows:

- The District is assuming stable enrollment for Fiscal Year 2020-21 from Fiscal Year 2019-20.
- The District is using the State Adopted Budget assumptions for its Fiscal Year 2020-21 budget. These include flat funding to the LCFF base and the following State Aid deferrals:
  - 65% of February 2021 deferred until November 2021
  - 100% of March 2021 deferred until October 2021
  - 100% of April 2021 deferred until September 2021
  - 100% of May 2021 deferred until August 2021
  - 100% of June 2021 EPA Account payment in addition to State Aid deferred until July 2021
- The District has included increases due to the step and column method of teacher pay and in STRS and PERS as well as a 1% increase in 2019-20 salaries on the schedule and a 1% retroactive increase for 2018-19 paid in 2019-20, in its expenditure assumptions.

LCFF Funding History and Projection

The following table sets forth funded ADA and LCFF figures for the District for Fiscal Years 2015-16 through 2019-20 and an estimate for Fiscal Year 2020-21.

BURBANK UNIFIED SCHOOL DISTRICT
SUMMARY OF ADA AND LCFF

Fiscal Year	Funded ADA	LCFF
2015-16[1]	14,781	$7,902.21
2016-17[1]	14,660	8,322.63
2017-18[1]	14,705	8,523.90
2018-19[1]	14,612	9,139.39
2019-20[1]	14,709	9,352.93
2020-21[2]	14,700	8,692.17

[1] Source: California Department of Education.
[2] Source: District's Fiscal Year 2020-21 Adopted Budget.

Assessed Value

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

BURBANK UNIFIED SCHOOL DISTRICT
SUMMARY OF ASSESSED VALUE

Fiscal Year	Local Secured	Utility	Unsecured	Total
2015-16	$18,694,283,630	$1,634,126	$2,048,218,369	$20,744,136,125
2016-17	19,559,050,181	1,475,145	1,896,328,292	21,456,853,618
2017-18	20,885,499,678	1,414,949	2,201,395,064	23,088,309,691
2018-19	21,953,687,496	1,339,097	1,994,630,087	23,949,656,680
2019-20	23,074,356,081	5,100,931	1,926,730,346	25,006,187,358

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 2015-16 through 2019-20. These amounts are the required contributions for each Fiscal Year.

Fiscal Year	Contribution
2015-16(1)	$7,279,029
2016-17(1)	9,259,795
2017-18(1)	10,619,489
2018-19(1)	12,240,467
2019-20(2)	13,055,291

(1) Source: District's Audited Financials.
(2) Source: District's 2nd Interim Report

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 2015-16 through 2019-20. These amounts are the required contributions for each Fiscal Year.

Fiscal Year	Contribution
2015-16(1)	$3,089,291
2016-17(1)	3,969,039
2017-18(1)	4,487,272
2018-19(1)	5,553,146
2019-20(2)	6,491,834

(1) Source: District's Audited Financials.
(2) Source: District's 2nd Interim Report

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, 2019, 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)]	56,767,801	50,489,531	220,489
TOTAL	56,767,801	50,489,531	220,489

[(1)] Based on a measurement date of June 30, 2019.
Source: District's Audited Financial Statements for Fiscal Year 2018-19.

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, 2019	Projected Balance as of June 30, 2020	Projected Balance as of June 30, 2021
Adult School	$ 3,750,657	$ 850,855	$ 3,400,227
Deferred Maintenance	653,430	256,795	1,024,795
Capital Facilities	157,237	346,222	1,383,028
Special Reserve for Capital Outlay	9,189,669	2,546,656	10,185,656
Total	$13,750,993	$4,000,528	$15,993,706

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.

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 2016-17, 2017-18 and 2018-19.

BURBANK UNIFIED SCHOOL DISTRICT
SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCES FOR FISCAL YEARS ENDING JUNE 30, 2017, 2018 AND 2019

	GENERAL FUND 2016-17 AUDITED	GENERAL FUND 2017-18 AUDITED	GENERAL FUND 2018-19 AUDITED
BEGINNING FUND BALANCE	$27,785,415	$18,923,094	$14,338,393
Total Revenues	156,454,194	156,753,456	173,848,038
Total Beginning Fund Balance and Revenues	184,239,609	175,676,550	188,186,431
Total Expenditures	165,489,934	160,703,464	175,444,762
Other Financing Sources (Uses)	173,419	(634,693)	(823,966)
ENDING FUND BALANCE	18,923,094	14,338,393	$11,917,703

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 2019-20 and 2020-21.

BURBANK UNIFIED SCHOOL DISTRICT
SUMMARY OF 2019-20 BUDGET AND 2020-21 BUDGET[(1)]
FOR DISTRICT GENERAL FUND

	GENERAL FUND 2019-20 BUDGET	GENERAL FUND 2020-21 BUDGET
BEGINNING FUND BALANCE	$ 7,665,470	$ 9,809,304
Total Revenues	161,805,214	153,944,207
Total Beginning Fund Balance and Revenues	169,470,684	163,753,511
Total Expenditures	162,123,978	161,781,947
Other Financing Sources (Uses)	(1,084,027)	7,811,604
ENDING FUND BALANCE	$ 6,262,679	$ 9,783,168

(1) District's Fiscal Year 2019-20 and 2020-21 Adopted Budgets.

District General Fund Balance Sheets

The following table is a summary of the District's General Fund Balance Sheets for Fiscal Years 2017-18, 2018-19 and 2019-20.

BURBANK UNIFIED SCHOOL DISTRICT
GENERAL FUND BALANCE SHEET
FOR FISCAL YEARS ENDING
JUNE 30, 2017, 2018 AND 2019

	GENERAL FUND 2016-17 AUDITED	GENERAL FUND 2017-18 AUDITED	GENERAL FUND 2018-19 AUDITED
Total Assets	$ 35,748,753	$ 29,807,453	$ 26,072,866
Total Liabilities	16,825,659	15,469,060	14,155,163
Fund Balance			
Nonspendable	105,504	124,497	63,111
Restricted	4,694,170	3,419,550	3,972,624
Assigned	2,330,448	3,195,155	2,644,952
Unassigned	11,792,972	7,599,191	5,237,016
Total Fund Balance	18,923,094	14,338,393	11,917,703
Total Liabilities and Fund Balance	$ 35,748,753	$ 29,807,453	$ 26,072,866

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 2014-15 through 2018-19.

BURBANK UNIFIED SCHOOL DISTRICT
SECURED TAX CHARGES AND DELINQUENCIES

	Secured Tax Charge[1]	Amt. Del. June 30	% Del. June 30
2014-15	$35,558,607.61	$515,253.85	1.45%
2015-16	37,507,701.49	535,415.66	1.43
2016-17	38,712,703.92	462,718.48	1.20
2017-18	41,893,189.63	523,721.14	1.25
2018-19	43,392,918.04	596,343.79	1.37

	Secured Tax Charge[2]	Amt. Del. June 30	% Del. June 30
2014-15	$10,277,764.95	$78,628.23	0.77%
2015-16	8,382,700.75	61,140.43	0.73
2016-17	10,071,293.17	70,738.10	0.70
2017-18	10,442,458.50	72,715.61	0.70
2018-19	11,216,886.87	94,760.56	0.84

[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 2019-20 Local Secured Taxpayers

The following table sets forth the largest local secured taxpayers in the District in Fiscal Year 2019-20.

BURBANK UNIFIED SCHOOL DISTRICT
LARGEST FISCAL YEAR 2019-20 LOCAL SECURED TAXPAYERS

	Property Owner	Primary Land Use	2019-20 Assessed Valuation	% of Total[1]
1.	Warner Bros. Entertainment Inc.	Movie/TV Studio	$ 714,976,591	3.10%
2.	Catalina Media Development LLC	Movie/TV Studio	490,128,337	2.12
3.	Walt Disney Productions Inc.	Movie/TV Studio	461,537,263	2.00
4.	Capref Burbank LLC, Lessee	Shopping Center	260,330,285	1.13
5.	PI Hudson MC Partner LLC	Office Building	234,580,188	1.02
			$2,161,552,664	9.37%

[1] 2019-20 Local Secured Assessed Valuation: $23,074,356,081.
Source: California Municipal Statistic, Inc.

BURBANK UNIFIED SCHOOL DISTRICT
CASH FLOWS

Los Angeles County Schools 2020-21 Pooled Tax and Revenue Anticipation Notes
Burbank Unified School District

	FY 2018-19 Cash Flows													
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Accruals &	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adjustments	Total
REVENUES														
LCFF/Revenue Limit Sources														
Principal Apportionment	3,183,299	3,183,299	11,191,375	5,729,939	5,729,939	11,191,376	5,729,939	5,452,824	11,134,083	5,452,816	5,452,824	8,445,166	(1,449,068)	80,427,812
Property Taxes	937,579	765,434	35,206	-	422,560	14,123,250	9,013,320	2,499,543	(84,703)	9,982,690	7,101,402	7,147,888	3,506	51,947,674
Miscellaneous Funds	-	-	(613,900)	-	-	-	528,847	-	-	-	-	479,708	(259,532)	135,124
Federal Revenue	-	1,058	158,249	531,823	(36,763)	5,682	878,324	19,450	72,305	209,409	11,234	4,111,866	30,519	5,993,155
Other State Revenue	410,849	1,300,204	1,497,061	624,855	1,055,322	1,879,636	2,855,099	817,595	1,910,431	1,062,786	726,249	3,661,024	10,845,716	28,646,827
Other Local Revenue	123,077	432,509	1,352,888	1,368,745	648,319	200,307	365,127	193,371	307,213	330,629	650,455	1,849,400	(2,880,517)	4,941,524
Interfund Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**4,654,804**	**5,682,504**	**13,620,880**	**8,255,361**	**7,819,376**	**27,400,251**	**19,370,657**	**8,982,783**	**13,339,329**	**17,038,329**	**13,942,164**	**25,695,053**	**6,290,625**	**172,092,116**
EXPENDITURES														
Certificated Salaries	71,761	6,107,112	6,279,113	6,475,943	6,633,762	8,296,080	6,573,933	6,623,809	6,631,753	6,525,238	6,715,488	8,122,493	(38)	75,056,448
Classified Salaries	16,631	1,228,881	2,018,513	2,389,711	2,430,628	3,015,771	2,430,064	2,384,582	2,406,253	2,434,775	2,455,131	3,748,024	(1,359)	26,957,604
Employee Benefits	49,270	1,703,086	3,073,715	3,220,129	3,277,011	3,752,367	3,314,313	3,323,217	3,329,530	3,328,588	3,372,716	3,900,654	10,786,759	46,431,353
Books and Supplies	49,176	542,356	285,821	255,834	265,082	249,140	199,083	225,412	237,251	299,012	229,036	310,273	(12)	3,147,464
Services	1,676,447	952,517	1,171,672	1,341,191	1,206,479	1,338,667	1,232,786	1,030,989	1,565,105	2,203,936	1,958,792	3,284,311	38,596	19,001,488
Capital Outlay	-	44,043	109,935	235,367	247,243	31,913	22,169	123,263	59,768	12,566	19,446	113,151	-	1,018,864
Other Outgo	151,597	130,451	320,206	130,530	132,931	132,793	132,599	132,503	86,060	96,479	144,513	1,425,007	(885,588)	2,130,082
Interfund Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	823,966	823,966
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**2,014,882**	**10,708,446**	**13,258,976**	**14,048,705**	**14,193,136**	**16,816,732**	**13,904,946**	**13,843,775**	**14,315,719**	**14,900,593**	**14,895,123**	**20,903,913**	**10,762,323**	**174,567,269**
REVENUES MINUS EXPENDITURES	**2,639,922**	**(5,025,942)**	**361,904**	**(5,793,344)**	**(6,373,759)**	**10,583,519**	**5,465,711**	**(4,860,992)**	**(976,390)**	**2,137,736**	**(952,959)**	**4,791,139**	**(4,471,698)**	**(2,475,153)**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	252,195	319,367	(153,540)	1,144,007	170,277	267,827	3,320,262	35,300	65,034	23,543	(31,086)	(4,576,987)	(785,541)	50,658
Total Current Liabilities	(10,034,870)	(1,349,743)	(973,894)	(522,090)	(647,673)	1,489,737	(977,663)	52,241	798,902	527,496	(1,387,900)	7,016,722	4,741,651	(1,267,084)
TOTAL BALANCE SHEET TRANS.	**(9,782,675)**	**(1,030,375)**	**(1,127,434)**	**621,916**	**(477,396)**	**1,757,564**	**2,342,598**	**87,541**	**863,936**	**551,039**	**(1,418,986)**	**2,439,735**	**3,956,110**	**(1,216,426)**
BEG. CASH BALANCE, BEFORE TRAN	**23,072,865**	**15,930,112**	**9,873,795**	**9,108,265**	**3,936,838**	**(2,914,317)**	**9,426,766**	**17,235,076**	**12,461,624**	**12,349,170**	**15,037,945**	**12,666,000**	**19,896,874**	
NET CHANGE IN CASH	(7,142,753)	(6,056,317)	(765,530)	(5,171,427)	(6,851,155)	12,341,083	7,808,310	(4,773,452)	(112,454)	2,688,775	(2,371,945)	7,230,875	(515,589)	(3,691,579)
END. CASH BALANCE, BEFORE TRAN	**15,930,112**	**9,873,795**	**9,108,265**	**3,936,838**	**(2,914,317)**	**9,426,766**	**17,235,076**	**12,461,624**	**12,349,170**	**15,037,945**	**12,666,000**	**19,896,874**	**19,381,286**	
TRAN BORROWING														
TRAN Receipts	-	16,635,000	-	-	-	-	-	-	-	-	-	-	-	16,635,000
TRAN Disbursements	-	-	-	-	-	-	(8,317,500)	-	-	-	(8,823,943)	-	-	(17,141,443)
BEG. CASH BALANCE, AFTER TRAN	**23,072,865**	**15,930,112**	**26,508,795**	**25,743,265**	**20,571,838**	**13,720,683**	**26,061,766**	**25,552,576**	**20,779,124**	**20,666,670**	**23,355,445**	**12,159,557**	**19,390,431**	
NET CHANGE IN CASH	(7,142,753)	10,578,683	(765,530)	(5,171,427)	(6,851,155)	12,341,083	(509,190)	(4,773,452)	(112,454)	2,688,775	(11,195,888)	7,230,875	(515,589)	(4,198,022)
END. CASH BALANCE, AFTER TRAN	**15,930,112**	**26,508,795**	**25,743,265**	**20,571,838**	**13,720,683**	**26,061,766**	**25,552,576**	**20,779,124**	**20,666,670**	**23,355,445**	**12,159,557**	**19,390,431**	**18,874,843**	

Los Angeles County Schools 2020-21 Pooled Tax and Revenue Anticipation Notes
Burbank Unified School District

	FY 2019-20 Cash Flows													
	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Accruals &	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	*Estimated*	Adjustments	Total
REVENUES														
LCFF/Revenue Limit Sources														
Principal Apportionment	3,257,948	3,259,731	11,918,781	5,864,307	5,864,307	11,918,781	5,864,307	4,565,194	11,060,424	4,565,194	4,565,194	11,060,424	4,293,566	88,058,159
FY 2019-20 Prin. App. Deferrals	-	-	-	-	-	-	-	-	-	-	-	(5,511,910)	5,511,910	-
FY 2020-21 Prin. App. Deferrals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	278,459	737,634	28,582	-	204,255	14,718,885	9,524,102	2,891,812	248,217	10,072,326	5,822,953	7,898,512	(2,291,199)	50,134,538
Miscellaneous Funds	-	-	-	-	-	-	580,249	-	-	-	-	-	-	580,249
Federal Revenue	78,815	9,732	12,002	449,992	25,507	(114,113)	1,208,257	75,699	693,349	128,445	4,540	3,604,223	-	6,176,447
Other State Revenue	395,083	1,565,529	1,533,812	1,198,128	1,098,408	2,797,651	705,659	682,995	1,147,388	2,161,426	687,905	3,584,958	(75,740)	17,483,202
Other Local Revenue	310,068	427,725	234,231	329,561	584,803	1,482,373	519,858	2,006,973	264,163	93,757	265,954	1,785,756	-	8,305,221
Interfund Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**4,320,373**	**6,000,351**	**13,727,407**	**7,841,987**	**7,777,280**	**30,803,577**	**18,402,432**	**10,222,673**	**13,413,541**	**17,021,148**	**11,346,546**	**22,421,963**	**7,438,537**	**170,737,816**
EXPENDITURES														
Certificated Salaries	112,190	6,937,990	6,536,071	6,598,468	6,745,235	6,648,345	6,652,956	6,629,184	6,660,088	6,597,852	6,901,757	7,761,371	-	74,781,509
Classified Salaries	59,571	1,236,632	2,397,363	2,409,990	2,469,280	2,438,224	2,472,082	2,907,903	2,492,265	2,479,772	2,470,669	3,887,606	185,992	27,907,350
Employee Benefits	67,969	1,873,495	3,352,366	3,359,083	3,390,394	3,374,811	3,458,819	3,574,385	3,469,227	3,456,808	3,545,755	3,926,642	32,670	36,882,425
Books and Supplies	137,994	898,920	329,964	225,698	202,489	253,638	250,252	358,944	172,866	143,143	129,633	965,568	7,254,347	11,323,457
Services	1,619,768	969,605	1,056,768	2,013,751	1,379,790	1,444,986	1,465,423	2,045,543	1,062,126	1,314,573	997,166	1,397,514	2,153,319	18,920,332
Capital Outlay	-	6,580	33,684	21,621	9,186	-	20,641	27,435	7,025	4,122	-	35,063	58,557	223,913
Other Outgo	110,597	131,016	41,569	158,360	212,028	551,182	211,187	(154,310)	100,551	225,225	346,897	(501,754)	1,588,533	3,021,083
Interfund Transfers Out	-	400,000	-	-	-	-	-	-	-	-	-	-	2,433,926	2,833,926
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**2,108,091**	**12,454,238**	**13,747,786**	**14,786,972**	**14,408,402**	**14,711,186**	**14,531,361**	**15,389,084**	**13,964,148**	**14,221,495**	**14,391,877**	**17,472,010**	**13,707,344**	**175,893,995**
REVENUES MINUS EXPENDITURES	**2,212,282**	**(6,453,887)**	**(20,378)**	**(6,944,985)**	**(6,631,123)**	**16,092,392**	**3,871,071**	**(5,166,411)**	**(550,607)**	**2,799,653**	**(3,045,331)**	**4,949,953**	**(6,268,807)**	**(5,156,179)**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	451,526	67,518	55,216	583,022	(25,283)	3,260,204	115,831	16,009	322,839	9,525	(434,714)	(10,548,514)	(7,438,537)	(13,565,358)
Total Current Liabilities	(9,482,888)	(1,076,763)	(251,522)	1,199,048	(316,392)	344,108	(1,306,905)	(2,184,572)	459,795	(2,764)	(1,478,259)	15,109,024	13,707,344	14,719,254
TOTAL BALANCE SHEET TRANS.	**(9,031,362)**	**(1,009,245)**	**(196,306)**	**1,782,070**	**(341,674)**	**3,604,312**	**(1,191,074)**	**(2,168,563)**	**782,634**	**6,761**	**(1,912,973)**	**4,560,510**	**6,268,807**	**1,153,896**
BEG. CASH BALANCE, BEFORE TRAN	**19,381,286**	**12,562,205**	**5,099,073**	**4,882,389**	**(280,527)**	**(7,253,324)**	**12,443,380**	**15,123,377**	**7,788,403**	**8,020,430**	**10,826,844**	**5,868,540**	**15,379,003**	
NET CHANGE IN CASH	(6,819,080)	(7,463,133)	(216,684)	(5,162,915)	(6,972,797)	19,696,704	2,679,997	(7,334,975)	232,027	2,806,414	(4,958,304)	9,510,463	-	(4,002,283)
END. CASH BALANCE, BEFORE TRAN	**12,562,205**	**5,099,073**	**4,882,389**	**(280,527)**	**(7,253,324)**	**12,443,380**	**15,123,377**	**7,788,403**	**8,020,430**	**10,826,844**	**5,868,540**	**15,379,003**	**15,379,003**	
TRAN BORROWING														
FY 2019-20 TRAN	-	19,890,000	-	-	-	-	(9,945,000)	-	-	-	(9,945,000)	-	-	-
Cross FY TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BEG. CASH BALANCE, AFTER TRAN	**19,381,286**	**12,562,205**	**24,989,073**	**24,772,389**	**19,609,473**	**12,636,676**	**32,333,380**	**25,068,377**	**17,733,403**	**17,965,430**	**20,771,844**	**5,868,540**	**15,379,003**	
NET CHANGE IN CASH	(6,819,080)	12,426,867	(216,684)	(5,162,915)	(6,972,797)	19,696,704	(7,265,003)	(7,334,975)	232,027	2,806,414	(14,903,304)	9,510,463	-	(4,002,283)
END. CASH BALANCE, AFTER TRAN	**12,562,205**	**24,989,073**	**24,772,389**	**19,609,473**	**12,636,676**	**32,333,380**	**25,068,377**	**17,733,403**	**17,965,430**	**20,771,844**	**5,868,540**	**15,379,003**	**15,379,003**	

Los Angeles County Schools 2020-21 Pooled Tax and Revenue Anticipation Notes
Burbank 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 &	
	Projected	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	Adjustments	Total
REVENUES														
LCFF/Revenue Limit Sources														
Principal Apportionment	3,075,586	3,077,270	11,251,633	5,536,055	5,536,055	11,251,633	5,536,055	4,309,660	10,441,322	4,309,660	4,309,600	10,441,322	4,053,236	83,129,087
FY 2019-20 Prin. App. Deferrals	5,511,910	-	-	-	-	-	-	-	-	-	-	-	(5,511,910)	-
FY 2020-21 Prin. App. Deferrals	-	-	-	-	-	-	-	(2,801,279)	(4,309,660)	(4,309,660)	(4,309,660)	(10,441,322)	26,171,581	-
Property Taxes	307,629	814,905	31,576	-	225,652	16,260,759	9,521,798	3,194,743	274,219	10,827,451	7,178,932	7,725,919	(977,209)	55,386,374
Miscellaneous Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenue	73,858	9,120	11,247	421,691	23,903	(106,935)	1,132,267	70,938	649,742	120,707	10,997	3,994,873	(624,412)	5,787,996
Other State Revenue	366,038	1,450,437	1,421,052	1,110,045	1,017,657	2,591,978	653,781	632,784	1,063,036	2,002,525	659,254	3,374,022	(144,711)	16,197,898
Other Local Revenue	102,189	140,965	77,195	108,613	192,733	488,544	171,329	661,436	87,060	30,899	227,183	239,857	209,140	2,737,143
Interfund Transfers In	-	-	-	-	-	-	-	-	-	-	-	-		-
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**9,437,210**	**5,492,697**	**12,792,703**	**7,176,404**	**6,996,000**	**30,485,979**	**17,015,230**	**6,068,282**	**8,205,719**	**12,981,582**	**8,076,306**	**15,334,671**	**23,175,715**	**163,238,498**
EXPENDITURES														
Certificated Salaries	108,750	6,725,199	6,535,608	6,596,091	6,538,357	6,444,438	6,448,908	6,425,865	6,455,821	6,395,494	6,245,338	7,843,194	(275,127)	72,487,936
Classified Salaries	59,850	1,242,412	2,408,569	2,421,255	2,480,822	2,449,621	2,483,637	2,921,495	2,503,914	2,491,363	2,478,893	3,771,670	324,294	28,037,795
Employee Benefits	66,853	1,842,729	3,297,314	3,303,921	3,334,717	3,319,391	3,402,019	3,515,688	3,412,256	3,400,041	3,235,064	3,771,960	374,795	36,276,748
Books and Supplies	27,833	115,042	92,776	83,498	75,145	94,126	92,869	133,205	64,151	53,121	305,918	414,334	2,770,288	4,322,306
Services	1,602,988	1,484,640	1,082,843	1,918,951	1,314,377	1,376,484	1,395,952	1,948,570	1,011,774	1,252,253	1,870,624	1,321,112	442,800	18,023,368
Capital Outlay	-	4,758	24,357	15,634	6,642	-	14,926	19,838	5,080	2,980	26,765	17,989	22,946	161,915
Other Outgo	119,509	522,816	44,919	171,121	229,113	595,595	228,410	(189,358)	86,039	220,756	215,130	(315,694)	543,523	2,471,879
Interfund Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	1,092,096	1,092,096
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,985,783**	**11,937,596**	**13,486,386**	**14,510,471**	**13,979,173**	**14,279,655**	**14,066,721**	**14,775,303**	**13,539,035**	**13,816,008**	**14,377,732**	**16,824,565**	**5,295,615**	**162,874,043**
REVENUES MINUS EXPENDITURES	**7,451,427**	**(6,444,899)**	**(693,683)**	**(7,334,067)**	**(6,983,173)**	**16,206,324**	**2,948,509**	**(8,707,021)**	**(5,333,316)**	**(834,426)**	**(6,301,426)**	**(1,489,894)**	**17,880,100**	**364,455**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	-	600,000	250,000	1,000,000	100,000	100,000	100,000	6,068,514	60,000	10,000	(25,000)	(3,999,940)	(23,175,715)	(18,912,141)
Total Current Liabilities	(12,160,000)	(800,000)	(4,053,072)	1,100,000	(50,000)	(800,000)	200,000	200,000	150,000	(9,084,000)	-	6,000,000	5,295,615	(14,001,457)
TOTAL BALANCE SHEET TRANS.	**(12,160,000)**	**(200,000)**	**(3,803,072)**	**2,100,000**	**50,000**	**(700,000)**	**300,000**	**6,268,514**	**210,000**	**(9,074,000)**	**(25,000)**	**2,000,060**	**(17,880,100)**	**(32,913,598)**
BEG. CASH BALANCE, BEFORE TRAN	**15,379,003**	**10,670,430**	**4,025,531**	**(471,224)**	**(5,705,291)**	**(12,638,464)**	**2,867,860**	**6,116,369**	**3,677,862**	**(1,445,454)**	**(11,353,880)**	**(17,680,306)**	**(17,170,140)**	
NET CHANGE IN CASH	(4,708,573)	(6,644,899)	(4,496,755)	(5,234,067)	(6,933,173)	15,506,324	3,248,509	(2,438,507)	(5,123,316)	(9,908,426)	(6,326,426)	510,166	-	(32,549,143)
END. CASH BALANCE, BEFORE TRAN	**10,670,430**	**4,025,531**	**(471,224)**	**(5,705,291)**	**(12,638,464)**	**2,867,860**	**6,116,369**	**3,677,862**	**(1,445,454)**	**(11,353,880)**	**(17,680,306)**	**(17,170,140)**	**(17,170,140)**	
TRAN BORROWING														
FY 2020-21 TRAN	-	23,050,000	-	-	-	-	(23,050,000)	-	-	-	-	-	-	-
Cross FY TRAN	-	-	-	-	-	-	-	26,171,581	-	-	-	-	-	26,171,581
BEG. CASH BALANCE, AFTER TRAN	**15,379,003**	**10,670,430**	**27,075,531**	**22,578,776**	**17,344,709**	**10,411,536**	**25,917,860**	**6,116,369**	**29,849,443**	**24,726,127**	**14,817,701**	**8,491,275**	**9,001,441**	
NET CHANGE IN CASH	(4,708,573)	16,405,101	(4,496,755)	(5,234,067)	(6,933,173)	15,506,324	(19,801,491)	23,733,074	(5,123,316)	(9,908,426)	(6,326,426)	510,166	-	(6,377,562)
END. CASH BALANCE, AFTER TRAN	**10,670,430**	**27,075,531**	**22,578,776**	**17,344,709**	**10,411,536**	**25,917,860**	**6,116,369**	**29,849,443**	**24,726,127**	**14,817,701**	**8,491,275**	**9,001,441**	**9,001,441**	

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

Manhattan Beach Unified School District
325 S. Peck Ave.
Manhattan Beach, CA 90266
Attn: Director of Fiscal Services

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. Current Board members will, however, serve five-year terms; in order to bring the District into compliance with the requirements of SB 415, the terms of those Board members whose terms of office were scheduled to expire in 2017 were be extended to 2018, and the terms of those Board members whose terms were to expire in 2019 will be extended to 2020. 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, 2019, the District had the following long-term obligations:

Description	Balance
General obligation bonds	$147,536,106
Premium on bonds	10,190,702
Accreted interest on bonds	57,704,961
Compensated absences	393,486
Other postemployment benefits	3,726,769
Supplemental retirement plan	530,925
Net pension liability	81,401,978
TOTAL LONG-TERM OBLIGATIONS	$301,484,927

In August of 2020, the District anticipates issuing approximately $72,000,000 of its Election of 2016 General Obligation Bonds, 2020 Series B (Measure C) to finance improvements to and the acquisition of equipment for various schools within the District as authorized by the voters at the November 8, 2016 election.

Collective Bargaining Agreements

The District has a multi-year agreement with its bargaining units which included an increase of 1% for 2017-18, 1.5% for 2018-19 and 2.5% for 2019-20. Compensation for 2020-21 has also been settled. There will be a 1% increase to salary depending on the level of the District's actual ending General Fund balance at June 30, 2020. These agreements have been taken into account in the TRAN cash flows.

Cash Flow Assumptions

The District made the following assumptions in its cash flows:

- The District is assuming declining enrollment for Fiscal Year 2020-21 from Fiscal Year 2019-20.

- The District is using the State Adopted Budget assumptions for its Fiscal Year 2020-21 budget. These include flat funding to the LCFF base and the following State Aid deferrals:

  - 65% of February 2021 deferred until November 2021

  - 100% of March 2021 deferred until October 2021

  - 100% of April 2021 deferred until September 2021

  - 100% of May 2021 deferred until August 2021

  - 100% of June 2021 EPA Account payment in addition to State Aid deferred until July 2021

- The District has reduced its Full Time Equivalent (FTE) certificated positions by 30.76 and FTE classified positions by 7.4 for 2020-21 relative to 2019-20.

- The District has included the step and column method of teacher pay as well as increases in STRS and PERS in its expenditure assumptions. Salary increases as described in Collective Bargaining Agreements have been assumed.

LCFF Funding History and Projection

The following table sets forth funded ADA and LCFF figures for the District for Fiscal Years 2015-16 through 2019-20 and an estimate for Fiscal Year 2020-21.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SUMMARY OF ADA AND LCFF

Fiscal Year	Funded ADA	LCFF
2015-16(1)	6,725	$7,477.22
2016-17(1)	6,632	7,807.25
2017-18(1)	6,533	7,988.96
2018-19(1)	6,411	8,533.82
2019-20(1)	6,376	8,812.12
2020-21(2)	6,272	8,941.88

(1) Source: California Department of Education.
(2) Source: District's Fiscal Year 2020-21 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	Unsecured	Total
2015-16	$15,147,219,370	$205,276,113	$15,352,495,483
2016-17	16,190,669,505	251,786,399	16,442,455,904
2017-18	17,312,304,271	280,014,996	17,592,319,267
2018-19	18,378,047,880	298,552,478	18,676,600,358
2019-20	19,508,213,309	314,957,785	19,823,171,094

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 2015-16 through 2019-20. These amounts are the required contributions for each Fiscal Year.

Fiscal Year	Contribution
2015-16(1)	$3,234,910
2016-17(1)	4,110,684
2017-18(1)	4,204,319
2018-19(1)	4,900,159
2019-20(2)	6,261,736

(1) Source: District's Audited Financials.
(2) Source: District's 2nd Interim Report

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 2015-16 through 2019-20. These amounts are the required contributions for each Fiscal Year.

Fiscal Year	Contribution
2015-16(1)	$1,254,959
2016-17(1)	1,522,640
2017-18(1)	1,728,241
2018-19(1)	2,073,274
2019-20(2)	3,178,703

(1) Source: District's Audited Financials.
(2) Source: District's 2nd Interim Report

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, 2019, 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]	3,343,981	3,343,981	172,717
Medicare Premium Payment Program[1]	382,788	382,788	0
TOTAL	3,726,769	3,726,769	172,717

[1] Based on a measurement date of June 30, 2019.
Source: District's Audited Financial Statements for Fiscal Year 2018-19.

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, 2019	Projected Balance as of June 30, 2020	Projected Balance as of June 30, 2021
Capital Facilities/Developer Fees	$4,891,218	$5,545,272	$6,352,424
Total	$4,891,218	$5,545,272	$6,352,424

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.

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 2016-17, 2017-18 and 2018-19.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCES FOR FISCAL YEARS ENDING JUNE 30, 2017, 2018 AND 2019

	GENERAL FUND 2016-17 AUDITED	GENERAL FUND 2017-18 AUDITED	GENERAL FUND 2018-19 AUDITED
BEGINNING FUND BALANCE	$ 13,912,612	$ 13,449,979	$ 11,149,418
Total Revenues	73,675,064	74,666,874	85,707,344
Total Beginning Fund Balance and Revenues	87,587,676	88,116,853	96,856,762
Total Expenditures	74,137,697	76,967,435	88,629,639
Other Financing Sources (Uses)	0	0	26,330
ENDING FUND BALANCE	$ 13,449,979	$ 11,149,418	$ 8,253,453

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 2019-20 and 2020-21.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SUMMARY OF 2019-20 BUDGET AND 2020-21 BUDGET[(1)]
FOR DISTRICT GENERAL FUND

	GENERAL FUND 2019-20 BUDGET	GENERAL FUND 2020-21 BUDGET
BEGINNING FUND BALANCE	$ 7,491,028	$ 6,237,170
Total Revenues	82,017,677	83,694,275
Total Beginning Fund Balance and Revenues	89,508,707	89,931,445
Total Expenditures	85,789,536	83,620,234
Other Financing Sources (Uses)	0	0
ENDING FUND BALANCE	$ 3,719,169	$ 6,311,211

[(1)] District's Fiscal Year 2019-20 and 2020-21 Adopted Budgets.

District General Fund Balance Sheets

The following table is a summary of the District's General Fund Balance Sheets for Fiscal Years 2016-17, 2017-18 and 2018-19.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
GENERAL FUND BALANCE SHEET
FOR FISCAL YEARS ENDING
JUNE 30, 2017, 2018 AND 2019

	GENERAL FUND 2016-17 AUDITED	GENERAL FUND 2017-18 AUDITED	GENERAL FUND 2018-19 AUDITED
Total Assets	$ 20,948,785	$ 17,402,383	$ 16,584,778
Total Liabilities	7,498,806	6,252,965	8,331,325
Fund Balance			
Nonspendable	21,347	16,025	19,442
Restricted	650,947	422,705	677,494
Assigned	1,646,958	2,309,656	0
Unassigned	11,130,727	8,401,032	7,556,517
Total Fund Balance	13,449,979	11,149,418	8,253,453
Total Liabilities and Fund Balance	$ 20,948,785	$ 17,402,383	$ 16,584,778

Source: District's Audited Financial Statements.

Charges and Delinquencies

The following table sets forth the secured tax charges and delinquencies for the District for Fiscal Years 2014-15 through 2018-19.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SECURED TAX CHARGES AND DELINQUENCIES

	Secured Tax Charge(1)	Amt. Del. June 30	% Del. June 30
2014-15	$21,642,832.61	$313,078.59	1.45%
2015-16	23,529,690.82	335,353.18	1.43
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

	Secured Tax Charge(2)	Amt. Del. June 30	% Del. June 30
2014-15	$10,071,012.62	$86,085.21	0.85%
2015-16	10,104,255.54	93,471.90	0.93
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

(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 2019-20 Local Secured Taxpayers

The following table sets forth the largest local secured taxpayers in the District in Fiscal Year 2019-20.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
LARGEST FISCAL YEAR 2019-20 LOCAL SECURED TAXPAYERS

	Property Owner	Primary Land Use	2019-20 Assessed Valuation	% of Total(1)
1.	Rreef America REIT II Corp. BBB	Shopping Center	$178,994,423	0.92%
2.	CRP MB Studios LLC	Industrial	165,744,683	0.85
3.	Onni Manhattan Towers LP	Office Building	97,100,531	0.50
4.	HMC/Interstate Manhattan Beach LP	Hotel	93,042,466	0.48
5.	Northrop Grumman Systems Corp.	Industrial	75,315,085	0.39
			$610,197,188	3.13%

(1) 2019-20 Local Secured Assessed Valuation: $19,508,213,309.
Source: California Municipal Statistics, Inc.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
CASH FLOWS

Los Angeles County Schools 2020-21 Pooled Tax and Revenue Anticipation Notes
Manhattan Beach Unified School District

	FY 2018-19 Cash Flows													
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Accruals &	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adjustments	Total
REVENUES														
LCFF/Revenue Limit Sources														
Principal Apportionment	758,956	758,956	1,692,780	1,366,120	1,366,120	1,692,779	1,366,120	1,266,441	1,573,326	1,266,441	1,266,441	(1,027,593)	(533,336)	12,813,551
Property Taxes	1,033,403	1,343,650	8,251	-	515,112	15,204,913	3,843,122	2,027,769	100,300	10,987,122	5,305,636	1,528,362	859	41,898,500
Miscellaneous Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenue	-	5,668	-	-	2,591	-	-	-	-	6,178	-	-	2,103,026	2,117,463
Other State Revenue	-	-	338,723	-	112,946	627,615	945,420	15,988	882,566	412,596	630,389	4,750,604	2,551,822	11,268,668
Other Local Revenue	9,079	560,484	60,450	497,793	539,962	2,944,716	269,872	249,939	568,669	877,182	968,077	7,463,689	2,599,251	17,609,162
Interfund Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**1,801,438**	**2,668,758**	**2,100,204**	**1,863,913**	**2,536,731**	**20,470,023**	**6,424,534**	**3,560,136**	**3,124,861**	**13,549,519**	**8,170,543**	**12,715,061**	**6,721,623**	**85,707,344**
EXPENDITURES														
Certificated Salaries	24,867	273,652	2,973,827	3,064,051	3,087,396	3,091,699	3,095,365	3,059,619	3,087,938	3,151,512	3,712,761	6,890,345	-	35,513,032
Classified Salaries	66,406	524,106	1,072,472	1,186,073	1,308,073	1,162,691	1,186,457	1,348,556	1,222,787	1,275,566	1,561,160	2,287,205	(19,950)	14,181,603
Employee Benefits	305,491	192,367	932,293	1,610,658	1,655,061	1,609,292	1,632,945	1,655,633	1,616,623	1,661,051	1,843,594	6,191,789	782,756	21,689,553
Books and Supplies	212,115	294,464	353,907	179,678	116,155	112,232	232,830	156,470	137,704	156,349	226,299	286,409	25,671	2,490,285
Services	911,503	389,677	390,638	1,552,258	855,951	1,375,908	998,040	1,025,970	1,215,542	819,921	1,167,402	2,397,734	585,215	13,685,758
Capital Outlay	31,750	420,564	9,246	5,890	17,796	9,477	36,080	2,637	-	50,573	68,851	87,668	(355,919)	384,612
Other Outgo	-	-	13,478	94,000	-	-	(587)	(13,478)	313,579	-	-	50,919	156,189	614,100
Interfund Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,552,132**	**2,094,831**	**5,745,860**	**7,692,607**	**7,040,433**	**7,361,300**	**7,181,130**	**7,235,408**	**7,594,173**	**7,114,972**	**8,580,068**	**18,192,070**	**1,173,961**	**88,558,943**
REVENUES MINUS EXPENDITURES	**249,306**	**573,928**	**(3,645,655)**	**(5,828,694)**	**(4,503,701)**	**13,108,723**	**(756,596)**	**(3,675,271)**	**(4,469,313)**	**6,434,547**	**(409,524)**	**(5,477,009)**	**5,547,662**	**(2,851,599)**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	37,106	(27,294)	949,837	2,546	983,908	976,474	(1,552)	9,275	4,515	102,913	58,971	346,325	(6,392,614)	(2,949,590)
Total Current Liabilities	(4,462,885)	(1,631,432)	(441,012)	(8,634)	1,878,344	(1,477,190)	(213,639)	359,085	(197,711)	(62,794)	(89,760)	6,987,163	1,394,459	2,033,994
TOTAL BALANCE SHEET TRANS.	**(4,425,780)**	**(1,658,726)**	**508,825**	**(6,088)**	**2,862,252**	**(500,716)**	**(215,191)**	**368,359**	**(193,197)**	**40,119**	**(30,789)**	**7,333,488**	**(4,998,155)**	**(915,596)**
BEG. CASH BALANCE, BEFORE TRAN	**12,370,834**	**8,194,360**	**7,109,562**	**3,972,732**	**(1,862,050)**	**(3,503,499)**	**9,104,507**	**8,132,721**	**4,825,809**	**163,300**	**6,637,966**	**6,197,653**	**8,054,133**	
NET CHANGE IN CASH	(4,176,474)	(1,084,798)	(3,136,831)	(5,834,781)	(1,641,449)	12,608,006	(971,786)	(3,306,912)	(4,662,509)	6,474,666	(440,313)	1,856,479	549,507	(3,767,195)
END. CASH BALANCE, BEFORE TRAN	**8,194,360**	**7,109,562**	**3,972,732**	**(1,862,050)**	**(3,503,499)**	**9,104,507**	**8,132,721**	**4,825,809**	**163,300**	**6,637,966**	**6,197,653**	**8,054,133**	**8,603,639**	
TRAN BORROWING														
TRAN Receipts	-	6,000,000	-	-	-	-	-	-	-	-	-	-	-	6,000,000
TRAN Disbursements	-	-	-	-	-	-	(3,000,000)	-	-	-	(3,182,667)	-	-	(6,182,667)
BEG. CASH BALANCE, AFTER TRAN	**12,370,834**	**8,194,360**	**13,109,562**	**9,972,732**	**4,137,950**	**2,496,501**	**15,104,507**	**11,132,721**	**7,825,809**	**3,163,300**	**9,637,966**	**6,014,987**	**7,871,466**	
NET CHANGE IN CASH	(4,176,474)	4,915,202	(3,136,831)	(5,834,781)	(1,641,449)	12,608,006	(3,971,786)	(3,306,912)	(4,662,509)	6,474,666	(3,622,980)	1,856,479	549,507	(3,949,862)
END. CASH BALANCE, AFTER TRAN	**8,194,360**	**13,109,562**	**9,972,732**	**4,137,950**	**2,496,501**	**15,104,507**	**11,132,721**	**7,825,809**	**3,163,300**	**9,637,966**	**6,014,987**	**7,871,466**	**8,420,972**	

Los Angeles County Schools 2020-21 Pooled Tax and Revenue Anticipation Notes
Manhattan Beach Unified School District

	FY 2019-20 Cash Flows													
	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Accruals &	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	*Estimated*	Adjustments	Total
REVENUES														
LCFF/Revenue Limit Sources														
Principal Apportionment	695,750	695,750	1,572,915	1,252,351	1,252,351	1,572,914	1,252,351	707,023	1,255,416	825,255	824,989	-	(65,994)	11,841,071
FY 2019-20 Prin. App. Deferrals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2020-21 Prin. App. Deferrals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	508,863	1,382,769	8,149	-	526,256	16,263,736	4,098,956	2,139,330	84,996	11,927,210	3,510,055	1,528,362	2,595,663	44,574,346
Miscellaneous Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenue	-	-	-	-	2,412	1,474	4,793	-	-	-	19,125	115,000	1,971,094	2,113,898
Other State Revenue	405	136,350	317,249	257,452	267,798	876,503	3,000	7,097	336,390	380,795	-	1,472,356	6,105,175	10,160,570
Other Local Revenue	49,595	355,902	315,004	80,282	1,172,586	1,025,137	277,074	460,251	1,476,302	2,970,770	276,309	2,500,000	5,619,920	16,579,133
Interfund Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**1,254,613**	**2,570,770**	**2,213,317**	**1,590,085**	**3,221,402**	**19,739,764**	**5,636,174**	**3,313,701**	**3,153,105**	**16,104,030**	**4,630,479**	**5,615,718**	**16,225,858**	**85,269,017**
EXPENDITURES														
Certificated Salaries	27,894	309,481	3,153,019	3,248,905	3,286,784	3,283,887	3,262,714	3,269,672	3,247,938	3,302,704	3,221,457	3,243,464	3,287,408	36,145,326
Classified Salaries	82,576	539,872	1,203,795	1,348,945	1,459,470	1,224,856	1,367,009	1,404,724	1,253,740	1,365,489	1,430,060	963,393	849,110	14,493,039
Employee Benefits	309,134	221,954	1,058,563	1,784,577	1,813,559	1,736,203	1,786,909	1,793,815	1,742,520	1,804,685	1,803,596	1,585,280	4,934,377	22,375,172
Books and Supplies	259,688	262,129	380,143	186,194	49,443	138,355	162,392	58,173	89,983	78,226	48,260	220,255	281,743	2,214,982
Services	905,112	401,597	490,679	698,236	599,112	1,293,810	882,284	1,017,532	1,043,875	542,920	560,891	1,387,740	1,861,485	11,685,272
Capital Outlay	-	-	2,226	257	-	431	-	370	246	-	19,668	492	-	23,690
Other Outgo	36,332	(36,332)	-	-	85,286	-	4,431	(222,465)	7,535	7,535	124,793	-	154,279	161,394
Interfund Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,620,736**	**1,698,700**	**6,288,425**	**7,267,114**	**7,293,653**	**7,677,542**	**7,465,739**	**7,321,820**	**7,385,837**	**7,101,559**	**7,208,724**	**7,400,624**	**11,368,402**	**87,098,876**
REVENUES MINUS EXPENDITURES	**(366,123)**	**872,070**	**(4,075,107)**	**(5,677,029)**	**(4,072,251)**	**12,062,222**	**(1,829,565)**	**(4,008,120)**	**(4,232,733)**	**9,002,472**	**(2,578,245)**	**(1,784,906)**	**4,857,456**	**(1,829,859)**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	18,600	282,944	343,621	365,618	3,460,836	26,740	178,059	18,430	1,488,880	2,458	(257,186)	348,467	(16,225,858)	(9,948,391)
Total Current Liabilities	(5,142,925)	(1,962,744)	(177,810)	(142,984)	3,862,830	(1,708,452)	(874,165)	(1,130,059)	4,032,110	333,405	(709,613)	(2,354,152)	11,368,402	5,393,842
TOTAL BALANCE SHEET TRANS.	**(5,124,325)**	**(1,679,801)**	**165,811**	**222,634**	**7,323,666**	**(1,681,711)**	**(696,106)**	**(1,111,629)**	**5,520,990**	**335,863**	**(966,800)**	**(2,005,685)**	**(4,857,456)**	**(4,554,549)**
BEG. CASH BALANCE, BEFORE TRAN	**8,603,639**	**3,113,191**	**2,305,460**	**(1,603,837)**	**(7,058,232)**	**(3,806,816)**	**6,573,695**	**4,048,023**	**(1,071,725)**	**216,532**	**9,554,867**	**6,009,822**	**2,219,232**	
NET CHANGE IN CASH	(5,490,449)	(807,731)	(3,909,297)	(5,454,395)	3,251,415	10,380,511	(2,525,671)	(5,119,748)	1,288,257	9,338,335	(3,545,045)	(3,790,591)	-	(6,384,408)
END. CASH BALANCE, BEFORE TRAN	**3,113,191**	**2,305,460**	**(1,603,837)**	**(7,058,232)**	**(3,806,816)**	**6,573,695**	**4,048,023**	**(1,071,725)**	**216,532**	**9,554,867**	**6,009,822**	**2,219,232**	**2,219,232**	
TRAN BORROWING														
FY 2019-20 TRAN	-	10,200,000	-	-	-	-	(5,100,000)	-	-	-	(5,100,000)	-	-	-
Cross FY TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BEG. CASH BALANCE, AFTER TRAN	**8,603,639**	**3,113,191**	**12,505,460**	**8,596,163**	**3,141,768**	**6,393,184**	**16,773,695**	**9,148,023**	**4,028,275**	**5,316,532**	**14,654,867**	**6,009,822**	**2,219,232**	
NET CHANGE IN CASH	(5,490,449)	9,392,269	(3,909,297)	(5,454,395)	3,251,415	10,380,511	(7,625,671)	(5,119,748)	1,288,257	9,338,335	(8,645,045)	(3,790,591)	-	(6,384,408)
END. CASH BALANCE, AFTER TRAN	**3,113,191**	**12,505,460**	**8,596,163**	**3,141,768**	**6,393,184**	**16,773,695**	**9,148,023**	**4,028,275**	**5,316,532**	**14,654,867**	**6,009,822**	**2,219,232**	**2,219,232**	

Los Angeles County Schools 2020-21 Pooled Tax and Revenue Anticipation Notes
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 &	
	Projected	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	Adjustments	Total
REVENUES														
LCFF/Revenue Limit Sources														
Principal Apportionment	511,345	511,345	1,240,984	920,420	920,420	1,240,984	920,420	920,420	1,240,984	920,420	920,420	1,240,984	-	11,509,144
FY 2019-20 Prin. App. Deferrals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2020-21 Prin. App. Deferrals	-	-	-	-	-	-	-	(598,273)	(920,420)	(920,420)	(920,420)	(1,240,984)	4,600,517	-
Property Taxes	525,977	1,430,837	8,915	-	543,807	16,996,198	4,065,180	2,210,888	89,149	12,333,722	5,482,645	887,029	-	44,574,346
Miscellaneous Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenue	-	-	20,184	13,289	2,412	1,474	84,783	-	-	-	115,000	115,000	1,899,843	2,251,985
Other State Revenue	110,541	136,350	317,249	257,452	267,798	548,489	331,014	257,097	336,390	380,795	257,452	257,452	6,686,640	10,144,719
Other Local Revenue	3,249,595	355,902	315,004	80,282	1,172,586	1,025,137	277,074	1,978,502	460,251	2,970,770	500,000	2,000,000	828,974	15,214,077
Interfund Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**4,397,458**	**2,434,433**	**1,902,336**	**1,271,443**	**2,907,023**	**19,812,282**	**5,678,472**	**4,768,633**	**1,206,353**	**15,685,286**	**6,355,097**	**3,259,481**	**14,015,974**	**83,694,270**
EXPENDITURES														
Certificated Salaries	26,478	293,761	2,992,869	3,083,885	3,119,839	3,117,090	3,096,992	3,096,992	3,082,967	3,134,952	3,269,247	3,269,247	2,666,180	34,250,499
Classified Salaries	71,675	679,860	1,181,472	1,270,930	1,432,405	1,202,142	1,275,414	1,275,414	1,230,491	1,340,167	1,393,667	1,393,667	810,880	14,558,184
Employee Benefits	293,578	210,784	1,005,294	1,694,773	1,722,297	1,648,755	1,687,067	1,687,067	1,654,832	1,743,472	1,753,267	1,723,665	5,200,065	22,024,917
Books and Supplies	164,118	165,661	240,244	117,672	31,247	87,438	102,629	36,764	56,868	49,437	272,136	272,136	157,793	1,754,144
Services	811,318	359,981	439,832	625,880	537,028	979,593	908,500	912,089	935,702	486,659	1,384,212	1,384,212	986,906	10,751,913
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Outgo	-	-	13,478	94,000	-	-	-	-	313,579	-	-	6,904	-	427,961
Interfund Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,367,167**	**1,710,049**	**5,873,189**	**6,887,140**	**6,842,816**	**7,035,019**	**7,070,602**	**7,008,326**	**7,274,439**	**6,754,686**	**8,072,530**	**8,049,832**	**9,821,824**	**83,767,617**
REVENUES MINUS EXPENDITURES	**3,030,291**	**724,384**	**(3,970,853)**	**(5,615,697)**	**(3,935,793)**	**12,777,263**	**(1,392,130)**	**(2,239,692)**	**(6,068,085)**	**8,930,600**	**(1,717,433)**	**(4,790,350)**	**4,194,150**	**(73,347)**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	268,600	282,944	343,621	360,618	3,460,836	26,740	181,290	18,430	1,488,880	2,458	(22,917)	350,000	(14,015,974)	(7,254,474)
Total Current Liabilities	(1,142,925)	(1,326,476)	145,899	(4,142,984)	862,830	1,291,548	105,691	332,754	32,110	333,415	(709,613)	1,645,848	9,821,824	7,249,921
TOTAL BALANCE SHEET TRANS.	**(874,325)**	**(1,043,532)**	**489,520**	**(3,782,366)**	**4,323,666**	**1,318,288**	**286,981**	**351,184**	**1,520,990**	**335,873**	**(732,530)**	**1,995,848**	**(4,194,150)**	**(4,553)**
BEG. CASH BALANCE, BEFORE TRAN	**2,219,232**	**4,375,197**	**4,056,049**	**574,716**	**(8,823,347)**	**(8,435,474)**	**5,660,077**	**4,554,928**	**2,666,419**	**(1,880,676)**	**7,385,797**	**4,935,834**	**2,141,332**	
NET CHANGE IN CASH	2,155,966	(319,148)	(3,481,333)	(9,398,063)	387,873	14,095,551	(1,105,149)	(1,888,508)	(4,547,095)	9,266,473	(2,449,963)	(2,794,502)	-	(77,900)
END. CASH BALANCE, BEFORE TRAN	**4,375,197**	**4,056,049**	**574,716**	**(8,823,347)**	**(8,435,474)**	**5,660,077**	**4,554,928**	**2,666,419**	**(1,880,676)**	**7,385,797**	**4,935,834**	**2,141,332**	**2,141,332**	
TRAN BORROWING														
FY 2020-21 TRAN	-	15,085,000	-	-	-	-	(15,085,000)	-	-	-	-	-	-	-
Cross FY TRAN	-	-	-	-	-	-	-	9,600,517	-	-	(5,000,000)	-	-	4,600,517
BEG. CASH BALANCE, AFTER TRAN	**2,219,232**	**4,375,197**	**19,141,049**	**15,659,716**	**6,261,653**	**6,649,526**	**20,745,077**	**4,554,928**	**12,266,936**	**7,719,841**	**16,986,314**	**9,536,351**	**6,741,848**	
NET CHANGE IN CASH	2,155,966	14,765,852	(3,481,333)	(9,398,063)	387,873	14,095,551	(16,190,149)	7,712,008	(4,547,095)	9,266,473	(7,449,963)	(2,794,502)	-	4,522,617
END. CASH BALANCE, AFTER TRAN	**4,375,197**	**19,141,049**	**15,659,716**	**6,261,653**	**6,649,526**	**20,745,077**	**4,554,928**	**12,266,936**	**7,719,841**	**16,986,314**	**9,536,351**	**6,741,848**	**6,741,848**	

REDONDO BEACH UNIFIED SCHOOL DISTRICT

Redondo Beach Unified School District
1401 Inglewood Avenue
Redondo Beach, CA 90278
Attn: Director of Fiscal Services

General

The Redondo Beach City School District was established in 1888. Encompassing approximately 6 square miles in the southwest region of Los Angeles County, the District's boundaries are coterminous with the Redondo Beach city limits. As of July 1, 1993, the Redondo Beach City School District became unified as a K-12 district, the Redondo Beach Unified School District (the "District"), adding the Redondo Union High School to the Redondo Beach City School District's elementary schools. The District operates eight elementary schools, two middle schools, one high school, one continuation high school, one adult school and several child development centers. In addition, the District provides programs through which students can obtain a high school diploma through independent study at two locations.

Organization

The District is governed by a five-member Board of Education whose members are elected to four-year terms in alternating slates of two and three members.

Outstanding Obligations

As of June 30, 2019, the District had the following long-term obligations:

Description	Balance
General obligation bonds	$ 239,313,405
Unamortized premium	11,256,166
Accreted interest	9,634,257
Total general obligation bonds	260,203,828
Early retirement incentive	981,718
Compensated absences	666,441
Net pension liability	122,529,584
TOTAL LONG-TERM OBLIGATIONS	$ 384,381,571

On June 20, 2019, the District issued $5,000,000 aggregate principal amount of Election of 2012 General Obligation Bonds, Series D. On May 5, 2020, the District issued $12,210,000 aggregate principal amount of 2020 General Obligation Refunding Bonds (Forward Delivery). On August 6, 2020 the District issued $64,395,000 aggregate principal amount of its 2020 General Obligation Refunding Bonds, Series B (Federally Taxable).

Collective Bargaining Agreements

The District settled negotiations with respect to employee compensation with both of its bargaining units for Fiscal Year 2019-20. The terms of the bargaining agreements covered July 1, 2019 through June 30, 2020, and included a 1.25% increase on the salary schedules, and a 0.25% one-time payment. The District and the bargaining units will continue to operate under the terms of the expired agreements until new agreements are negotiated.

Cashflow Assumptions

The District made the following assumptions in its cash flows:

- Fiscal Year 2020-21 ADA is stable compared to Fiscal Year 2019-20.
- The District is using the State Adopted Budget assumptions for its Fiscal Year 2020-21 cashflows. These include flat funding to the LCFF base and the following State Aid deferrals:
  - 65% of February 2021 deferred until November 2021
  - 100% of March 2021 deferred until October 2021
  - 100% of April 2021 deferred until September 2021
  - 100% of May 2021 deferred until August 2021
  - 100% of June 2021 EPA Account payment in addition to State Aid deferred until July 2021
- The District has included Fiscal Year 2019-20 salary increases in its cash flows.
- The District has included increases due to the step and column method of teacher pay and in STRS and PERS employer contributions in its expenditure assumptions.

LCFF Funding History and Projection

The following table sets forth funded ADA and LCFF figures for the District for Fiscal Years 2015-16 through 2019-20 and an estimate for Fiscal Year 2020-21.

REDONDO BEACH UNIFIED SCHOOL DISTRICT
SUMMARY OF ADA AND LCFF

Fiscal Year	Funded ADA	LCFF
2015-16(1)	9,153	$7,808.31
2016-17(1)	9,448	8,091.28
2017-18(1)	9,558	8,254.58
2018-19(1)	9,664	8,783.12
2019-20(2)	9,735	9,114.50
2020-21(2)	9,735	9,110.54

(1) Source: California Department of Education.
(2) Source: District's Fiscal Year 2020-21 Adopted Budget.

Assessed Value

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

REDONDO BEACH UNIFIED SCHOOL DISTRICT
SUMMARY OF ASSESSED VALUE

Fiscal Year	Local Secured	Utility	Unsecured	Total
2015-16	$13,671,055,577	$126,271,000	$492,939,951	$14,290,266,528
2016-17	14,498,706,043	108,471,000	447,726,063	15,054,903,106
2017-18	15,329,759,882	85,571,000	502,985,927	15,918,316,809
2018-19	16,189,751,587	58,871,000	501,284,209	16,749,906,796
2019-20	16,994,590,502	66,571,000	520,067,091	17,581,228,593

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 2015-16 through 2019-20. These amounts are the required contributions for each Fiscal Year.

Fiscal Year	Contribution
2015-16(1)	$4,940,802
2016-17(1)	6,099,011
2017-18(1)	7,308,231
2018-19(1)	8,818,715
2019-20(2)	9,375,951

(1) Source: District's Audited Financials.
(2) Source: District's 2nd Interim Report

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 2015-16 through 2019-20. These amounts are the required contributions for each Fiscal Year.

Fiscal Year	Contribution
2015-16(1)	$1,926,944
2016-17(1)	2,390,976
2017-18(1)	2,807,906
2018-19(1)	3,523,216
2019-20(2)	3,918,689

(1) Source: District's Audited Financials.
(2) Source: District's 2nd Interim Report

Other Post-Employment Benefits

The District does not provide any post-employment benefits for any of its employees or retirees.

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, 2019	Projected Balance as of June 30, 2020	Projected Balance as of June 30, 2021
Adult Education Fund	$ 4,564,142	$ 4,300,000	$ 4,300,000
Cafeteria Fund	617,889	800,000	800,000
Deferred Maintenance Fund	1,707,411	500,000	500,000
Special Reserve Fund	2,301,349	2,335,000	2,370,000
Capital Facilities Fund	1,917,465	500,000	500,000
County School Facilities Fund	-	-	4,300,000
Special Reserve Fund (Aviation)	3,965,013	4,000,000	2,400,000
Self Insurance Fund	1,909,997	1,700,000	1,700,000
Total	$16,983,266	$14,135,000	$16,870,000

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.

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 2016-17, 2017-18 and 2018-19.

REDONDO BEACH UNIFIED SCHOOL DISTRICT
SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCES FOR FISCAL YEARS ENDING JUNE 30, 2017, 2018 AND 2019

	GENERAL FUND 2016-17 AUDITED	GENERAL FUND 2017-18 AUDITED	GENERAL FUND 2018-19 AUDITED
BEGINNING FUND BALANCE	$ 15,086,108	$ 18,502,850	$ 17,209,815
Total Revenues	96,741,334	97,918,963	110,413,253
Total Beginning Fund Balance and Revenues	111,827,442	116,421,813	127,623,068
Total Expenditures	91,878,315	99,211,998	113,659,021
Other Financing Sources (Uses)	(1,446,277)	0	0
ENDING FUND BALANCE	$ 18,502,850	$ 17,209,815	$ 13,964,047

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 2019-20 and 2020-21.

REDONDO BEACH UNIFIED SCHOOL DISTRICT
SUMMARY OF 2019-20 BUDGET AND 2020-21 BUDGET[(1)]
FOR DISTRICT GENERAL FUND

	GENERAL FUND 2019-20 BUDGET	GENERAL FUND 2020-21 BUDGET
BEGINNING FUND BALANCE	$ 10,783,704	$ 10,103,642
Total Revenues	101,838,700	97,039,438
Total Beginning Fund Balance and Revenues	112,622,404	107,143,080
Total Expenditures	101,747,519	104,792,550
Other Financing Sources (Uses)	-	-
ENDING FUND BALANCE	$ 10,874,885	$ 2,350,530

(1) District's Fiscal Year 2019-20 and 2020-21 Adopted Budgets.

District General Fund Balance Sheets

The following table is a summary of the District's General Fund Balance Sheets for Fiscal Years 2016-17, 2017-18 and 2018-19.

REDONDO BEACH UNIFIED SCHOOL DISTRICT
GENERAL FUND BALANCE SHEET
FOR FISCAL YEARS ENDING
JUNE 30, 2017, 2018 AND 2019

	GENERAL FUND 2016-17 AUDITED	GENERAL FUND 2017-18 AUDITED	GENERAL FUND 2018-19 AUDITED
Total Assets	$ 28,144,291	$ 26,494,597	$ 25,650,558
Total Liabilities	$ 9,641,441	$ 9,284,782	$ 11,686,511
Fund Balance			
Nonspendable	130,800	110,084	466,886
Restricted	5,781,813	4,812,247	993,156
Assigned	1,446,277	0	0
Unassigned	11,143,960	12,287,484	12,504,005
Total Fund Balance	18,502,850	17,209,815	13,964,047
Total Liabilities and Fund Balance	$ 28,144,291	$ 26,494,597	$ 25,650,558

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 2014-15 through 2018-19.

REDONDO BEACH UNIFIED SCHOOL DISTRICT SECURED TAX CHARGES AND DELINQUENCIES

	Secured Tax Charge[1]	Amt. Del. June 30	% Del. June 30
2014-15	$21,224,518.82	$305,619.13	1.44%
2015-16	22,374,098.20	317,274.94	1.42
2016-17	23,484,613.14	277,144.94	1.18
2017-18	25,037,483.66	309,115.62	1.23
2018-19	26,345,993.40	357,712.94	1.36

	Secured Tax Charge[2]	Amt. Del. June 30	% Del. June 30
2014-15	$12,700,130.08	$97,914.42	0.77%
2015-16	12,636,681.93	100,314.20	0.79
2016-17	13,398,515.49	199,117.80	1.49
2017-18	13,306,050.70	96,065.01	0.72
2018-19	13,159,476.53	108,843.74	0.83

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

Largest Fiscal Year 2019-20 Local Secured Taxpayers

The following table sets forth the largest local secured taxpayers in the District in Fiscal Year 2019-20.

REDONDO BEACH UNIFIED SCHOOL DISTRICT
LARGEST FISCAL YEAR 2019-20 LOCAL SECURED TAXPAYERS

	Property Owner	Primary Land Use	2019-20 Assessed Valuation	% of Total[1]
1.	Northrop Grumman Systems Corp.	Industrial	$275,527,137	1.61%
2.	South Bay Center SPE LLC	Shopping Center	223,493,118	1.31
3.	Noble House RECP Hotel Venture LLC	Hotel	68,147,484	0.40
4.	The Kobe Group Inc.	Apartments	67,152,045	0.39
5.	AES Redondo Beach LLC	Power Plant	66,200,000	0.39
			$700,519,784	4.11%

[1] 2019-20 Local Secured Assessed Valuation $17,061,161,502.
Source: California Municipal Statistics, Inc.

REDONDO BEACH UNIFIED SCHOOL DISTRICT
CASH FLOWS

Los Angeles County Schools 2020-21 Pooled Tax and Revenue Anticipation Notes
Redondo Beach Unified School District

	FY 2018-19 Cash Flows													
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Accruals &	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adjustments	Total
REVENUES														
LCFF/Revenue Limit Sources														
Principal Apportionment	1,518,962	1,518,962	5,407,308	2,734,131	2,734,131	5,407,307	2,734,131	2,843,445	6,767,385	2,843,445	2,843,445	1,334,206	-	38,686,858
Property Taxes	1,166,866	1,435,779	17,082	-	550,513	15,450,279	4,028,579	2,416,089	148,698	11,090,772	6,343,065	3,500,278	-	46,148,000
Miscellaneous Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenue	7,506	7,506	-	29,606	142,381	108,154	142,146	7,550	140,055	90,814	55,095	127,706	2,487,864	3,346,385
Other State Revenue	10,495	-	74,117	164,266	684,447	439,521	1,838,991	343,454	1,317,036	594,524	638,138	2,244,582	1,594,966	9,944,536
Other Local Revenue	170,203	338,797	256,129	879,695	152,349	227,172	113,741	89,285	26,237	134,577	75,027	146,054	491,334	3,100,601
Interfund Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**2,874,032**	**3,301,044**	**5,754,636**	**3,807,699**	**4,263,821**	**21,632,433**	**8,857,588**	**5,699,822**	**8,399,411**	**14,754,132**	**9,954,769**	**7,352,826**	**4,574,165**	**101,226,379**
EXPENDITURES														
Certificated Salaries	58,745	546,872	4,168,716	4,429,935	4,843,987	4,505,953	4,461,305	4,439,058	4,571,502	4,515,337	4,852,632	4,476,104	4,561,181	50,431,328
Classified Salaries	59,775	674,719	905,537	1,468,829	1,666,479	1,444,485	1,488,972	1,527,376	1,472,910	1,519,678	1,714,131	1,546,646	1,069,331	16,558,868
Employee Benefits	531,667	269,571	1,039,618	1,903,454	2,025,857	1,909,457	1,922,907	1,921,361	1,939,260	1,938,920	1,981,186	1,937,837	1,755,889	21,076,985
Books and Supplies	78,907	171,623	245,389	2,181,103	190,425	729,989	212,196	65,724	118,972	102,145	184,224	20,854	(73)	4,301,479
Services	98,053	354,280	926,940	637,905	857,504	1,364,334	966,060	795,853	947,669	827,309	975,070	1,693,164	1,240,897	11,685,038
Capital Outlay	-	-	-	-	-	-	11,925	-	-	-	-	7,370	-	19,295
Other Outgo	-	-	-	123,000	-	-	-	-	250,196	-	138,328	(216,764)	151,884	446,644
Interfund Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**827,148**	**2,017,065**	**7,286,201**	**10,744,227**	**9,584,252**	**9,954,218**	**9,063,366**	**8,749,372**	**9,300,509**	**8,903,389**	**9,845,572**	**9,465,211**	**8,779,110**	**104,519,638**
REVENUES MINUS EXPENDITURES	**2,046,885**	**1,283,980**	**(1,531,564)**	**(6,936,528)**	**(5,320,431)**	**11,678,215**	**(205,778)**	**(3,049,550)**	**(901,098)**	**5,850,743**	**109,197**	**(2,112,385)**	**(4,204,946)**	**(3,293,259)**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	1,185,697	264,552	225,114	55,661	1,382,458	279,188	(376,656)	(85,762)	195,865	(104,693)	(317,213)	131,262	(4,574,165)	(1,738,692)
Total Current Liabilities	(8,958,573)	(172,360)	(53,504)	154,037	86,189	1,187,862	(985,259)	(512,487)	302,243	225,266	(450,465)	2,826,268	8,779,110	2,428,329
TOTAL BALANCE SHEET TRANS.	**(7,772,876)**	**92,192**	**171,610**	**209,698**	**1,468,647**	**1,467,050**	**(1,361,915)**	**(598,250)**	**498,108**	**120,574**	**(767,678)**	**2,957,530**	**4,204,946**	**689,637**
BEG. CASH BALANCE, BEFORE TRAN	**19,177,722**	**13,451,732**	**14,827,904**	**13,467,950**	**6,741,120**	**2,889,336**	**16,034,601**	**14,466,908**	**10,819,108**	**10,416,118**	**16,387,435**	**15,728,955**	**16,574,100**	
NET CHANGE IN CASH	(5,725,991)	1,376,172	(1,359,954)	(6,726,830)	(3,851,785)	13,145,266	(1,567,694)	(3,647,799)	(402,990)	5,971,317	(658,480)	845,145	-	(2,603,622)
END. CASH BALANCE, BEFORE TRAN	**13,451,732**	**14,827,904**	**13,467,950**	**6,741,120**	**2,889,336**	**16,034,601**	**14,466,908**	**10,819,108**	**10,416,118**	**16,387,435**	**15,728,955**	**16,574,100**	**16,574,100**	
TRAN BORROWING														
TRAN Receipts	-	5,540,000	-	-	-	-	-	-	-	-	-	-	-	5,540,000
TRAN Disbursements	-	-	-	-	-	-	(2,770,000)	-	-	-	(2,770,000)	-	-	(5,540,000)
BEG. CASH BALANCE, AFTER TRAN	**19,177,722**	**13,451,732**	**20,367,904**	**19,007,950**	**12,281,120**	**8,429,336**	**21,574,601**	**17,236,908**	**13,589,108**	**13,186,118**	**19,157,435**	**15,728,955**	**16,574,100**	
NET CHANGE IN CASH	(5,725,991)	6,916,172	(1,359,954)	(6,726,830)	(3,851,785)	13,145,266	(4,337,694)	(3,647,799)	(402,990)	5,971,317	(3,428,480)	845,145	0	(2,603,622)
END. CASH BALANCE, AFTER TRAN	**13,451,732**	**20,367,904**	**19,007,950**	**12,281,120**	**8,429,336**	**21,574,601**	**17,236,908**	**13,589,108**	**13,186,118**	**19,157,435**	**15,728,955**	**16,574,100**	**16,574,100**	

Los Angeles County Schools 2020-21 Pooled Tax and Revenue Anticipation Notes
Redondo Beach Unified School District

	FY 2019-20 Cash Flows													
	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Accruals &	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	*Estimated*	Adjustments	Total
REVENUES														
LCFF/Revenue Limit Sources														
Principal Apportionment	1,687,837	1,687,837	5,473,623	3,038,107	3,038,107	5,473,623	3,038,107	3,170,149	5,450,925	3,170,149	3,170,149	1,368,605	-	39,767,218
FY 2019-20 Prin. App. Deferrals	-	-	-	-	-	-	-	-	-	-	-	(1,368,605)	1,368,605	-
FY 2020-21 Prin. App. Deferrals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	545,066	1,465,210	16,015	-	576,511	16,517,768	4,275,429	2,275,922	144,742	11,994,830	4,238,226	3,759,498	3,153,240	48,962,457
Miscellaneous Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenue	7,550	8,509	7,550	70,232	9,105	7,551	277,632	7,713	16,571	48,140	7,713	9,869	2,707,833	3,185,969
Other State Revenue	810	285,831	456,238	421,890	368,074	1,693,793	-	150,586	514,400	498,033	-	1,880,259	3,465,188	9,735,101
Other Local Revenue	22,538	648,121	94,133	1,224,164	165,655	148,455	144,495	148,627	77,630	50,299	91,399	807,859	875,470	4,498,845
Interfund Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**2,263,800**	**4,095,508**	**6,047,558**	**4,754,393**	**4,157,452**	**23,841,190**	**7,735,663**	**5,752,998**	**6,204,267**	**15,761,451**	**7,507,487**	**6,457,486**	**11,570,336**	**106,149,591**
EXPENDITURES														
Certificated Salaries	82,495	572,051	4,471,004	4,577,352	4,782,863	4,571,562	4,529,738	4,533,172	4,677,397	4,518,956	4,618,876	4,642,910	4,772,372	51,350,747
Classified Salaries	38,558	699,638	1,193,546	1,542,610	1,687,787	1,567,271	1,548,736	1,519,419	1,629,383	1,591,537	1,576,198	1,537,187	647,946	16,779,815
Employee Benefits	534,558	298,841	1,222,837	2,081,549	2,141,394	2,085,376	2,074,979	2,055,506	2,454,384	2,073,169	2,064,620	2,115,136	1,855,665	23,058,014
Books and Supplies	14,921	296,636	243,058	180,632	691,067	128,095	206,231	4,657	218,240	281,971	122,833	173,817	1,111,378	3,673,538
Services	727,189	1,356,353	347,717	132,160	491,338	960,798	896,074	806,563	1,341,087	1,181,845	837,356	560,732	2,333,185	11,972,397
Capital Outlay	-	-	9,253	-	-	-	-	-	-	-	-	-	140,747	150,000
Other Outgo	-	91,960	-	-	-	-	91,960	8,262	8,262	130,875	112,724	-	(82,510)	361,532
Interfund Transfers Out	-	-	-	-	-	-	-	-	-	-	-	350,000	-	350,000
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,397,722**	**3,315,479**	**7,487,414**	**8,514,302**	**9,794,449**	**9,313,102**	**9,347,717**	**8,927,578**	**10,328,754**	**9,778,353**	**9,332,607**	**9,379,782**	**10,778,783**	**107,696,043**
REVENUES MINUS EXPENDITURES	**866,079**	**780,028**	**(1,439,856)**	**(3,759,909)**	**(5,636,997)**	**14,528,088**	**(1,612,053)**	**(3,174,580)**	**(4,124,487)**	**5,983,098**	**(1,825,120)**	**(2,922,296)**	**791,553**	**(1,546,452)**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	1,255,777	(216,796)	159,636	(1,912,001)	1,123,835	(885,371)	4,145,953	(359,990)	2,196,744	(14,821)	(74,455)	561,323	(11,570,336)	(5,590,500)
Total Current Liabilities	(9,425,157)	(26,039)	903,359	(712,103)	(275,806)	343,941	(318,113)	603,746	(2,144,984)	92,600	(254,226)	812,241	10,778,783	378,243
TOTAL BALANCE SHEET TRANS.	**(8,169,380)**	**(242,835)**	**1,062,995**	**(2,624,104)**	**848,030**	**(541,431)**	**3,827,841**	**243,756**	**51,760**	**77,779**	**(328,681)**	**1,373,564**	**(791,553)**	**(5,212,257)**
BEG. CASH BALANCE, BEFORE TRAN	**16,574,100**	**9,270,799**	**9,807,992**	**9,431,132**	**3,047,119**	**(1,741,848)**	**12,244,810**	**14,460,597**	**11,529,773**	**7,457,047**	**13,517,924**	**11,364,123**	**9,815,391**	
NET CHANGE IN CASH	(7,303,301)	537,193	(376,860)	(6,384,013)	(4,788,967)	13,986,657	2,215,787	(2,930,824)	(4,072,726)	6,060,877	(2,153,801)	(1,548,732)	-	(6,758,709)
END. CASH BALANCE, BEFORE TRAN	**9,270,799**	**9,807,992**	**9,431,132**	**3,047,119**	**(1,741,848)**	**12,244,810**	**14,460,597**	**11,529,773**	**7,457,047**	**13,517,924**	**11,364,123**	**9,815,391**	**9,815,391**	
TRAN BORROWING														
FY 2019-20 TRAN	-	11,450,000	-	-	-	-	(5,725,000)	-	-	-	(5,725,000)	-	-	-
Cross FY TRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BEG. CASH BALANCE, AFTER TRAN	**16,574,100**	**9,270,799**	**21,257,992**	**20,881,132**	**14,497,119**	**9,708,152**	**23,694,810**	**20,185,597**	**17,254,773**	**13,182,047**	**19,242,924**	**11,364,123**	**9,815,391**	
NET CHANGE IN CASH	(7,303,301)	11,987,193	(376,860)	(6,384,013)	(4,788,967)	13,986,657	(3,509,213)	(2,930,824)	(4,072,726)	6,060,877	(7,878,801)	(1,548,732)	-	(6,758,709)
END. CASH BALANCE, AFTER TRAN	**9,270,799**	**21,257,992**	**20,881,132**	**14,497,119**	**9,708,152**	**23,694,810**	**20,185,597**	**17,254,773**	**13,182,047**	**19,242,924**	**11,364,123**	**9,815,391**	**9,815,391**	

Los Angeles County Schools 2020-21 Pooled Tax and Revenue Anticipation Notes
Redondo 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 &	
	Projected	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	Adjustments	Total
REVENUES														
LCFF/Revenue Limit Sources														
Principal Apportionment	1,494,464	1,494,464	5,125,552	2,690,036	2,690,036	5,125,552	2,690,036	2,690,036	5,125,552	2,690,036	2,690,036	5,125,552	-	39,631,352
FY 2019-20 Prin. App. Deferrals	1,368,605	-	-	-	-	-	-	-	-	-	-	-	(1,368,605)	-
FY 2020-21 Prin. App. Deferrals	-	-	-	-	-	-	-	(1,748,523)	(2,690,036)	(2,690,036)	(2,690,036)	(5,125,552)	14,944,183	-
Property Taxes	545,066	1,465,210	16,015	-	576,511	16,517,768	4,275,429	2,275,922	144,742	11,994,830	4,238,226	3,759,498	3,153,240	48,962,457
Miscellaneous Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenue	7,550	8,509	7,550	70,232	9,105	7,551	277,632	7,713	16,571	48,140	7,713	9,869	2,983,309	3,461,444
Other State Revenue	810	285,831	456,238	421,890	368,074	1,400,969	-	150,586	514,400	205,177	-	1,880,259	3,356,750	9,040,984
Other Local Revenue	22,538	648,121	94,133	99,164	165,655	148,455	144,495	148,627	77,630	50,299	81,399	807,859	508,244	2,996,619
Interfund Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	**3,439,033**	**3,902,135**	**5,699,488**	**3,281,322**	**3,809,381**	**23,200,295**	**7,387,592**	**3,524,361**	**3,188,859**	**12,298,446**	**4,327,338**	**6,457,485**	**23,577,122**	**104,092,856**
EXPENDITURES														
Certificated Salaries	83,045	575,866	4,561,150	4,571,150	4,581,150	4,545,240	4,503,657	4,507,072	4,650,466	4,492,938	4,592,282	4,566,178	4,574,862	50,805,056
Classified Salaries	39,040	708,383	1,293,546	1,542,610	1,587,787	1,567,271	1,548,736	1,519,419	1,629,383	1,591,537	1,576,198	1,537,187	728,751	16,869,848
Employee Benefits	529,862	296,215	1,247,130	2,037,790	2,046,377	2,041,536	2,031,358	2,012,294	2,402,787	2,029,586	2,021,217	2,070,671	1,740,011	22,506,834
Books and Supplies	14,921	296,636	243,058	180,632	241,067	128,095	106,231	154,657	218,240	281,971	122,833	173,817	612,168	2,774,326
Services	727,189	1,356,353	347,717	132,160	491,338	960,798	896,074	806,563	1,341,087	1,181,845	837,356	560,732	1,775,742	11,414,954
Capital Outlay	-	-	-	-	-	50,000	-	-	-	-	-	-	100,000	150,000
Other Outgo	-	-	-	-	-	48,204	91,960	-	56,258	123,190	-	123,192	(171,272)	271,532
Interfund Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Financing Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,394,057**	**3,233,453**	**7,692,601**	**8,464,342**	**8,947,719**	**9,341,144**	**9,178,016**	**9,000,005**	**10,298,221**	**9,701,067**	**9,149,886**	**9,031,777**	**9,360,262**	**104,792,550**
REVENUES MINUS EXPENDITURES	**2,044,976**	**668,682**	**(1,993,113)**	**(5,183,020)**	**(5,138,338)**	**13,859,151**	**(1,790,424)**	**(5,475,644)**	**(7,109,362)**	**2,597,379**	**(4,822,548)**	**(2,574,292)**	**14,216,860**	**(699,694)**
BALANCE SHEET TRANSACTIONS														
Total Current Assets	1,498,915	70,000	1,040,000	-	145,000	-	1,810,000	610,865	1,280,865	610,865	610,865	1,056,865	(23,577,122)	(14,842,882)
Total Current Liabilities	(8,780,000)	-	(700,000)	-	-	-	-	-	-	-	-	-	9,360,262	(119,738)
TOTAL BALANCE SHEET TRANS.	**(7,281,085)**	**70,000**	**340,000**	**-**	**145,000**	**-**	**1,810,000**	**610,865**	**1,280,865**	**610,865**	**610,865**	**1,056,865**	**(14,216,860)**	**(14,962,620)**
BEG. CASH BALANCE, BEFORE TRAN	**9,815,391**	**4,579,282**	**5,317,963**	**3,664,851**	**(1,518,170)**	**(6,511,507)**	**7,347,644**	**7,367,220**	**2,502,441**	**(3,326,056)**	**(117,812)**	**(4,329,496)**	**(5,846,923)**	
NET CHANGE IN CASH	(5,236,109)	738,682	(1,653,113)	(5,183,020)	(4,993,338)	13,859,151	19,576	(4,864,779)	(5,828,497)	3,208,244	(4,211,683)	(1,517,427)	-	(15,662,314)
END. CASH BALANCE, BEFORE TRAN	**4,579,282**	**5,317,963**	**3,664,851**	**(1,518,170)**	**(6,511,507)**	**7,347,644**	**7,367,220**	**2,502,441**	**(3,326,056)**	**(117,812)**	**(4,329,496)**	**(5,846,923)**	**(5,846,923)**	
TRAN BORROWING														
FY 2020-21 TRAN	-	16,500,000	-	-	-	-	(16,500,000)	-	-	-	-	-	-	-
Cross FY TRAN	-	-	-	-	-	-	-	14,944,183	-	-	-	-	-	14,944,183
BEG. CASH BALANCE, AFTER TRAN	**9,815,391**	**4,579,282**	**21,817,963**	**20,164,851**	**14,981,830**	**9,988,493**	**23,847,644**	**7,367,220**	**17,446,625**	**11,618,127**	**14,826,371**	**10,614,688**	**9,097,260**	
NET CHANGE IN CASH	(5,236,109)	17,238,682	(1,653,113)	(5,183,020)	(4,993,338)	13,859,151	(16,480,424)	10,079,404	(5,828,497)	3,208,244	(4,211,683)	(1,517,427)	-	(718,131)
END. CASH BALANCE, AFTER TRAN	**4,579,282**	**21,817,963**	**20,164,851**	**14,981,830**	**9,988,493**	**23,847,644**	**7,367,220**	**17,446,625**	**11,618,127**	**14,826,371**	**10,614,688**	**9,097,260**	**9,097,260**	

APPENDIX B

COVERAGE ANALYSIS

Los Angeles County Schools Pooled Financing Program
2020-21 Series A Tax and Revenue Anticipation Notes

					Set-Asides		**Projected Ending Cash Balances (1)**				**Projected Cash Coverage Metrics (4)**			
Participant	**Note Amount**	**2020-21 Projected Total Revenues**	**Note Amount as % of Proj. Total Revenues**	**Note Amount w/ Interest (2)**	**First Set-Aside**	**Final Set-Aside w/ Interest (2)**	**After First Set-Aside**	**After Final Set-Aside**	**After Maturity**	**Alternate Cash Resources (3)**	**Coverage at First Set-Aside**	**Coverage at Final Set-Aside**	**Coverage at Maturity**	**Coverage at Maturity w/ Alt. Cash Resources**
Series A-1														
Burbank Unified School District	$ 23,050,000	$ 163,238,498	14.1%	$ 23,446,972	$ 23,050,000	$ 23,446,972	$ 6,116,369	$ 6,116,369	$ 6,116,369	$ 4,950,396	1.27x	1.26x	1.26x	1.47x
	23,050,000	163,238,498		23,446,972	23,050,000	23,446,972	6,116,369	6,116,369	6,116,369	4,950,396				
Series A-2					**Set-Asides**		**Projected Ending Cash Balances (1)**				**Projected Cash Coverage Metrics (4)**			
Manhattan Beach Unified School District	$ 15,085,000	$ 83,694,270	18.0%	$ 15,344,797	$ 15,085,000	$ 15,344,797	$ 4,554,928	$ 4,554,928	$ 4,554,928	$ 4,158,954	1.30x	1.30x	1.30x	1.57x
Redondo Beach Unified School District	16,500,000	104,092,856	15.9%	16,784,167	16,500,000	16,784,167	7,367,220	7,367,220	7,367,220	10,601,250	1.45x	1.44x	1.44x	2.07x
	31,585,000	187,787,126		32,128,964	31,585,000	32,128,964	11,922,148	11,922,148	11,922,148	14,760,204				

(1) Projected ending cash balances do not reflect original issue premium, coupon payment, nor investment earnings
(2) Interest calculated using 4.00% coupon rate
(3) Maximum legally borrowable amount of alternate cash resources (75% of total) as of June 30, 2020
(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 $______________ aggregate principal amount of Los Angeles County Schools Pooled Financing Program 2020-21 Pooled TRAN Participation Certificates, Series A-1 (the "Series A-1 Certificates") and $__________ aggregate principal amount of Los Angeles County Schools Pooled Financing Program 2020-21 Pooled TRAN Participation Certificates, Series A-2 (the "Series A-2 Certificates" and, together with the Series A-1 Certificates, the "Certificates").

The Certificates of each Series are being executed and delivered pursuant to separate Trust Agreements (each, a "Trust Agreement" and collectively, the "Trust Agreements"), each dated as of August 1, 2019, 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 2020-21 Tax and Revenue Anticipation Notes (individually, a "Note" and collectively, the "Notes") issued by certain school districts (collectively, the "Participants," and with respect to the Series A-1 Certificates, the "Series A-1 Participants" and with respect to the Series A-2 Certificates, the "Series A-2 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 August 4, 2020.

Pursuant to each of the Trust Agreements, the Certificate Agent has acquired the Notes and has executed and delivered the Certificates. Each Series of Certificates evidences proportionate and undivided interests of the registered owners thereof in the related Series of 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 2020-21 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 Agreements have been duly authorized, executed and delivered by the County and, assuming due authorization, execution and delivery by the Certificate Agent, each Trust Agreement constitutes a valid and legally binding obligation of the County, enforceable in accordance with its respective 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.

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 Agreements 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,