PRELIMINARY OFFICIAL STATEMENT DATED __________, 2021

NEW ISSUE – FULL BOOK-ENTRY

In the opinion of Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, under existing law, interest on the Bonds is exempt from California personal income taxes, and assuming continuing compliance after the date of initial delivery of the Series A Bonds with covenants contained in the Paying Agent Agreement and the Resolution authorizing the Bonds, and subject to the matters set forth under "Tax Matters" herein, interest on the Series A Bonds for federal income tax purposes under existing statues, regulations, published rulings, and court decisions will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Series A Bonds, and will not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series B Bonds will not be excludable from gross income for federal income tax purposes. See "Tax Matters" herein.

$__________*
LODI UNIFIED SCHOOL DISTRICT
San Joaquin County, California
General Obligation Bonds
Election of 2016, Series 2021-A
(Tax-Exempt)

$__________*
LODI UNIFIED SCHOOL DISTRICT
San Joaquin County, California
General Obligation Bonds
Election of 2016, Series 2021-B
(Federally Taxable)

***Dated:* Date of Delivery** | ***Due:* August 1, as shown on inside front cover**

The Lodi Unified School District (the "District") is issuing the "Lodi Unified School District, San Joaquin County, California, General Obligation Bonds, Election of 2016, Series 2021-A (Tax-Exempt)" (the "Series A Bonds") in the aggregate principal amount of $________*, and "Lodi Unified School District, San Joaquin County, California, General Obligation Bonds, Election of 2016, Series 2021-B (Federally Taxable)" (the "Series B Bonds") in the aggregate principal amount of $________*. The Series A Bonds and the Series B Bonds are collectively referred to as the "Bonds."

The proceeds of the Bonds will be used to: (i) modernize, replace, renovate, construct, and rebuild school facilities; and (ii) pay costs of issuance of the Bonds.

The Board of Supervisors of San Joaquin County (the "County Board of Supervisors") is empowered and obligated to annually levy and collect *ad valorem* property taxes, without limitation as to rate or amount, upon all property subject to taxation within the District (except certain personal property which is taxable at limited rates), for the payment of interest on, and principal of, the Bonds, all as more fully described herein under "The Bonds" and "Sources Of Payment For The Bonds."

The Bonds will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive physical certificates representing their interests in the Bonds. See Appendix F – "Book-Entry-Only System."

The Bonds will be issued as current interest bonds as set forth herein. Interest related to the Series A Bonds accrues from their date of delivery at the rates set forth herein, and is payable semiannually on February 1 and August 1 of each year, commencing _____ 1, 202__. The Series A Bonds mature on August 1 in the years and amounts set forth herein. Interest on the Series B Bonds accrues from their date of delivery at the rate set forth herein, and is payable on ______ 1, 2021. The Series B Bonds mature on Sept 1, 2021 in the amount set forth herein. See "Maturity Schedule." Payments of such principal and interest on the Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as paying agent ("Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

The Series A Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as described herein. The Series B Bonds are not subject to redemption prior to maturity. See "The Bonds – Redemption."

This cover page summarizes certain provisions of the Bonds for brief reference only, and is not a summary of all the provisions. Investors must read the entire official statement to obtain information essential in making an informed investment decision.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval as to their legality by Lozano Smith, LLP, Sacramento, California, Bond Counsel. Certain legal matters also will be passed upon for the District by Lozano Smith, LLP, Sacramento, California, as Disclosure Counsel to the District. Certain matters will be passed upon for the Underwriter by Kutak Rock, LLP, Denver, Colorado. It is anticipated that the Bonds in definitive form will be available for delivery to Cede & Co., as nominee of DTC, on or about _________, 20__.

STIFEL

The date of this Official Statement is ___________, 20__.

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* Preliminary, subject to change.

$_______*
LODI UNIFIED SCHOOL DISTRICT
San Joaquin County, California
General Obligation Bonds
Election of 2016, Series 2021-A
(Tax-Exempt)

MATURITY SCHEDULE

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP† Base (540261)
2023	$	%	%	
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				

$_______ - ___% Term Bonds due August 1, 20__; Yield: ___%; CUSIP†: ____

C = Priced to optional call date of August 1, 20__ at par

$_____*
LODI UNIFIED SCHOOL DISTRICT
San Joaquin County, California
General Obligation Bonds
Election of 2016, Series 2021-B
(Federally Taxable)

MATURITY SCHEDULE

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	CUSIP† Base (540261)
2021	$	%	%	

† *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2021CUSIP Global Services. All rights reserved. CUSIP® numbers are provided for convenience of reference only. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter, the District, Bond Counsel, nor Disclosure Counsel is responsible for the selection or correctness of the CUSIP® numbers set forth above.*

* Preliminary, subject to change.

LODI UNIFIED SCHOOL DISTRICT

DISTRICT BOARD OF EDUCATION

Ron Freitas, *President*
Susan MacFarlane, *Vice President*
Courtney Porter, *Clerk*
Ron Heberle, *Member*
Gary Knackstedt, *Member*
Joe Nava, *Member*
George Neely, *Member*

DISTRICT ADMINISTRATION

Dr. Cathy Nichols-Washer, *Superintendent*
Leonard Kahn, *Chief Business Officer*
April Juarez, *Senior Director/Controller*
Mike McKilligan, *Assistant Superintendent*, *Personnel*
Scott McGregor, *Assistant Superintendent*, *Elementary Education*
Jeff Palmquist, *Assistant Superintendent, Secondary Education*
Dr. Robert Sahli, *Assistant Superintendent*, *Curriculum/Instruction/Assessment*
Paul Warren, *Administrative Director*, *Student Services/SELPA*

FINANCIAL ADVISOR

Dale Scott & Company Inc.
San Francisco, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Lozano Smith, LLP
Sacramento, California

UNDERWRITER'S COUNSEL

Kutak Rock LLP
Denver, Colorado

PAYING AGENT, TRANSFER AGENT, AND BOND REGISTRAR

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

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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page, and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy, nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation, or sale. No dealer, broker, salesperson, or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. All summaries of the Resolution, Paying Agent Agreement, or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference such documents, and do not purport to be complete statements of any or all of such provisions.

When used in this Official Statement and in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward-looking statements." Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

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

This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County (as defined herein), the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

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

$__________*	$__________*
LODI UNIFIED SCHOOL DISTRICT	**LODI UNIFIED SCHOOL DISTRICT**
San Joaquin County, California	**San Joaquin County, California**
General Obligation Bonds	**General Obligation Bonds**
Election of 2016, Series 2021-A	**Election of 2016, Series 2021-B**
(Tax-Exempt)	**(Federally Taxable)**

INTRODUCTION

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

This Official Statement, which includes the cover page, the inside cover page, and the attached appendices, sets forth certain information concerning the sale and delivery by the Lodi Unified School District (the "District") of $______* principal amount of the Lodi Unified School District, San Joaquin County, California, General Obligation Bonds, Election of 2016, Series 2021-A (Tax-Exempt)(the "Series A Bonds"), and $______* principal amount of the Lodi Unified School District, San Joaquin County, California, General Obligation Bonds, Election of 2016, Series 2021-B (Federally Taxable)(the "Series B Bonds") (collectively, the "Bonds"), as described more fully herein.

The District. The District, which was established in 1967, is located in the San Joaquin Valley of central California. The District includes all of the city of Lodi, the northern portion of the city of Stockton and adjacent unincorporated areas of San Joaquin County (the "County"), and encompasses a territory of about 350 square miles and a population of about 184,000 residents. The District served an enrollment of 28,196 students in 2019-20 and 27,471 students in 2020-21. The District currently operates 32 elementary schools (most of which have a grade configuration of kindergarten through 6th grade, one GATE school for grades 4-8, and two schools for grades K-8), five middle schools (for grades 7-8), two alternative schools of choice (one for grades 7-8 and one for grades K-12), four comprehensive high schools (for grades 9-12), one high school offering college preparatory classes, two alternative high schools, an independent study school for grades K-12, preschool programs, one charter school for grades K-8, and an adult education program. The District also has five independent charter schools operating within the District. See Appendix A - "General And Financial Information Of The District."

Description of the Bonds. The Bonds will be dated their date of delivery and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 or any integral multiple thereof. Interest payable with respect to the Series A Bonds will be payable on February 1 and August 1 of each year, commencing August 1, 202-- and principal payable with respect to the Bonds will be paid on the dates as set forth on the inside cover page of this Official Statement. Interest payable with respect to the Series B Bonds will be payable on September 1, 202-- and

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* Preliminary, subject to change.

principal payable with respect to the Bonds will be paid on the dates as set forth on the inside cover page of this Official Statement. See "The Bonds – Payment Of Principal And Interest."

Registration. The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See "The Bonds – Book-Entry-Only System."

Redemption. The Series A Bonds are subject to optional redemption and mandatory sinking fund redemption prior to their respective maturity dates. The Series B Bonds are not subject to redemption. See "The Bonds – Redemption."

Authority for Issuance of the Bonds. The Bonds are issued pursuant to the Constitution and laws of the State of California (the "State"), including the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and applicable provisions of the Education Code of the State (the "Bond Law"). The Bonds are authorized to be issued pursuant to that certain resolution adopted by the Board of Education of the Lodi Unified School District (the "Board of Education") on June 1, 2021 (the "Resolution"), and are issued pursuant to that certain Paying Agent Agreement, dated as of May 1, 2017, between the District and The Bank of New York Mellon Trust Company, N.A., as amended and supplemented by the First Supplemental Paying Agent Agreement, dated as of January 1, 2020, between the District and U.S. Bank National Association, as amended and supplemented by the Second Supplemental Paying Agent Agreement, dated as of July 1, 2021, between the District and The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent"), (collectively, the "Paying Agent Agreement"). See "The Bonds – Authority For Issuance; Purpose."

Security for the Bonds. The Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied and collected by the County on property located within the District. The County Board of Supervisors has the power and is obligated to annually levy *ad valorem* property taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation without limitation of rate or amount (except certain personal property which is taxable at limited rates). Proceeds of the *ad valorem* property tax levy will be deposited in the Interest and Sinking Fund, which is maintained by the San Joaquin County Treasurer-Tax Collector (the "County Treasurer"), and then transferred semiannually to the Paying Agent and deposited in the Debt Service Fund (the "Debt Service Fund") for the payment of debt service on the Bonds. See "Sources Of Payment For The Bonds."

Pursuant to Section 53515 of the California Government Code, all general obligation bonds issued by local agencies, including the Bonds, will be automatically secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes. The lien will be enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act. Although the statutory lien will not be automatically terminated in the event the District filed a bankruptcy petition pursuant to Chapter 9 of the Bankruptcy Code of the United States, the automatic stay provisions of the Bankruptcy Code would apply and payments of principal and interest on the Bonds could be delayed, unless the bonds are determined to be secured by a pledge of "special revenues" within the meaning of the bankruptcy Code and the pledged ad valorem property tases are applied to pay the Bonds consistent with the Bankruptcy Code. See "The Bonds - Security - Statutory Lien."

Pledge of Tax Revenues. The District has pledged all revenues received from the levy and collection of *ad valorem* property taxes for the payment of the Bonds and all amounts on deposit in the Interest and Sinking Fund created pursuant to the Paying Agent Agreement, to the payment of such Bonds. Such pledge constitutes a lien on and security interest in the taxes and amounts in the Interest and Sinking Fund. This pledge constitutes an agreement between the District and the owners of the Bonds to provide security for the payment of the Bonds in addition to any statutory lien that may exist.

Purpose of Issue. The proceeds of the Bonds will be used to: (i) modernize, replace, renovate, construct, and rebuild school facilities; and (ii) pay costs of issuance of the Bonds. See "The Bonds – Authority For Issuance; Purpose."

Offering and Delivery of the Bonds. The Bonds are offered when, as, and if issued and received by the Underwriter (as defined herein), subject to approval as to their legality by Lozano Smith, LLP, Sacramento, California, Bond Counsel ("Bond Counsel"). It is anticipated that the Bonds will be available for delivery through DTC in New York, New York on or about ___________, 2021.

Legal Matters. Issuance of the Bonds is subject to the approving opinion of Bond Counsel, to be delivered in substantially the form attached hereto as Appendix D. Lozano Smith, LLP, Sacramento, California, will also serve as Disclosure Counsel ("Disclosure Counsel") to the District. Certain matters will be passed upon for the Underwriter by Kutak Rock, LLP, Denver, Colorado ("Underwriter's Counsel"). Payment of the fees of Bond Counsel, Disclosure Counsel, and Underwriter's Counsel is contingent upon issuance of the Bonds.

Tax Matters. In the opinion of Bond Counsel, subject to the qualifications described herein, under existing law, interest on the Series A Bonds will be excludable from gross income for federal income tax purposes and will not be included in computing the alternative minimum taxable income of the owners thereof. In the further opinion of Bond Counsel, interest on the Series B Bonds will not be excludable from gross income for federal income tax purposes. Interest on the Bonds is exempt from California personal income taxes. See "Tax Matters."

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate is included in Appendix E. See Appendix E - "Form Of Continuing Disclosure Certificate."

Other Information. This Official Statement speaks only as of its date, and the information contained herein is subject to change. For limiting factors about this Official Statement, see "General Information About This Official Statement."

Copies of documents referred to herein and information concerning the Bonds are available from the Office of the Superintendent, Lodi Unified School District, 1305 E. Vine Street, Lodi, California 95240; telephone (209) 331-7010 (the "Superintendent's Office"). The District may impose a charge for copying, mailing, and handling.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. 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 fact. The summaries and references to documents, statutes, and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes, and constitutional provisions.

The information set forth herein has been obtained from official sources which are believed to be reliable, but the information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds 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 and Exchange Act of 1934, as amended, and Section 27A of the United States Securities Exchange Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," or other similar words. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material.

THE BONDS

Authority for Issuance; Purpose

At the general election held on November 8, 2016, the District received authorization from the requisite fifty-five percent (55%) of the qualified voters of the District to issue general obligation bonds in a principal amount not to exceed $281,000,000 (the "2016 Authorization"). The Bonds are the third series of bonds to be issued pursuant to the 2016 Authorization. After the issuance of the Bonds, no principal amount of the 2016 Authorization will remain unissued.

The Bonds are issued pursuant to the Constitution and laws of the State of California (the "State"), including the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and applicable provisions of the California Education Code (the "Bond Law"). The Bonds are authorized to be issued pursuant to the 2016 Authorization, the Resolution and the Paying Agent Agreement.

The proceeds of the Bonds will be used to modernize, replace, renovate, construct, and rebuild school facilities, and pay costs of issuance of the Bonds.

Description of the Bonds

The Bonds will be executed and delivered in the aggregate principal amount of $91,000,000.* The Bonds will be issued as current interest bonds, dated their date of delivery, and will be issued in fully registered form without coupons, in the denomination of $5,000 principal amount or any integral multiple of $5,000. The Series A Bonds will mature on August 1 in the year indicated on the inside cover herein. Interest payable with respect to the Series A Bonds accrues from their date of delivery and is payable on February 1 and August 1 of each year, commencing August 1, 20--. The Series B Bonds will mature on September 1 in the year indicated on the inside cover herein. Interest payable with respect to the Series B Bonds accrues from their date of delivery and is payable on September 1, 20--. See "Maturity Schedule" on the inside cover. Interest accruing on the Bonds will be computed using a year of 360 days consisting of twelve, 30-day months.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. So long as the Bonds are registered in the name of DTC, or its nominee, all payments of principal and interest on the Bonds will be paid to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds. See Appendix F – "Book-Entry-Only System."

In the event that the Bonds are no longer registered in book-entry form, payment of interest on any Bond on any Interest Payment Date will be made to the person appearing on the registration books of the Paying Agent, as the owner thereof, as of the Record Date immediately preceding such Interest Payment Date. Interest will be paid by check mailed to the owner on the Interest Payment Date at their address as it appears on such registration books or at such other address as they may have filed with the Paying Agent for that purpose, on or before the Record Date. "Interest Payment Date" is the date or dates on which installments of interest are due and payable with respect to the Bonds. The owner in an aggregate principal amount of $1,000,000 or more may request in writing to the Paying Agent that such owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. "Record Date" for the Bonds means the fifteenth day of the month immediately preceding the relevant Interest Payment Date. The principal payable on the Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest and principal on the Bonds shall be payable in lawful money of the United States of America.

Payment of Principal and Interest

At least one business day prior to the date any payment is due in respect of the Bonds, the County will cause monies which it collected to be deposited with the Paying Agent in an amount sufficient to pay the principal, interest, and premium (if any) to become due on all Bonds outstanding on such payment date. When and as paid in full, and following surrender thereof to the Paying Agent, all Bonds shall be cancelled by the Paying Agent, and thereafter, shall be destroyed.

* Preliminary, subject to change.

Security

Obligation to Levy Taxes for Payment of Bonds. The County Board of Supervisors and the officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District shall take all steps required by law and by the County to ensure that the County Board of Supervisors shall annually levy a tax upon all taxable property in the District sufficient to pay the principal, redemption premium (if any), and interest on the Bonds as and when the same become due. Further information regarding *ad valorem* property taxation in general may be found herein. See "Sources Of Payment For The Bonds."

Statutory Lien. Pursuant to Section 53515 of the California Government Code, all general obligation bonds issued by local agencies, including the Bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes. The lien will automatically attach, without further action or authorization by the governing board of the local agency, and will be valid and binding from the time the bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and the lien will be enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act. The Bonds will be secured by a statutory lien on all revenues received from the levy of *ad valorem* property taxes for the payment of the Bonds.

Although the statutory lien would not be automatically terminated in the event of a filing of a bankruptcy petition by the District pursuant to Chapter 9 of the Bankruptcy Code of the United States, the automatic stay provisions of the Bankruptcy Code would apply and payments of principal and interest on the Bonds could be delayed or discontinued during the course of a bankruptcy proceeding. On March 26, 2019, the U.S. Court of Appeals for the First Circuit affirmed the ruling of the U.S. District Court for the District of Puerto Rico (PROMESA Title III Case No. 17-BK-3283 (LTS)) that, "while Section 928(a) of the Bankruptcy Code extends the statutory lien to cover post-bankruptcy filing special revenue, and Section 922(d) permits a municipality to apply those special revenues to make secured payments, neither of those Bankruptcy Code Sections affirmatively require continued payments during the pendency of the bankruptcy proceedings." "Special revenues" include, among others, taxes specifically levied to finance projects or systems of the debtor.

Because State law requires that the levied *ad valorem* property taxes only be used to pay the Bonds, and that the proceeds from the sale of the Bonds be used to finance or refinance the acquisition or improvement of real property or other capital projects of the District, the *ad valorem* property taxes levied for the Bonds appear to qualify as "special revenues." In light of the decision of the U.S. Court of Appeals for the First Circuit and the lack of binding judicial precedent in the State, no assurances can be provided by the District that a bankruptcy court would not delay or discontinue the payments of principal and interest on the Bonds during the course of a bankruptcy proceeding.

Pledge of Tax Revenues.

The District has pledged all revenues received from the levy and collection of *ad valorem* property taxes for the payment of the Bonds and all amounts on deposit in the Interest and Sinking Fund created pursuant to the Paying Agent Agreement, to the payment of such Bonds. Such pledge constitutes a lien on and security interest in the taxes and amounts in the Interest and Sinking Fund. This pledge constitutes an agreement between the District and the owners of the Bonds to provide security for the payment of the Bonds in addition to any statutory lien that may exist.

Book-Entry-Only System

The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of DTC, and will be available to the Beneficial Owners of the Bonds in the denominations set forth on the inside cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See Appendix F – "Book-Entry-Only System." In the event that the book-entry-only system described herein is no longer used with respect to the Bonds, the Bonds will be registered as described below.

Paying Agent

The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, will act as the registrar, transfer agent, and paying agent for the Bonds. As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or of any other action covered by such notice.

The Paying Agent, the District, the County, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of Beneficial Ownership, or for maintaining, supervising or reviewing any records relating to Beneficial Ownership, of interests in the Bonds.

Registration, Transfer and Exchange of Bonds

The Paying Agent will keep or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds (the "Bond Register"), which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer, or cause to be registered or transferred, on said books, the Bonds.

In the event that the book-entry system described herein is no longer used with respect to the Bonds, the following provisions will govern the registration, transfer, and exchange of the Bonds.

Any Bond may be transferred in the Bond Register by the person in whose name it is registered, in person or by the duly authorized attorney of such person, upon surrender of the Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Bond is surrendered for transfer, the designated District officials shall execute and the Paying Agent shall authenticate and deliver a new Bond of the same maturity, for a like aggregate principal amount and bearing the same rate of interest. All fees and costs of any transfer of the Bond shall be paid by the bondholder requesting such transfer.

The Bonds may be exchanged at the Paying Agent's office, or such other place as the Paying Agent shall designate, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate. All fees and costs of any exchange of the Bond shall be paid by the bondholder requesting such exchange.

No transfer or exchange of the Bonds shall be required to be made by the Paying Agent during the period from the close of business on the Record Date next preceding any Interest Payment Date to and including such Interest Payment Date; or from and after the day that Bonds are selected for redemption in whole or in part.

Redemption*

Optional Redemption of Series A Bonds. The Series A Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective stated maturities, at the option of the District, from any source of available funds, as a whole or in part (by such maturities as may be specified by the District and by lot within a maturity), on any date on or after August 1, 20__ , at redemption prices equal to the principal amount of Series A Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Mandatory Redemption of the Series A Bonds. The Series A Term Bonds maturing on August 1, 20__, are subject to mandatory redemption by the District prior to their stated maturity, in part, by lot, from Mandatory Redemption Payments in the following amounts and on the following dates, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, but which amounts will be proportionately reduced by the principal amount of all Series A Term Bonds optionally redeemed:

Mandatory Redemption Dates (August 1)	Mandatory Redemption Payment
20__	$
20__	
20__*	

** Final maturity*

No Optional Redemption of the Series B Bonds. The Series B Bonds are not subject to optional redemption.

* Preliminary, subject to change.

No Mandatory Redemption of Series B Bonds. The Series B Bonds are not subject to mandatory sinking fund redemption.

Selection of Bonds for Redemption. If less than all the outstanding Bonds are to be redeemed, not more than 60 days prior to the redemption date the Paying Agent shall select the particular Bonds to be redeemed from the outstanding Bonds that have not previously been called for redemption, in minimum denominations of $5,000, as directed by the District, and if no such direction has been provided, in inverse order of maturity and by lot within a maturity in any manner that the Paying Agent in its sole discretion shall deem appropriate and fair. The Paying Agent shall promptly notify the District in writing of the Bonds selected for redemption and, in the case of a Bond selected for partial redemption, the principal amount to be redeemed.

Notice of Redemption. Notice of redemption of any Bond is required to be given by the Paying Agent not less than 30 nor more than 60 days prior to the redemption date: (a) by first class mail to the respective owners of any Bond designated for redemption at their addresses appearing on the bond register; (b) by registered or overnight mail to the securities depositories and the information service as identified in the Paying Agent Agreement if the Bonds are not registered solely to a security depository; and (c) as may be further required in accordance with the Continuing Disclosure Certificate of the District. See Appendix E – "Form Of Continuing Disclosure Certificate."

Notice of any redemption of the Bonds will specify: (i) the date of such notice; (ii) the name of the Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity of the Bonds to be redeemed; (vi) if less than all of the Bonds of any maturity are to be redeemed, the distinctive numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the owners at the Paying Agent's Office, or at such other place or places designated by the Paying Agent; (x) a statement that on the redemption date there will become due and payable the redemption price of the Bond (or the specified portion of the principal amount if Bonds are redeemed in part only), together with interest accrued thereon to the redemption date; (xi) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xii) such redemption notices may state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds.

A certificate of the Paying Agent or the District that notice of call and redemption has been given to owners and to the securities depositories and the information service shall be conclusive as against all parties. The actual receipt by the owner of any Bond or by any securities depository or information service of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided in the Paying Agent Agreement, and when the redemption price of the Bonds called for redemption is set aside, the Bonds designated for redemption shall become due and payable on the specified redemption date, and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefore. The owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to the Redemption Fund, defined hereinafter, established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

Right to Rescind Notice; Conditional Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds called for redemption. The District may make any redemption conditional upon the availability of money for payment of the redemption price on the redemption date designated in the notice. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption monies are not available in the Redemption Fund or otherwise held for such purpose in an amount sufficient to pay in full on said date the principal, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Deposit of Redemption Price. Before optionally redeeming the Bonds, the District shall establish a special fund designated as the "Lodi Unified School District Redemption Fund" (the "Redemption Fund"). The District shall establish such subaccounts in the Redemption Fund as necessary to segregate amounts deposited therein for different purposes. All moneys deposited by the District for the purpose of optionally redeeming the Bonds shall, unless otherwise directed by the District, be deposited in the Redemption Fund. Prior to any date fixed for redemption of the Bonds, the District shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds that are to be redeemed on that date. Such money shall be held for the benefit of the persons entitled to such redemption price. All such amounts deposited in the Redemption Fund shall be used and withdrawn solely for the purpose of redeeming the Bonds, in the manner, at the times, and upon the terms and conditions specified in the Paying Agent Agreement. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Redemption Fund of the District or otherwise held in trust for the payment of redemption price of the Bonds, said monies shall be held in or returned or transferred to the Debt Service Fund of the District for payment of any outstanding bonds of the District payable from said fund; provided, however, that if said monies are part of the proceeds of bonds of the District, said monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, said monies shall be transferred to the general fund of the District as provided and permitted by law.

Defeasance of Bonds

If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the owners of all outstanding Bonds all of the principal, interest, and premium (if any) represented by the Bonds, then such owners shall cease to be entitled to the obligation to levy taxes for payment of the Bonds, and such obligation and all agreements and covenants of the District to such owners under the Paying Agent Agreement, and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest, and premium (if any) on the Bonds.

The District may pay and discharge any or all of the Bonds by depositing with the Paying Agent, or with a fiscal agent selected by the District, at or before maturity, money or non-callable direct obligations of the United States of America or other non-callable obligations, the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount that will, together with the interest to accrue thereon and available monies then on deposit in the Debt Service Fund of the District, be fully sufficient, in the opinion of a certified public accountant licensed to practice in the State, to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premium, if any) at or before their respective maturity dates.

SOURCES OF PAYMENT FOR THE BONDS

The Bonds are general obligation bonds of the District payable from ad valorem property taxes. The County Board of Supervisors has the power and is obligated to levy ad valorem property taxes upon all property within the District subject to taxation without limitation of rate or amount (except certain personal property which is taxable at limited rates), for the payment of the Bonds and the interest thereon, in accordance with and subject to the Bond Law. The Bonds are not a debt of the County.

Ad Valorem **Property Taxes**

The County Board of Supervisors is empowered and is obligated to levy *ad valorem* property taxes, without limitation as to rate or amount, for the payment of the principal and interest on the Bonds, upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates). Such taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal and interest on the Bonds when due. Such taxes, when collected, will be placed by the County in the District's Interest and Sinking Fund for the Bonds, which is segregated and maintained by the County and used for the payment of the Bonds. Although the County is obligated to levy an *ad valorem* property tax for the payment of the Bonds and will maintain the Interest and Sinking Fund for the repayment of the Bonds, the Bonds are not a debt of the County.

The amount of the annual *ad valorem* property tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the principal, interest, and premium (if any) (the "Debt Service Deposit") due on the Bonds in any year. Fluctuations in the Debt Service Deposits and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate. Economic and other factors beyond the District's control, such as economic recession, deflation of property values, pandemic, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, fire, wildfire, flood, drought or other natural disaster, could cause a reduction in the assessed value of the District and necessitate an unanticipated increase in annual tax levy. See, "Risk Factors – COVID 19 and the Effect of COVID 19 Response on California School Districts" herein.

The Bonds will be secured by a statutory lien on all revenues received from the levy of *ad valorem* property taxes for the payment the Bonds. See, "The Bonds – Security - Statutory Lien" herein.

Property Tax Collection Procedures

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the District as of the preceding January 1. 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 public utilities property and real property having a tax lien which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after 5:00 p.m. on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, after 5:00 p.m. on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing 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 lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk's and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuations

The assessed valuation of property in the District is established by the San Joaquin County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. Prior to 1981-82, assessed valuations were reported at 25% of the full value of property. For a discussion of how properties currently are assessed, see Appendix A – "General And Financial Information Of The District– Constitutional And Statutory Provisions Affecting District Revenues And Appropriations."

Certain classes of property such as churches, colleges, not-for-profit hospitals, and charitable institutions are exempt from property taxation and do not appear on the tax rolls.

Property within the District had a total assessed valuation for fiscal year 2020-21 of $18,882,300,392, an increase of 4.96% from fiscal year 2019-20. Shown in the following table are the assessed valuations for the District from 1997-98 to 2020-21. Notwithstanding recent increases in the market value of property in the local real estate market, it is possible that the assessed valuation in the District could be reduced in future fiscal years. In certain past years, reductions in assessed valuation incorporated the San Joaquin County Assessor's review of properties eligible for a temporary reduction in assessed value under Proposition 8, a State Constitutional amendment passed by the voters in November 1978 which allows for a temporary reduction in assessed value when a property's market value declines below its assessed value. In the event of reductions in assessed valuation, the County is obligated to increase the tax levy to an amount sufficient to pay the Bonds. See "Sources Of Payment For The Bonds - Appeals And Adjustments Of Assessed Valuations" herein.

The following table shows the secured and unsecured assessed valuation of property in the District and the annual percentage of change for fiscal years ending 1998 through 2021.

Table No. 1

ASSESSED VALUATION
FISCAL YEARS 1997-98 THROUGH 2020-21
Lodi Unified School District

Fiscal Year Ending	Total Secured[1][2]	Unsecured	Total Valuation	Annual % Change
1998	$5,697,929,212	$225,062,665	$5,922,991,877	--
1999	5,858,146,552	247,722,615	6,105,869,167	3.09%
2000	6,147,686,735	275,828,190	6,423,514,925	5.20
2001	6,578,698,597	393,339,752	6,882,038,349	7.14
2002	7,222,448,321	327,873,313	7,550,321,634	9.71
2003	7,981,022,653	343,292,742	8,324,315,395	10.25
2004	8,740,266,366	342,779,971	9,083,046,337	9.11
2005	9,906,396,266	355,947,018	10,262,343,284	12.98
2006	11,531,763,505	372,330,261	11,904,093,766	16.00
2007	13,482,779,190	415,411,804	13,898,190,994	16.75
2008	14,384,813,142	456,448,641	14,841,261,783	6.79
2009	14,289,622,842	483,911,075	14,773,533,917	-0.46
2010	12,977,723,835	498,170,171	13,475,894,006	-8.78
2011	12,693,389,710	478,880,397	13,172,270,107	-2.25
2012	12,170,147,301	431,355,103	12,601,502,404	-4.33
2013	12,184,864,098	439,354,339	12,624,218,437	-0.18
2014	12,682,271,039	440,885,759	13,123,156,798	3.95
2015	13,638,465,276	459,119,001	14,097,584,277	7.43
2016	14,451,425,393	466,011,487	14,917,436,880	5.82
2017	15,071,643,447	466,797,965	15,538,441,412	4.16
2018	15,854,401,298	496,251,715	16,353,683,282	5.25
2019	16,569,727,216	506,001,374	17,078,758,859	4.43
2020	17,496,272,798	491,526,006	17,990,430,526	5.34
2021	18,399,308,639	480,152,515	18,882,300,392	4.96

(1) Net assessed valuation including the valuation of homeowners' exemptions.
(2) Does not include assessed valuation from the unitary utility roll.

Source: California Municipal Statistics, Inc.

The distribution of assessed valuation and parcels by land use in the District in fiscal year 2020-21 is shown in the following table.

Table No. 2

ASSESSED VALUATION AND PARCELS BY LAND USE
FISCAL YEAR 2020-21
Lodi Unified School District

	2020-21 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total	No. of Taxable Parcels	% Total
Non-Residential:						
Agricultural	$1,769,660,572	9.62%	3,810	7.01%	3,777	7.03%
Commercial	1,590,272,637	8.64	1,315	2.42	1,295	2.41
Vacant Commercial	109,718,357	0.60	243	0.45	233	0.43
Industrial	1,353,969,289	7.36	601	1.11	601	1.12
Vacant Industrial	41,252,687	0.22	126	0.23	120	0.22
Recreational	52,270,652	0.28	72	0.13	72	0.13
Government/Social/Institutional	79,307,789	0.43	249	0.46	142	0.26
Miscellaneous	23,335,515	0.13	184	0.34	180	0.34
Subtotal Non-Residential	$5,019,787,498	27.28%	6,600	12.15%	6,420	11.95%
Residential:						
Single Family Residence	$10,626,999,464	57.76%	37,960	69.86%	37,925	70.60%
Condominium/Townhouse	174,868,184	0.95	1,331	2.45	1,331	2.48
Rural Residential	1,140,981,328	6.20	2,825	5.20	2,825	5.26
Mobile Home	71,749,693	0.39	1,287	2.37	1,287	2.40
Mobile Home Park	80,772,962	0.44	35	0.06	35	0.07
2-4 Residential Units	519,267,294	2.82	2,323	4.27	2,321	4.32
5+ Residential Units/Apartments	566,046,261	3.08	301	0.55	296	0.55
Vacant Residential	198,835,955	1.08	1,679	3.09	1,278	2.38
Subtotal Residential	$13,379,521,141	72.72%	47,741	87.85%	47,298	88.05%
Total	$18,399,208,639	100.00%	54,341	100.00%	53,718	100.00%

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

The following table shows the 2020-21 assessed valuation of property in the District by jurisdiction. In fiscal year 2020-21, the city of Lodi accounted for 36.6% of the District's total assessed valuation, the city of Stockton accounted for 33.6%, and the unincorporated San Joaquin County accounted for 29.8%.

Table No. 3

ASSESSED VALUATION BY JURISDICTION
FISCAL YEAR 2020-21
Lodi Unified School District

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Lodi	$ 6,900,922,739	36.55%	$6,900,922,739	100.00%
City of Stockton	6,345,714,276	33.61	$24,701,295,559	25.69%
Unincorporated San Joaquin County	5,635,663,377	29.85	$23,977,784,610	23.50%
Total District	$18,882,300,392	100.00%		

Source: California Municipal Statistics, Inc.

Set forth in the following table is the per-parcel assessed valuation of single family homes in the District for fiscal year 2020-21, including the average and median assessed value of single family parcels.

Table No. 4

PER PARCEL ASSESSED VALUATION OF SINGLE FAMILY HOMES
FISCAL YEAR 2020-21
Lodi Unified School District

	No. of Parcels	2019-20 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	37,925	$10,626,999,464	$280,211	$263,632

2020-21 Assessed Valuation	No. of Parcels [(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	38	0.100%	0.100%	$ 638,746	0.006%	0.006%
$25,000 - $49,999	211	0.556	0.657	8,730,171	0.082	0.088
$50,000 - $74,999	1,013	2.671	3.328	65,591,942	0.617	0.705
$75,000 - $99,999	1,543	4.069	7.396	135,203,411	1.272	1.978
$100,000 - $124,999	1,888	4.978	12.374	213,577,887	2.010	3.987
$125,000 - $149,999	2,150	5.669	18.044	296,636,571	2.791	6.779
$150,000 - $174,999	2,455	6.473	24.517	399,676,610	3.761	10.540
$175,000 - $199,999	2,770	7.304	31.821	518,944,697	4.883	15.423
$200,000 - $224,999	2,764	7.288	39.109	586,822,124	5.522	20.945
$225,000 - $249,999	2,671	7.043	46.152	634,562,611	5.971	26.916
$250,000 - $274,999	2,635	6.948	53.100	691,299,960	6.505	33.421
$275,000 - $299,999	2,538	6.692	59.792	728,942,993	6.859	40.281
$300,000 - $324,999	2,443	6.442	66.233	763,338,665	7.183	47.464
$325,000 - $349,999	2,279	6.009	72.243	768,797,608	7.234	54.698
$350,000 - $374,999	2,180	5.748	77.991	789,453,992	7.429	62.127
$375,000 - $399,999	1,830	4.825	82.816	707,855,386	6.661	68.788
$400,000 - $424,999	1,535	4.047	86.864	632,167,106	5.949	74.736
$425,000 - $449,999	1,190	3.138	90.001	520,246,373	4.896	79.632
$450,000 - $474,999	917	2.418	92.419	423,246,413	3.983	83.615
$475,000 - $499,999	671	1.769	94.189	327,071,749	3.078	86.692
$500,000 and greater	2,204	5.811	100.000	1,414,194,449	13.308	100.000
Total	37,925	100.000%		$10,626,999,464	100.000%	

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

Appeals and Adjustments of Assessed Valuations

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the "SBE"), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See Appendix A – "General And Financial Information Of The District– Constitutional And Statutory Provisions Affecting District Revenues And Appropriations – Article XIIIA Of The California Constitution" herein.

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

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of the property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, wildfire, drought, or toxic contamination pursuant to relevant provisions of the State Constitution. See Appendix A – "General And Financial Information Of The District– Constitutional And Statutory Provisions Affecting District Revenues And Appropriations – Article XIIIA Of The California Constitution" herein. Such reductions are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIIIA.

No assurance can be given that property tax appeals and changes in assessed value initiated by the County Assessor in the future will not significantly reduce the assessed valuation of property within the District.

Teeter Plan

After the passage of Proposition 13 in 1978, the State legislature enacted new methods for allocating and apportioning property tax revenues to local government agencies and public schools. Each year, the auditor of non-Teeter counties generate a secured tax roll by applying the one percent (1%) tax rate set by Proposition 13 and other tax rates for voter-approved debt to the combined assessed valuation roll. The property tax revenues that are receive each year are apportioned and allocated to local agencies and schools using prescribed formulas and methods defined in the California Revenue and Taxation Code. See Appendix A – "General and Financial Information of the District– Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Article XIIIA of the California Constitution" herein.

The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") as provided for in the California Revenue and Taxation Code, which requires the County to pay 100% of secured property taxes due to local agencies in the fiscal year such taxes are due. Pursuant to these provisions, each county operating under the Teeter Plan establishes a delinquency reserve and assumes responsibility for all secured delinquencies, assuming that certain conditions are met.

Because of this method of tax collection, the K-12 districts, including the District, located in counties operating under the Teeter Plan and participating in the Teeter Plan are assured of 100% collection of their secured tax levies if the conditions established under the applicable county's Teeter Plan are met. However, such districts are no longer entitled to share in the receipt of any penalties due to delinquent payments. Currently, the County includes general obligation bond debt service in its Teeter Plan, and will include debt service levies for the Bonds.

This method of tax collection and distribution is subject to future discontinuance at the County's option if the delinquency rate for all *ad valorem* property taxes levied within the District exceeds 3% in any year, or if demanded by the participating taxing agencies. In the event that the Teeter Plan were terminated, the amount of the levy of *ad valorem* property taxes in the District would depend upon the collection of the *ad valorem* property taxes and the delinquency rates experienced with respect to the parcels within the District.

On September 13, 2011, the County Auditor-Controller recommended to the Board of Supervisors that all direct assessments be removed from the Teeter Plan for fiscal year 2011-12 and thereafter. The County Auditor-Controller's recommendation does not apply to the collection of *ad valorem* taxes levied to pay school bonds. The Board of Supervisors, at its September 13, 2011 meeting, postponed making a decision on the County Auditor-Controller's recommendation and directed the County Auditor-Controller to work with appropriate County officials and staff to recommend the appropriate method for removing direct assessments from the Teeter Plan. After discussions and surveys of the affected agencies and meetings with County officials and staff, the County Auditor-Controller recommended to the Board of Supervisors at its meeting on June 26, 2012 to remove code enforcement/civil penalties/administrative citation direct assessments, the City of Lathrop's Community Facilities District (CFD) 2006-1, and the non-public safety portion of the City of Lathrop's Community Facilities District 2006-2 from the Teeter Plan. No further changes are anticipated at this time.

There can be no assurance that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other pandemic or natural or manmade disaster. See “Risk Factors –Natural Disasters -- COVID -19 and the Effect of COVID -19 Response on California School Districts.” However, notwithstanding any possible future change to or discontinuation of the Teeter Plan, State law requires the County to levy *ad valorem* property taxes sufficient to pay the Bonds when due.

Tax Levies and Delinquencies

The following table shows the secured tax charges and delinquencies for the *ad valorem* property taxes levied by the County to repay general obligation bonds of the District for fiscal years 2011-12 through 2019-20. Because the County utilizes the Teeter Plan, as previously discussed, the District received 100% of the assessments levied.

Table No. 5

SECURED TAX CHARGES AND DELINQUENCIES
FISCAL YEARS 2011-12 THROUGH 2019-20
Lodi Unified School District
Outstanding General Obligation Bonds

Fiscal Year	Secured Tax Charge[1]	Amount Delinquent June 30	% Delinquent June 30
2011-12	$5,431,475.63	$97,318.62	1.79%
2012-13	5,269,169.36	78,200.88	1.48
2013-14	4,700,040.45	57,841.00	1.23
2014-15	5,639,347.37	57,017.19	1.01
2015-16	5,672,430.88	54,161.55	0.95
2016-17	5,506,872.70	55,275.08	1.00
2017-18	13,433,766.79	124,341.29	0.93
2018-19	13,849,661.67	152,369.07	1.10
2019-20	14,019,457.33	197,642.13	1.41

(1) District’s general obligation bond debt service levy.
Source: California Municipal Statistics, Inc.

Tax Rates

There are a total of 203 tax rate areas in the District. A representative tax rate area within the city of Lodi portion of the District, Tax Rate Area 1-001, had a fiscal year 2020-21 assessed valuation of $3,766,642,642, representing 19.95% of the District’s taxable assessed valuation. A representative tax rate in the city of Stockton portion of the District, Tax Rate Area 3-461, had a fiscal year 2020-21 assessed value of $900,922,816, representing 4.77% of the District’s taxable assessed valuation. A representative tax rate area in the unincorporated County portion of the District, Tax Rate Area 99-014, had a fiscal year 2020-21 assessed valuation of $522,611,106, representing 2.77% of the District’s taxable assessed valuation.

The table below summarizes the typical tax rates levied by all taxing entities in three typical tax rate areas (TRA 1-001, TRA 3-461 and TRA 99-041) within the District for fiscal years 2013-14 through 2020-21.

Table No. 6

TYPICAL TOTAL TAX RATES PER $100 ASSESSED VALUATION
FISCAL YEARS 2013-14 THROUGH 2020-21
Lodi Unified School District

City of Lodi - TRA 1-001

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
San Joaquin Delta Community College District	.0194	.0233	.0198	.0180	.0180	.0225	.0199	.0183
Lodi Unified School District	.0380	.0425	.0401	.0371	.0857	.0843	.0806	.0829
Total	$1.0574	$1.0658	$1.0599	$1.0551	$1.1037	$1.1068	$1.1005	$1.1012

City of Stockton – TRA 3-461

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
San Joaquin Delta Community College District	.0194	.0233	.0198	.0180	.0180	.0225	.0199	.0183
Lodi Unified School District	.0380	.0425	.0401	.0371	.0857	.0843	.0806	.0829
Lodi Unified School District SFID No. 1	.0631	.0606	.0600	.0467	.0434	.0450	.0492	.0492
Total	$1.1205	$1.1264	$1.1199	$1.1018	$1.1471	$1.1518	$1.1497	$1.1540

Unincorporated San Joaquin County – TRA 99-041

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
San Joaquin Delta Community College District	.0194	.0233	.0198	.0180	.0180	.0225	.0199	.0183
Lodi Unified School District	.0380	.0425	.0401	.0371	.0857	.0843	.0806	.0829
Total	$1.0574	$1.0658	$1.0599	$1.0551	$1.1037	$1.1068	$1.1005	$1.1012

Source: California Municipal Statistics, Inc.

Largest Property Owners

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2020-21 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below. The following table shows the 20 largest owners of taxable property in the District as determined by secured assessed valuation in fiscal year 2020-21.

Table No. 7

LARGEST 2020-21 LOCAL SECURED PROPERTY TAXPAYERS
Lodi Unified School District

	Property Owner	Primary Land Use	2020-21 Assessed Valuation	% of Total[1]
1.	Sutter Home Winery Inc.	Industrial	$ 228,669,029	1.24%
2.	Constellation Wines US	Industrial	184,233,697	1.00
3.	Excel Stockton LLC	Shopping Center	125,364,133	0.68
4.	Pacific Coast Producers	Industrial	112,644,132	0.61
5.	Canandaigua Wine Company Inc.	Industrial	69,983,199	0.38
6.	Wal Mart Real Estate Business Trust	Shopping Center	60,846,034	0.33
7.	California Physicians Service Corp.	Office Building	54,564,571	0.30
8.	Metro Water District of Southern California	Land Holdings/Water Rights	52,410,382	0.28
9.	BRE MG Waterfield Square LLC	Apartments	49,883,374	0.27
10.	Palms at Morada Apartment Associates LLC	Apartments	48,853,753	0.27
11.	Dean A. Spanos Trust	Undeveloped	45,678,068	0.25
12.	Stockton Pavilions LP	Apartments	43,412,342	0.24
13.	Oak Ridge Winery LLC	Industrial	41,741,021	0.23
14.	Reynolds Ranch SR Development Company LP	Apartments	41,631,236	0.23
15.	Big Box Property Owner E LLC	Industrial	39,129,920	0.21
16.	Goldstone Land Co. LLC	Industrial	35,262,103	0.19
17.	Ashley Lane LP	Undeveloped	35,158,134	0.19
18.	Calpurnia Associates LP	Apartments	34,544,937	0.19
19.	Target Corp.	Commercial	30,831,588	0.17
20.	Cottage Bakery Inc.	Industrial	30,274,183	0.16
			$1,365,115,836	7.42%

(1) 2020-21 local secured assessed valuation: $18,399,308,639.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc., dated as of April 1, 2021. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

Table No. 8

STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Lodi Unified School District
Dated as of April 1, 2021

2020-21 Assessed Valuation: $18,882,300,392

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 4/1/21
San Joaquin Delta Community College District	21.409%[1]	$ 38,500,558
Lodi Unified School District	100.000	227,060,000[1]
Lodi Unified School District School Facilities Improvement District No. 1	100.000	45,935,000
Reclamation District No. 2042, Community Facilities District No. 2001-1	100.000	4,443,138
City of Stockton Community Facilities District No. 2001-1	100.000	11,021,924
City of Stockton Community Facilities District No. 2005-1	100.000	9,575,000
City of Stockton Community Facilities District No. 2006-3	100.000	3,038,000
City of Stockton Community Facilities District No. 2006-3	100.000	4,598,187
City of Stockton Community Facilities District No. 2018-2	100.000	8,970,000
City of Stockton 1915 Act Bonds (Estimate)	100.000	16,271,057
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$369,412,864
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
San Joaquin County Certificates of Participation	22.177%	$ 14,547,003
Lodi Unified School District Certificates of Participation	100.000	11,480,000
City of Lodi Certificates of Participation	100.000	14,335,000
City of Stockton Pension Obligation Bonds	25.690	13,679,327
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$ 54,041,330
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):		$11,932,283
COMBINED TOTAL DEBT		$435,386,477[2]

(1) Excludes the Bonds.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2020-21 Assessed Valuation:
Direct Debt ($275,995,000)..1.45%
Total Overlapping Tax and Assessment Debt..................1.96%
Combined Direct Debt ($284,475,000) 1.51%
Combined Total Debt...2.31%

Ratio to Redevelopment Incremental Valuation ($241,307,703):
Total Overlapping Tax Increment Debt............................4.94%

Source: California Municipal Statistics, Inc.

DEBT SERVICE SCHEDULE

Annual Debt Service Schedule

The following schedule shows the annual debt service schedule with respect to the Bonds, assuming no optional redemptions. See Appendix A - "General And Financial Information Of The District – General Information – District Debt - Combined General Obligation Debt Service Schedule" herein.

Series A Bonds

Period Ending August 1	Principal	Interest	Total Debt Service
2023	$	$	$
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
TOTAL:	$	$	$

Series B Bonds

Period Ending September 1	Principal	Interest	Total Debt Service
2021	$	$	$
TOTAL:	$	$	$

SOURCES AND USES OF FUNDS

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

Sources of Funds	Amount
Principal Amount	$
Net Original Issue Premium	
Total Sources	$
Uses of Funds	
Building Fund	$
Interest and Sinking Fund	
Underwriter's Discount	
Costs of Issuance[1]	
Total Uses	$

[1] Includes fees of Bond Counsel, Disclosure Counsel, Paying Agent, Financial Advisor, rating agency, printing, [insurance premium], and other miscellaneous expenses.

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

Sources of Funds	Amount
Principal Amount	$
Net Original Issue Premium	
Total Sources	$
Uses of Funds	
Building Fund	$
Interest and Sinking Fund	
Underwriter's Discount	
Costs of Issuance[1]	
Total Uses	$

[1] Includes fees of Bond Counsel, Disclosure Counsel, Paying Agent, Financial Advisor, rating agency, printing, [insurance premium], and other miscellaneous expenses.

RISK FACTORS

The following discussion sets forth some of the events that could affect the payment of principal and interest on the Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information contained in this Official Statement in *evaluating the Bonds. There can be no assurances that other risk factors will not become material in the future.*

Natural Disasters

The assessed value of land in the District can be adversely affected by a variety of natural occurrences. The areas in and surrounding the District, like those in much of California, may be subject to unpredictable seismic activity. Other natural disasters could include, without limitation, wildfires, floods or droughts.

Water shortfalls resulting from the driest conditions in recorded State history caused Governor Brown, on January 17, 2014, to declare a State-wide Drought State of Emergency for California and directed State officials to take all necessary actions to prepare for water shortages. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a statewide notice of water shortages and potential future curtailment of water right diversions. Subsequent executive orders and Water Board regulations imposed reductions on water usage in response to the drought conditions. On April 7, 2017, the Governor announced the end of the State-wide drought in all but Fresno, Kings, Tulare and Tuolumne counties in California but extended conservation measures indefinitely in order to prepare California for fluctuations in water conditions and potential future drought conditions.

On April 21, 2021, Governor Newson acknowledging that the State is in the second year of drought conditions, declared a drought emergency for Sonoma and Medocino counties. On May 10, 2021, the Governor expanded the drought emergency to include 39 additional counties, which included San Joaquin County. As a result of the Governor's May 10th proclamation, a majority of the State's 58 counties are under a drought emergency, and state officials will be considering ways to conserve water, improve water quality, and move water to where it is most needed. According to the Governor's proclamation, the drought is expected to lead to a heightened fire season, decreased available water for agriculture, and presents threats for fish and wildlife habitats.

The District can make no representation regarding the effect that the current drought has had, or, if it continues, may have on the value of taxable property within the District, or to what extent the current drought could affect economic activity within the District's boundaries.

Additionally, in recent years, certain portions of the State have been affected by large wildfires which destroyed both natural lands and residential and commercial properties and resulted in large-scale property value reductions in the impacted areas. To date, the District has not been impacted by any wildfires.

The District is not located in a High Fire Hazard Severity Zone and none of its facilities have been damaged or destroyed by wildfires or other natural disasters in the last five years. The District cannot make any representation regarding the effects that future natural disasters may have on the assessed value of taxable property within the District, or to what extent such events could cause disruptions to agricultural production, reduce land values, or adversely impact other economic activity within the boundaries of the District.

The District does not maintain earthquake or flood insurance on its facilities. Therefore, there will be no insurance payable with respect to such uninsured hazards of the District's facilities. However, all District buildings were constructed under the standards of the "Field Act" (California State Building Code, Title 24). The Field Act requires substantially higher construction standards for public schools and hospitals than are required for other types of construction. The Field Act requires the building systems be capable of withstanding seismic forces from the most credible earthquake likely to occur in the vicinity of the building systems being constructed. In addition, the District cannot make any representation regarding the effects that a future drought or wildfires may have on the assessed value of taxable property within the District, or to what extent such events could cause disruptions to agricultural production, reduce land values, or adversely impact other economic activity within the boundaries of the District.

COVID-19 and the Effect of COVID-19 Response on California School Districts

Federal Response to COVID-19. In late 2019, an outbreak of Coronavirus Disease ("COVID-19"), a respiratory virus, occurred in China and since that time has been spreading globally. The global outbreak, together with measures underway to attempt to limit the spread of COVID-19 imposed by local and federal governments, has caused volatility in financial markets and well as restrictions and closures of many businesses.

On March 13, 2020, responding to the evolving COVID-19 situation, President Trump declared a national emergency, making available more than $50 billion in federal resources to combat the spread of the virus. President Trump signed a multi-billion dollar relief package on March 18, 2020, which provided for Medicaid expansion, unemployment benefits and paid emergency leave during the crisis. On March 23, 2020 the Federal Reserve Bank lowered the federal funds rate to between zero and one quarter percent, announced a Treasury security and agency backed mortgage security buying program and emergency credit and liquidity facilities for financial institutions.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted in order to provide relief and stimulus to American businesses and individuals impacted by COVID-19. The CARES Act, in relevant part, (i) created a $349 billion loan program for small businesses; (ii) provided a payment of $1,200 to each American earning $75,000 a year or less ($150,000 for couples filing jointly) and $500 for each child; (iii) expanded eligibility for unemployment and increases benefits by $600 per week for up to four months; (iv) designated $339.8 billion for state and local governments with $274 billion for COVID-19 response efforts as well as an additional $13 billion for K-12 schools; (v) allocated $500 billion in loans and investments to businesses, including $58 billion to the airline industry; (vi) allocates $100 billion to hospitals and health providers and increases Medicare reimbursements for treating coronavirus; and (vii) delays federal student loan payments until September 2020.

On April 9, 2020, the Federal Reserve took actions to provide up to $2.3 trillion in loans to support the national economy, which included supplying liquidity to participating financial institutions in the Small Business Administration's Paycheck Protection Program ("PPP"), purchasing up to $600 billion in loans through the Main Street Lending Program and offering up to $500 billion in lending to states and municipalities. On April 24, 2020, an additional $484 billion federal aid package was signed. It provided additional funding for the PPP, the SBA disaster assistance loans and grant program, hospital grants, and funding for COVID-19 testing programs.

On December 27, 2020, the President signed the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA Act"), an additional $900 billion federal relief package intended to follow and expand on provisions of the CARES Act. This Act included, among other stimulus measures, another round of direct stimulus payments to individuals and families, extended unemployment benefits, expanded the PPP, and provided approximately $82 billion in supplemental aid to support the educational needs of states, school districts and institutions of higher education.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021, which provided an additional $1.9 trillion of federal relief. Key provisions of the bill included (i) direct payments of $1,400 to individual taxpayers earning up to $75,000 ($2,800 for married couples earning up to $150,000), plus an additional $1,400 per qualified child (the payment phases out for incomes up to $80,000 ($160,000 for married couples)); (ii) direct aid to state, local, and tribal governments; (iii) extensions of the current unemployment benefit, including an additional $300 weekly unemployment benefit, through September 6, 2021; (iv) enhanced tax incentives, such as an increase in the Child Tax Credit from $2,000 per child to $3,000 ($3,600 for children under 6); an increase in the maximum benefit for childless households under the Earned Income Tax Credit from $543 to $1,502; and other enhanced or extended tax credits, such as the Employee Retention Credit; (v) funding for vaccine distribution, COVID-19 testing, contact tracing, and lower healthcare premiums and expanded coverage for certain workers; (vi) educational support to help K-12 schools safely reopen, with colleges and other higher-education institutions also receiving funding; and (vii) funding for small businesses, emergency rental assistance, mortgage assistance, and relief to prevent homelessness.

State Response to COVID-19. In response to the outbreak of COVID-19 in the State, on March 4, 2020, Governor Gavin Newsom declared a State of Emergency. The declaration was intended to make additional resources available, formalize emergency actions underway across multiple State agencies and departments, and assist the State in preparing for the spread of COVID-19. On March 19, 2020, the Governor issued Executive Order N-33-20, a mandatory statewide shelter-in-place order applicable to all non-essential services.

On August 28, 2020, the Governor released a system entitled "Blueprint for a Safer California" (the "State Blueprint") aimed at reducing the spread of COVID-19. The State Blueprint places the State's 58 counties into four color-coded tiers (purple, red, orange and yellow, in descending order of severity) based on test positivity and adjusted case rate in the county. Each tier imposes restrictions on certain activities to reduce the spread of COVID-19, with purple (Tier 1) being the most restrictive. San Joaquin County is currently in the red tier (substantial).

On December 3, 2020, a regional stay-at-home order was announced by the Governor due to a surge of COVID-19 hospitalization. The order was supplemented on December 6, 2020. Additional restrictions were imposed on regions with less than 15% projected intensive care unit ("ICU") bed capacity. The order divided the State into five regions, and the ICU bed capacity in each region was monitored. Activities, such as gatherings of any size, were prohibited in regions that fell below the projected ICU bed capacity minimum. The order also required masking and physical distancing. This order was ended on January 25, 2021.

On February 23, 2021, the Governor signed legislation providing $7.6 billion in funding to help individuals and businesses that were not included in the federal aid package. The legislation included sending a $600 rebate to low-income, disabled and undocumented persons when 2020 taxes are filed; $2 billion in grants to assist small businesses; $35 million for food and diaper banks; and $400 million in subsidies for childcare providers. The legislation also reversed cuts made to public universities and State courts when the State experienced a record-breaking budget deficit.

The COVID-19 pandemic has had a negative impact on global and local economies, including the State's economy. There has been a substantial increase in unemployment and a decline in State revenues. The District cannot predict the outbreak's extent or duration or what impact this outbreak, and responses by federal, State or local authorities thereto, may have on global, State-wide and local economies which could impact the District's financial condition and operations, and the assessed value of real property within the District and tax delinquencies. See also "Sources of Payment for the Bonds – Teeter Plan" herein.

COVID-19 Impact on Education. On March 13, 2020, the Governor issued Executive Order N-26-20, which provided that school districts that initiated a school closure to address COVID-19 would continue to receive state funding to support the following during the period of closure: (1) continued delivery of high-quality educational opportunities to students through, among other options, distance learning and/or independent study; (2) the provision of school meals in noncongregate settings; (3) arrangement for supervision for students during ordinary school hours; and (4) continued payment of school district employees. Executive Order N-26-20 also waived the statutory mandated maintenance of schools for a minimum of 175 days for school districts that initiate a school closure to address COVID-19.

On March 16, 2020, the Governor remarked that residents of the State should prepare for most schools to be closed for the remainder of the 2019-20 school year. On March 17, 2020, to address the impacts of school closures and the COVID-19 response, the California legislature adopted and the Governor signed Senate Bill 89 ("SB 89") and Senate Bill 117 ("SB 117"), which took effect immediately. SB 89 amended the budget act of 2019 by appropriating $500,000,000 from the State general fund for any purpose related to the Governor's March 4th Emergency Proclamation. The second bill, SB 117, directly addressed the economic impacts to school districts. Among other things, SB 117 provided that, for all school districts that complied with Executive Order N-26-20, attendance during only full school months from July 1, 2019, to February 29, 2020, inclusive, will be reported for apportionment purposes. SB 117 held harmless school districts not meeting minimum instructional day and minute requirements, in order to prevent a loss of funding to schools closed due to the outbreak. SB 117 also held harmless grantees operating after-school education and safety programs that were prevented from operating such programs due to COVID-19, and credited such program grantees with the average daily attendance ("A.D.A.") that the grantee would have received had it been able to operate but for COVID-19.

On July 17, 2020, the Governor announced strict guidelines for reopening schools, which resulted in a majority of school districts being unable to reopen for the beginning of the 2020-21 school year. The Governor's order removed the closing and reopening of schools decisions from local school district officials, in consultation with county departments of health, and gave the California Department of Public Health a stronger role in establishing criteria for reopening schools. The order prohibited school districts located in counties where the coronavirus infection rated had not gone down for 14 consecutive days from reopening their campuses. The order also included a mask requirement for students and all staff, COVID-19 testing, and social distancing.

On December 30, 2020, the Governor unveiled the "Safe Schools for All Plan," pledging to work with the State Legislature to implement up to $2 billion in funding for the safe reopening of schools beginning in February 2021. Funding for the Safe Schools for All Plan was included in the Governor's 2021 State Budget Proposal, released on January 8, 2021, which urged the Legislature to take immediate action on this item, rather than waiting until implementation of the 2021 State Budget this summer. Under the proposal, schools that agreed to offer in-person instruction would receive up to $450 per student, to fund increased safety measures including testing, PPE, contact tracing, and others. The timeline for this reopening initiative largely depended on infection rates dropping below 28 per 100,000 in the county in which a school district is situated.

From March 2020 through the end of the academic year, State and local shelter-in-place orders suspended in-persons instruction in schools throughout the State. For most of the 2020-21 academic year, school districts have generally commenced instruction pursuant to the Governor's July 17, 2020 order and the State Blueprint. Pursuant to the State Blueprint, schools located in counties in Red, Orange or Yellow Tiers were permitted to have in-person instruction under certain conditions; and, K-6 schools could apply for a waiver and be permitted to conduct in-person instruction if certain criteria were satisfied. The Safe Schools for All Plan" incentivized schools to offer in-person learning by reducing the restrictions on in-person instruction and providing per pupil grant funding for schools that reopen. The Plan required school districts to continue to offer remote instruction and was dependent upon such factors as the submission of safety plans, local infection rates, ability to provide regular COVID-19 testing, and the availability of State funding.

Assembly Bill 86 ("AB 86"), which was signed by the Governor on March 5, 2021, may further incentivize schools to reopen. AB 86 provides (i) $4.5 billion to be apportioned to local educational agencies ("LEAs") through the Local Control Funding Formula ("LCFF") formula for expanded learning opportunities, such as tutoring and mental health services; and (ii) $2 billion in incentive grants for LEA to return to in-person instruction on or before April 1, 2021. The apportionment is reduced by 1% for each instructional day after April 1 that the LEA does not return to in-person instruction. If in-person instruction is not provided by May 15, 2021, the LEA forfeits all funding. Once an LEA reopens for in-person instruction, it must remain open unless otherwise ordered to close by state or local health officers. School districts in the Purple Tier must offer cohort in-person instruction to all "high needs students" (which includes, among others, exceptional needs students and those eligible for free/reduced price meals, English learners, foster youth, and homeless students); and, in-person instruction to all K-2 students and high needs students. Schools districts in the Purple Tier that do not reopen by March 31, or do not have board-adopted reopening plans and posted COVID-19 Safety Plans on their websites, will have to conduct asymptomatic testing for staff and students per the state guidance for schools.

An LEA that moves out of the Purple Tier, will not have to conduct the asymptomatic testing. LEAs that move out of the Purple Tier must provide in-person instruction to all students in all grade levels and to high needs students in their elementary schools (K-6); and offer in-person instruction in at least one full grade level and to high needs students in their middle and high schools. The incentive grants may be used for in-person instruction services, COVID-19 testing, cleaning, PPE, ventilation upgrades, among other expenses.

The District receives the large majority of its revenues from LCFF sources which are comprised of local property taxes and State moneys. See Appendix A – "General and Financial Information of the District – District Financial Information" and "State Funding of Education." The 2020-21 State Budget includes the State's highest-ever funding level for K-14 schools under Proposition 98. Should the State experience a decline in revenue resulting from the impacts of COVID-19, there may be a resulting decline in revenue available for funding school districts. See "State Funding of Education – State Budget" below for a discussion of the impacts of COVID-19 on fiscal year 2020-21 State budget.

The District cannot predict the outbreak's extent or duration or what impact this outbreak, and responses by federal, State or local authorities thereto may have on assessed value of real property within the District, tax delinquencies or the District's financial condition and operations. See also "Sources of Payment for the Bonds – Teeter Plan" herein.

Notwithstanding the adverse impacts that COVID-19 will have on the financial condition of the State and the District, the Bonds described herein are general obligations of the District payable solely from *ad valorem* property taxes levied on taxable property within the District, unlimited as to rate or amount, and are not payable from the general fund of the District.

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), the California Department of Public Health (http://covid19.ca.gov) and the County Public Health Services Department (http://www.sjcphs.org). The District has not incorporated by reference the information on such websites and the District does not assume any responsibility for the accuracy of the information on such website.

Changes in Economic Conditions

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

The recent outbreak of COVID-19 and the corresponding measures to prevent its spread have caused widespread unemployment and economic slow-down in the United States, the State, and the County. Such economic slow-down may lead to an economic recession or depression and a general market decline in real estate values. Such a decline may cause a reduction of assessed values in the District. See "Risk Factors – COVID-19 and the Effect of COVID-19 Response on California School Districts" hereinabove for more information regarding the impact of COVID-19.

Bankruptcy and Equitable Limitations

The rights and remedies of holders of the Bonds and enforceability of the Bonds and the Paying Agent Agreement may be limited by, and are subject to, the provisions of federal bankruptcy laws, as now or hereinafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors' rights. The various legal opinions delivered concurrently with the issuance of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability by bankruptcy, reorganization, moratorium, insolvency, fraudulent conveyance or other similar laws relating to or affecting the enforcement of creditors' rights, to the application of equitable principles, to the exercise of judicial discretion and to the limitation on legal remedies against public agencies in the State.

Actions could be taken in a bankruptcy of the District that could alter the principal amount, interest rate, payment terms, maturity dates, covenants, payment sources, and other terms of the Bonds and the financing documents related to the Bonds, if the bankruptcy court determines that such alterations are fair and equitable. There may also be other possible effects of the bankruptcy of the District that could result in delays or reductions in payments of the principal and interest on the Bonds, or in other losses to the owners of the Bonds. See "The Bonds – Security- Statutory Lien" herein.

Regardless of any specific adverse determinations in a bankruptcy case of the District, the existence of a bankruptcy case could have an adverse effect on the liquidity and value of the Bonds.

Loss of Tax Exemption

As discussed under the caption "Tax Matters," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds as a result of acts or omissions of the District in violation of its covenants in the Paying Agent Agreement or the Tax Certificate (the District's certificate of even date with the initial delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds). Should such an event of taxability occur, the Bonds are not subject to special redemption and will remain outstanding until maturity or until redeemed under one of the redemption provisions contained in the Paying Agent Agreement.

Cyber Security Risk

The District, like many other private and public entities, relies upon computer and other digital networks and systems to conduct its operations. As a recipient and provider of confidential or other electronic sensitive information, the District may be subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Individuals or entities may attempt to gain unauthorized access to the District's systems for the purposes of misappropriating information or assets, or causing operational disruption or damage. The District has not experienced a major cyber breach that resulted in a financial loss in the last five years. There was an incident of a student accessing a secure system to change a grade. The District maintains insurance coverage for cyber security losses should a successful breach occur.

To manage cyber threats, the District has contracted with an external security consultant to access the District's network security vulnerabilities. The District continuously updates security patches on end devices, network equipment and servers, and educates staff on cybersecurity awareness. The District is in the process of revising its cybersecurity response and computer system disaster recovery plans. Notwithstanding the steps taken by the District to manage cyber threats and attacks, no assurance can be given that the District's efforts will always be successful or that any such attack will not materially impact the District's finances or operations. The District is also reliant on other entities and service providers, such as the County Treasurer for investment of funds, the Paying Agent in its role as paying agent, and Dale Scott & Company Inc., in its role as dissemination agent in connection with compliance with the District's continuing disclosure obligations. No assurance can be given that the District may not be affected by cyber threats and attacks against other entities or service providers in a manner which may affect the Owners or Beneficial Owners of the Bonds (*e.g.*, systems related to the timeliness of payments to Owners of the Bonds or compliance with disclosure filings pursuant to the Continuing Disclosure Certificate).

SAN JOAQUIN COUNTY INVESTMENT POOL

The information in this section has been provided by the County Treasurer. Neither the District nor the Underwriter has independently verified this information and neither guarantees the completeness or accuracy thereof. Further information may be obtained by contacting the County of San Joaquin, Office of the Treasurer, Tax Collector, 44 N. San Joaquin Street, Suite 150, Stockton, California 95202, Telephone (209) 468-2133.

In accordance with Education Code Section 41001, each California public school district maintains substantially all of its operating funds in the county treasury of the county in which it is located, and each county treasurer or finance director serves as *ex officio* treasurer for those school districts located within the county. Each county treasurer or finance director has the authority to invest school district funds held in the county treasury. Generally, the county treasurer or finance director pools county funds with school district funds and funds from certain other public agencies within the county and invests the cash. These pooled funds are carried at cost. Interest earnings are accounted for on either a cash or accrual basis and apportioned to pool participants on a regular basis.

Each county treasurer is required to invest funds, including those pooled funds described above, in accordance with Government Code Sections 53601 *et seq*. In addition, each county treasurer is required to establish an investment policy which may impose further limitations beyond those required by the Government Code. The County's investment policy can be accessed through the County Treasurer's Department, http://www.sjgov.org or by calling the office of the

County Treasurer at (209) 468-2133. The information on such website is not incorporated herein by reference thereto. A summary of the County's investment report for the month ended April 30, 2021, is shown in Appendix G – "San Joaquin County Investment Pool Monthly Report Dated April 30, 2021."

LEGAL OPINION

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Lozano Smith, LLP, Bond Counsel to the District. Bond Counsel expects to deliver an opinion with respect to the Bonds at the time of issuance substantially in the forms set forth herein as Appendix D – "Form of Opinion of Bond Counsel." Bond Counsel, as such, undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Lozano Smith, LLP, as counsel to the District and as Disclosure Counsel to the District. Certain matters will be passed upon for the Underwriter by by Kutak Rock, LLP, Denver, Colorado, as Underwriter's Counsel.

TAX MATTERS

The following discussion of federal income tax matters written to support the promotion and marketing of the Bonds was not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding federal tax penalties that may be imposed. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Federal Tax Status. In the opinion of Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, subject, however, to certain qualifications set forth below, under existing law, and assuming continuing compliance after the date of initial delivery of the Series A Bonds with covenants contained in the Paying Agent Agreement and the Resolution authorizing the Bonds, interest on the Series A Bonds for federal income tax purposes under existing statues, regulations, published rulings, and court decisions will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Series A Bonds, and will not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series B Bonds will not be excludable from gross income for federal income tax purposes.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code") that must be satisfied subsequent to the issuance of the Series A Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series A Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a Series A Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof, subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Series A Bonds on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Series A Bonds to determine taxable gain upon disposition (including sale, prepayment, or payment on maturity) of such Series A Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Series A Bonds who purchase the Series A Bonds after the initial offering of a substantial amount of such maturity. Owners of such Series A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series A Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Series A Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Series A Bond (said term being the shorter of such Series A Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Series A Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Series A Bond is amortized each year over the term to maturity of the Series A Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of premium Series A Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Series A Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series A Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series A Bonds may adversely affect the value of, or the tax status of interest on, the Series A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Series A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, future legislative proposals could limit the exclusion from gross income of interest on obligations like the Series A Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals or clarifications of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series A Bonds. Prospective purchasers of the Series A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Series A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Forms of Bond Counsel Opinion. The forms of the proposed opinion of Bond Counsel relating to the Bonds is attached to this Official Statement as Appendix D.

CONTINUING DISCLOSURE

Neither the County nor any other entity other than the District shall have any obligation or incur any liability whatsoever with respect to the performance of the District's duties regarding continuing disclosure.

The District has covenanted for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") not later than nine (9) months after the end of the District's fiscal year (which currently ends on June 30), commencing with the report for the 2020-21 fiscal year which would be due on April 1, 2022, and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the District with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access System ("EMMA System"). The notices of enumerated events will be filed by the District in the same manner as an Annual Report. The specific nature of the information to be contained in the Annual Report and in the notices of enumerated events is summarized under the caption Appendix E – "Form Of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule").

The District has existing disclosure undertakings that have been made pursuant to the Rule in connection with the issuance of the District's outstanding general obligation bonds and refunding general obligation bonds. [During the last five years, each of the annual reports to be filed with respect to the District's continuing disclosure undertakings were filed in a complete and timely manner, except (i) a notice of defeasance for the advance refunding of a portion of the District's Series 2011 Refunding Bonds (said refunding is further described in "Appendix A – General And Financial Information Of The District") was not filed; and (ii) assessed valuation and largest taxpayer information for the District's School Facilities Improvement District No. 1 was not filed. Notice of the defeasance of the District's outstanding bonds has been made and the assessed valuation and largest taxpayer information has been filed as of this date.]

NO MATERIAL LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District; (ii) contests the District's ability to receive *ad valorem* property taxes or to collect other revenues; or (iii) contests the District's ability to issue and retire the Bonds.

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

RATING

Moody's Investors Service has assigned its rating of "___" to the Bonds. There is no assurance the credit rating given to the Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by Moody's Investors Service if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Such ratings reflects only the views of Moody's Investors Service and an explanation of the significance of such rating may be obtained from Moody's Investors Service.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any ratings changes on the Bonds. See "Appendix E – Form Of Continuing Disclosure Certificate" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the rating agencies and their respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Series A Bonds at a price of $__________, which equals the principal amount of the Bonds of $____________, plus net original issue premium of $___________, less the Underwriter's discount of $__________.

The Underwriter has agreed to purchase the Series B Bonds at a price of $__________, which equals the principal amount of the Bonds of $____________, plus net original issue premium of $___________, less the Underwriter's discount of $__________.

The purchase contract relating to the Bonds provides that the Underwriter will purchase all of the Bonds (if any are purchased), and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The Underwriter intends to offer the Bonds to the public at the respective offering prices set forth on the inside cover of this Official Statement. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter.

FINANCIAL ADVISOR

Dale Scott & Company Inc. is serving as Financial Advisor to the District with respect to the Bonds. The Financial Advisor has assisted the District in the matters relating to the planning, structuring, execution and delivery of the Bonds. Because of its limited participation in reviewing this Official Statement, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein.

COMPENSATION OF PROFESSIONALS

Payment of the fees and expenses of Bond Counsel, Disclosure Counsel, Underwriter's Counsel, Underwriter, and Financial Advisor is contingent upon issuance of the Bonds.

ADDITIONAL INFORMATION

The discussions herein about the Resolution, the Paying Agent Agreement, and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the Underwriter and following delivery of the Bonds will be on file at the offices of the Paying Agent in Dallas, Texas.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

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

The execution and delivery of this Official Statement have been duly authorized by the District.

LODI UNIFIED SCHOOL DISTRICT

By: ________________________________
Cathy Nichols-Washer, Superintendent

APPENDIX A

GENERAL AND FINANCIAL INFORMATION OF THE DISTRICT

The information in this section concerning the operations of the District and the District's general fund finances, its fund balances, budgets and obligations, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem property tax required to be levied by the County on taxable property within the District in an amount sufficient for the payment thereof.. See "Sources Of Payment For The Bonds" in the front half of this Official Statement.

GENERAL INFORMATION

The District

The District, which was established in 1967, is located in the San Joaquin Valley of central California. The District includes all of the city of Lodi, the northern portion of the city of Stockton and adjacent unincorporated areas of San Joaquin County (the "County"), and encompasses a territory of about 350 square miles and a population of about 184,000 residents. The District served an enrollment of 28,196 students in 2019-20 and 27,471 students in 2020-21. The District currently operates 32 elementary schools (most of which have a grade configuration of kindergarten through 6th grade, one GATE school for grades 4-8, and two schools for grades K-8), five middle schools (for grades 7-8), two alternative schools of choice (one for grades 7-8 and one for grades K-12), four comprehensive high schools (for grades 9-12), one high school offering college preparatory classes, two alternative high schools, an independent study school for grades K-12, preschool programs, one charter school for grades K-8, and an adult education program. The District also has five independent charter schools operating within the District.

Administration

Board of Education. The District is governed by a seven-member Board of Education, each member of which is elected by trustee area to a four-year term. Current members of the Board of Education, together with their office, by trustee area, and the date their term expires, are listed below:

Name	Office	Area	Term Expires
Ron Freitas	President	6	November 2024
Susan MacFarlane	Vice President	1	November 2022
Courtney Porter	Clerk	4	November 2022
Ron Heberle	Member	5	November 2022
Gary Knackstedt	Member	2	November 2024
Joe Nava	Member	7	November 2024
George Neely	Member	3	November 2022

The administrative staff of the District includes: Dr. Cathy Nichols-Washer, Superintendent; Leonard Kahn, Chief Business Officer; April Juarez, Senior Director/Controller; Mike McKilligan, Assistant Superintendent, Personnel; Scott McGregor, Assistant Superintendent, Elementary Education; Jeff Palmquist, Assistant Superintendent, Secondary Education; Dr. Robert Sahli, Assistant Superintendent, Curriculum/ Instruction/Assessment.

COVID-19 Impact on the District.

As a result of the outbreak of COVID-19, the District closed its schools for in-person instruction effective March 19, 2020. Because schools remained closed during the remainder of the 2019-20 school year, the District implemented remote learning. The District purchased additional Chromebooks, internet hotspots, personal protection equipment, cleaning equipment and devices; incurred additional food costs for its meal program and COVID-19 testing; and incurred other costs to mitigate learning loss-related to COVID-19 school closures.

As of March 29, 2021, the District implemented a hybrid model of instruction for grades K-6 and priority group students. Grades 7-12 students continue to be on the remote learning model. The hybrid model of instruction consists of students being on campus two days a week, on a modified schedule. The students in Group A will be on campus on Mondays and Thursday, and students in Group B will be on campus on Tuesday and Friday. On Wednesday, all students participate in remote learning.

On March 30, 2021, the Board approved resuming in-person instruction for all students beginning April 12, 2021. Students will be on campus five days a week, with a regular schedule. Student have the option to continue remote learning for the remainder of the 2020-21 school year.

The District is tracking the impact of COVID-19 on its finances. To date, there has been no negative impacts on the District's operations or financial conditions. The District expects to receive approximately $34,139,475 under the CARES Act, and approximately $478,185 pursuant to SB 117. The District also expects to receive the following federal and state funding:

Source of Funding	Amount
Elementary and Secondary School Emergency Relief (ESSER II)	$31,343.526
State Senate Bill 86: In-Person Instruction Grants	$9,387,315
MVCA State Senate Bill 86: Expanded Learning Opportunity Grant	$19,952,675
Total:	$60,683,516

Recent Enrollment Trends

The following table shows enrollment history for the District for fiscal years 2000-01 through 2019-20 and the projected enrollment through fiscal year 2021-22. The District anticipates that enrollment will continue to decline for the next three years.

LODI UNIFIED SCHOOL DISTRICT
ANNUAL ENROLLMENT
Fiscal Years 2000-01 through 2020-21;
Projected 2021-22 through 2022-23

Year	Enrollment[1]	Annual Change	Annual % Change
2000-01	26,753	359	--
2001-02	26,957	204	0.76%
2002-03	27,390	433	1.61
2003-04	27,956	566	2.07
2004-05	28,767	811	2.90
2005-06	29,503	736	2.56
2006-07	29,776	273	0.93
2007-08	29,997	221	0.74
2008-09	29,598	-399	-1.33
2009-10	29,281	-317	-1.07
2010-11	28,647	-634	-2.17
2011-12	28,265	-382	-1.33
2012-13	28,058	-207	-0.73
2013-14	28,084	26	0.09
2014-15	28,189	105	0.37
2015-16	28,180	-9	-0.03
2016-17	28,432	252	0.89
2017-18	28,591	159	0.56
2018-19	28,515	-76	-0.27
2019-20	28,196	-319	-1.12
2020-21	27,471	-725	-2.57
2021-22[2]	26,959	-512	-1.86
2022-23[2]	26,481	-478	-1.77

(1) Enrollment excludes non-public schools and charter schools.
(2) Projected as of Second Interim Reports for fiscal years 2021-22 and 2022-23.
Source: Lodi Unified School District.

Average Daily Attendance

The following tables reflect historical and projected average daily attendance ("A.D.A.") for the District. A.D.A. calculations are based on actual attendance.

LODI UNIFIED SCHOOL DISTRICT
AVERAGE DAILY ATTENDANCE
Fiscal Years 2000-01 through 2022-23

Fiscal Year	Average Daily Attendance [2]	Annual Change in A.D.A.	Deficited Revenue Limit/Local Control Funding Formula per A.D.A. [1]
2000-01	24,905	595	$4,434
2001-02	25,032	127	4,608
2002-03	25,488	456	4,701
2003-04	25,995	507	4,645
2004-05	26,694	699	4,825
2005-06	27,444	750	5,095
2006-07	27,814	370	5,530
2007-08	28,036	222	5,782
2008-09	27,905	-131	5,632
2009-10	27,623	-282	4,950
2010-11	27,203	-420	4,964
2011-12	26,805	-398	5,154
2012-13	26,615	-190	5,210
2013-14	26,786	171	6,751[3][5]
2014-15	26,652	-134	7,636[3][5]
2015-16	26,818	166	8,763[3][5]
2016-17	27,032	214	9,335[3][5]
2017-18	27,074	42	9,616[3][5]
2018-19	27,056	-18	10,322[3][5]
2019-20	27,116	60	10,663[3][5]
2020-21[4]	26,727	-389	10,667[3][5]
2021-22[4]	26,713	-14	11,056[3][5]
2022-23[4]	25,594	-1,118	11,413[3][5]

Note: All amounts are rounded to the nearest whole number.

(1 The fiscal year 2013-14 State budget replaced the previous K-12 finance system with a new formula known as the Local Control Funding Formula (the "LCFF"). Under the LCFF, revenue limits and most state categorical programs were eliminated. School districts instead receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. See, "State Funding of Education – Revenue Sources – Local Control Funding Formula" herein.

(2) Average daily attendance (excluding special education extended year, non-public schools, charter schools and adult education) for the second period of attendance, typically in mid-April of each school year.

(3) Beginning in 2013-14, the funding model for K-12 education changed to the Local Control Funding Formula (LCFF).

(4) Estimated as of the Second Interim Report for fiscal years 2020-21, 2021-22 and 2022-23..

(5) Average funding level per A.D.A.

Source: Lodi Unified School District.

Employee Relations

The employees of the District are represented by the following six employee associations.

Employee Groups	Employees Represented	Number of Employees
Lodi Education Association (LEA)	Teachers and librarians	1,509
Lodi Pupil Personnel Association (LPPA)	Counselors, Speech Language Pathologists, Nurses, Program Specialists, Psychologists	143
California School Employees Association (CSEA)	Classified employees	1,505
Lodi Unified Supervisory Group (LUSG)	Classified supervisory employees	37
Lodi Unified Confidential Employees	Classified employees	11
Lodi Unified School Administrators Association (LUSDAA)	Management employees	111

Source: Lodi Unified School District

The bargaining agreement with the LEA expired on June 30, 2020, with the salary and contract remaining open for fiscal year 2019-20, as well as bargaining for fiscal year 2020-21. The bargaining agreement with CSEA also expired on June 30, 2020, with the salary and contract completely closed for 2019-20 unless the Board increases any other employee salary in fiscal year 2019-20. The bargaining agreement with LPPA continues through fiscal year 2022. The fiscal year 2019-20 salary remains open but the remainder of the 2019-20 contract is closed. LPPA is also engage in bargaining for fiscal year 2020-21. The bargaining agreement with LUSG continues through 2023. The fiscal year 2020-21 salary and contract is closed unless the Board increases any other employee salary in either fiscal year 2019-20 or 2020-21. Lodi Unified Confidential Employees and the LUSDAA are not PERB recognized bargaining groups as they are non-represented employees. There are no bargaining agreements with non-represented employees.

District Retirement Systems

The information set forth below regarding the District's retirement programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not be construed as a representation by either the District or the Underwriter.

STRS. All full-time certificated employees participate in the State Teachers' Retirement System ("STRS"), a cost-sharing multiple employer contributory public employee retirement system. STRS provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

Prior to fiscal year 2014-15, the contribution rates to the STRS pension plan for employees, employers and the State were not adjusted annually. School districts were required to contribute

8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries.

In an effort to reduce the unfunded actuarial liability of STRS, the State passed legislation to increase contribution rates. Assembly Bill 1469 ("AB 1469") was signed into law by the Governor in connection with the State's adoption of the fiscal year 2014-15 budget. AB 1469 addresses the unfunded liabilities of the STRS pension plan by increasing contributions of plan employees, employers (including the District), and the State. Pursuant to AB 1469, employer contribution rates to STRS increased over a seven-year period from 8.88% in fiscal year 2014-15 to 19.1% in fiscal year 2020-21, as shown in the following table. After fiscal year 2020-21, employer contribution rates are determined by the STRS Teachers' Retirement Board (the STRS Board") to reflect the amount of contribution necessary to eliminate unfunded liabilities with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 by June 30, 2046.

AB 1469 STRS EMPLOYER CONTRIBUTION RATES

Fiscal Year	% Increase from FY 2013-14 Rate* Under AB 1469	Total Contribution Rate
2014-15	0.63%	8.88%
2015-16	2.48	10.73
2016-17	4.33	12.58
2017-18	6.18	14.43
2018-19	8.03	16.28
2019-20	9.88	18.13
2020-21	10.85	19.10

* Fiscal year 2013-14 rate of 8.25%.

Senate Bill 90 ("SB 90") was approved by the Governor on June 27, 2019. SB 90 appropriates $2,246,000,000 from the State's general fund for the 2018-19 fiscal year to be transferred to STRS for apportionment of specified amounts for required employer contributions for the 2019-20 and 2020-21 fiscal years. This resulted in employers having to contribute 1.03% less than that amount set in existing prescribed schedules in the 2019-20 fiscal year, and 0.07% less in the 2020-21 fiscal year.

The 2020-21 State Budget redirects certain funds appropriated in the 2019-20 State Budget to STRS for long-term unfunded liabilities to reduce employer contribution rates in fiscal years 2020-21 and 2021-22. The reallocation reduces the school district's contribution rates to STRS in fiscal year 2020-21 from 18.41% to approximately 16.15% and in fiscal year 2021-2022 from 17.9% to 16.02%. The Proposed 2021-22 State Budget provides that STRS will apply $820 million in fiscal year 2021-22 to reduce the school district's contribution rate from 18.1% to approximately 15.92%. See, "State Funding of Education – State Budget Measures – 2020-21 State Budget" and " – Proposed 2021-22 State Budget."

The District's required contribution rate for STRS for the year ended June 30, 2019 was 16.23% of gross salaries; and its contribution to STRS was $23,556,256. The District's contribution rate for STRS for the year ended June 30, 2020 was 17.11% of gross salaries; and its contribution to STRS was $24,534,963. The District's contribution rate for STRS for the year ended June 30, 2021 was 16.15% of gross salaries; and its contribution to STRS was $26,952,861.

PERS. All classified employees working four or more hours participate the Public Employees' Retirement System ("PERS"), a cost-sharing multiple employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. The District is part of a "cost-sharing" pool within PERS. One actuarial valuation is performed for those employers participating in the pool, and the same contribution rate applies to each.

On April 19, 2017, the Board of Administration of PERS adopted new contribution rates for school districts. The revised contribution rates are, as were the previous contribution rates, based on certain demographic assumptions adopted by the Board of Administration in February 2014 which took into account longer life spans of public employees from previous assumptions. Such demographic assumptions generally increase costs for the State and public agency employers (including school districts), which costs will be amortized over 20 years and were phased in over three years beginning in fiscal year 2014-15 for the State and amortized over 20 years and phased in over five years beginning in fiscal year 2016-17 for the employers. PERS estimated that the new demographic assumptions would cost public agency employers up to 5% of payroll for miscellaneous employees at the end of the five-year phase in period. To the extent, however, that current and future experiences differ from PERS' assumptions, the required employer contributions may vary. The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law.

As a result of payments to be made by the State as part of the 2019-20 State Budget, the estimated future employer contribution rates to PERS were again revised downward for fiscal years 2019-20 through 2025-26 but remain subject to annual adoption by the PERS Board of Administration. See, "State Funding of Education – State Budget Measures" herein.

On July 27, 2019, the PERS Board established the employer contribution rate of 19.721% for fiscal year 2019-20. This represents a reduction of 1.012% in the employer contribution rate from the 20.733% adopted by the Board on April 17, 2019. On April 21, 2020, the Board of Administration of PERS set the fiscal year 2020-21 employer contribution rate at 22.68%. The contribution rate reflected an initial actuarially determined rate of 23.35% that had been reduced by 0.67% after reflecting part of the State contribution. The Board of Administration of PERS also approved a continuation of the current 7% employee contribution rate for fiscal year 2020-21 for school employees subject to the Public Employees' Pension Reform Act of 2013 described below.

Subsequent to the Board of Administration of PERS' action, the 2020-21 State Budget which was signed by Governor Newsom on June 29, 2020 provided supplemental payments to PERS which further reduces the employer contribution rate in fiscal year 2020-21 from 22.67% to 20.7% and in fiscal year 2021-22 from 24.6% to 22.84%. The Proposed 2021-22 State Budget provides that STRS will apply $330 million in fiscal year 2021-22 to reduce the school district's contribution rate from 24.9% to 23%. See, "State Funding of Education – State Budget Measures – 2020-21 State Budget" and " – Proposed 2021-22 State Budget."

On April 19, 2021, the PERS Finance and Administration Committee recommended an employer contribution rate of 22.91% for fiscal year 2021-22, and a continuation of the current 7% employee contribution rate for school employees subject to PEPRA. The following table, prepared by the PERS Finance and Administration Committee, summarizes key valuation results used to determine the PERS contribution rates for fiscal year 2020-21 and fiscal year 2021-22.

PERS KEY VALUATION RESULTS
Fiscal Years 2020-21 and 2021-22
(Dollar Amounts in Millions)

Funded Status	Fiscal Year 2020-21	Fiscal Year 2021-22
Market Value of Assets	$68,177	$71,400
Accrued Liability	99,528	104,062
Unfunded Accrued Liability	31,351	32,662
Funded Status	68.5%	68.6%

Source: CalPERS Finance and Administration Committee report, dated April 19, 2021.

The following table, prepared by the PERS Finance and Administration Committee, compares the employer and PEPRA employee contribution rates for fiscal year 2020-21 and fiscal year 2021-22.

PERS (SCHOOL POOL) CONTRIBUTION RATES
Fiscal Years 2020-21 and 2021-22

Contribution Rates	Fiscal Year 2020-21	Fiscal Year 2021-22
Employer Normal Costs	9.47%	9.32%
Unfunded Liability Rate	14.13%	13.59% (1)
Actuarially Determined Contribution	23.60%	22.91%
State Contribution	(2.90%)	--(1)
Employer Contribution Rate	20.70%	22.91%
PEPRA Employee Rate	7.00%	7.00%

(1) For fiscal year 2020-21, the $330 million State contribution is incorporated in the Unfunded Liability Rate. It reduced the Actuarially Determined Contribution by $330 million.

Source: CalPERS Finance and Administration Committee report, dated April 19, 2021.

The District's required contribution rate for PERS for the year ended June 30, 2019 was 18.35% of gross salaries; and its contribution to PERS was $9,483,820. The District's contribution rate for PERS for the year ended June 30, 2020 was 19.76% of gross salaries; and its contribution to PERS was $10,072,372. The District's contribution rate for PERS for the year ended June 30, 2021 was 20.7% of gross salaries; and its contribution to PERS was $12,300,139.

State Pensions Trusts

Both the PERS and STRS systems are operated on a statewide basis, and both have substantial State unfunded liabilities. Those unfunded liabilities are due to insufficient participant contributions, and significant investment losses.

STRS. The STRS Board has sole authority to determine the actuarial assumptions and valuation method for the STRS defined benefit program. In an effort to reduce the unfunded actuarial liability of STRS, the State passed AB 1469 (discussed above) to increase the contribution requirements of STRS members, employers, and the State.

PERS. The PERS Board of Administration (the "PERS Board") has taken several steps to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool. Over several years, the PERS Board lowered the PERS' rate of expected price inflation and its investment rate of return; increased the contribution rates of active members hired after January 1, 2013, under Assembly Bill 340 ("AB 340") (discussed below); approved new actuarial policies that were aimed at returning PERS to fully-funded status within 30 years; approved new demographic assumptions; and approved a new actuarial amortization policy.

The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS from their most recently released reports.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Plan)
(Dollar Amounts in Millions) [(1)]

Plan	Accrued Liability	Value of Trust Assets	Unfunded Liability[(1)]	Funded Status
State Teachers' Retirement Fund (STRS) Defined Benefit Program	$310,719[(2)]	$205,016[(3)]	($105,703)	66.0%
Public Employees Retirement Fund (PERS) Schools Plan	$104,062[(4)]	$71,400[(5)]	($32,662)	68.6%

(1) Amounts may not add due to rounding.
(2) June 30, 2019 valuation date.
(3) Reflects actuarial value of assets as of June 30, 2019.
(4) June 30, 2020 valuation date.
(5) Reflects market value of assets as of June 30, 2020.
Source: STRS Defined Benefit Program Actuarial Valuation; PERS State & Schools Actuarial Valuation.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make larger contributions to STRS in the future. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed Assembly Bill 340, which enacted the California Public Employee's Pension Reform Act of 2013 ("PEPRA"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date").

For STRS participants hired after the Implementation Date, PEPRA changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is 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. Similarly, for non-safety PERS participants hired after the Implementation Date, PEPRA changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, PEPRA also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS 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 STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" 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 members not participating in social security, while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites may not be current, has not been reviewed by the District, and is not incorporated into this Official Statement by any reference.

Effect of COVID-19 on STRS and PERS. For information regarding economic volatility caused by COVID-19, see "Risk Factors" hereinabove. The District cannot determine whether such volatility might impact the value of investments held by either PERS or STRS to fund retirement benefits or whether the District's contribution rates to PERS or STRS might increase in the future as a result of any declines in the value of investments in response to the outbreak of COVID-19.

GASB Statement Nos. 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 Statements 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 (previously, 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 Statements, 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 District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 30, 2020, the District's share of the net pension liabilities for STRS and PERS follows:

Pension Plan	Proportionate Share of Net Pension Liability
STRS	$240,240,560
PERS	108,253,407
Total	$348,493,967

Source: Lodi Unified School District.

The District's reported deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2020 follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,470,023	$ (6,769,700)
Changes in assumptions	35,538,378	(9,254,140)
Changes in proportion	7,082,533	(276,112)
Change in proportionate share of contributions	767,456	--
Net differences between projected and actual investment earnings of pension plan investments		(1,004,071)
District contributions subsequent to measurement date	34,607,335[1]	--
Total	$ 86,465,725	$(17,304,023)

[1] The $34,607,335 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2021	$15,668,532
2022	2,065,820
2023	7,053,482
2024	7,897,974
2025	1,817,478
Thereafter	51,081

Source: Lodi Unified School District.

Risk of Investment Value Declines

School districts' retirement contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in school district contributions. The District cannot determine whether current financial market losses and/or volatility might impact the value of investments held by either PERS or STRS to fund retirement benefits or whether the District's contribution rates to PERS or STRS might increase in the future as a result of any declines in the value of investments in response to the outbreak of COVID-19. See also "Risk Factors - COVID-19 Outbreak and its Economic Impact" herein for information regarding the outbreak of COVID-19.

Post-Retirement Health Care Obligations of District

In addition to the PERS and STRS pension benefits, the District offers single employer post-retirement health care benefits up to age 65 for certain groups of employees who retire from the District after attaining age 50 or 60 with at least 10 to 20 years of service. These post-retirement health care benefit provisions are established per contractual agreement with employee groups. As of June 30, 2020, 498 retirees met these eligibility requirements. The District pays up to $737.09 per month for health benefits of retirees. In addition, eligible management employees receive $2,000 per year toward health care benefits after the age of 65. During the fiscal year ended June 30, 2020, the District paid $1,715,963 of post-employment benefits to current retirees on a pay-asyou-go basis. The District had not established an irrevocable trust or designated a trustee for the payment of plan benefits.

In June 2015, the Governmental Accounting Standards Board (GASB) released a new accounting standard, GASB 75 ("Statement") for public sector post-retirement benefit programs and employers that sponsors them to replace GASB 45. The Statement provides accounting and financial reporting guidance for governments that provide Other Post-employment Benefits (OPEB) to their employees, and significantly alters the measurement and reporting standards previously in place under GASB 45. One of the main changes includes the full recognition of the total OPEB liability on the balance sheet instead of as a note disclosure, bringing more focus onto OPEB liabilities and related deferred outflows/inflows. Also, OPEB cost is no longer calculated based on the annual required contribution. Instead, OPEB expense includes service cost, interest cost, change in total OPEB liability due to plan changes and all adjusted for deferred inflows and outflows. The Statement took effect during the District's fiscal year ending June 30, 2018.

During the fiscal year ended June 30, 2020 the District transferred $5,020,841 to the Self-Insurance – OPEB Fund, an Internal Service Fund. This transfer is regarded as earmarking of employer assets to reflect the employer's intent to apply these assets to finance the cost of post-employment benefits at some time in the future and thus do not qualify as contributions. The District has budgeted to contribute about $7,222,876 to the Self-Insurance – OPEB Fund for fiscal year 2020-21 and $10,325,382 for fiscal year 2021-22.

The District's most recent actuarial valuation of its OPEB obligation is dated July 29, 2020, and the District's total OPEB liability as of June 30, 2019 is $77,782,961.

Risk Management

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year ended June 30, 2020, the District participated in three joint power agreements (JPAs) for purposes of pooling of risk related to property and liability.

Classified employees' dental care is self-insured, and vision care is also fully self-insured for all employees. All claims are administered by outside parties and the Self-Insurance Fund accounts for and liquidates these insurance activities.

The District accrued a claims liability of $12,085,132 as of June 30, 2020, for its self-insured claims and deductibles in the Self-Insurance Fund. The claims liability is based upon an evaluation by outside administrators and actuaries for known claims and management's evaluation of incidents incurred but not reported, excluding incremental costs. These claims liabilities are established based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage such as workers' compensation. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited as an expense in the periods in which they are made. The majority of these claims liabilities are long-term in nature and the District's intent is to fund these liabilities over time. Management has estimated that such liabilities incurred in the 2020-21 fiscal year will be $819,117.

Joint Powers Agreements

The District participates in three JPAs, the Schools Association for Excess Risk (SAFER), the Northern California Relief (NCR), and the Protected Insurance Program for Schools (PIPS) Joint Powers Authority. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

SAFER and NCR arrange property and liability insurance coverage for their members. Protected Insurance Program for Schools Joint Powers Authority arranges workers' compensation coverage for its members. The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the boards. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPAs.

District Debt

The following table summarizes the District's outstanding long-term liabilities as of June 30, 2020:

	Balance on June 30, 2020	Amounts Due Within One Year
General Obligation Bonds	$278,945,000	$15,950,000
Unamortized GOB Premium	22,083,318	1,818,634
Certificates of Participation	7,930,000	865,000
Unamortized COP Discount	(9,426)	(2,318)
Capital Leases	5,092,677	554,683
Claims Liability	12,085,132	819,117
Other Long-Term Debt	--	--
Compensated Absences	1,259,809	1,247,210
Total	$327,386,510	$21,252,326

Source: Lodi Unified School District.

Payments on the District's outstanding general obligation bonds are made from property tax levies. Payments on the District's outstanding certificates of participation and capitalized lease obligations are made from the general fund. Payments on the post-employment benefits and compensated absences are made from the fund for which the related employee worked.

General Obligation Bonds. 2002 Authorization. At an election held on March 5, 2002, the eligible voters within the entire District approved, by an affirmative vote of 57.1% of the votes cast, the issuance of not to exceed $109,360,000 of general obligation bonds (the "2002 Authorization"). The election was conducted pursuant to California State Proposition 39, which was approved by California voters on November 7, 2000, amended Article XIIIA of the California Constitution to permit the approval of general obligation bonds of a school district by 55% or more of the votes cast on the measure, subject to certain accountability features. On June 25, 2002, the District issued the first series of bonds of the 2002 Authorization in the principal amount of $50,000,000 (the "Series 2002 Bonds"). On August 24, 2004, the District issued the second series of bonds of the 2002 Authorization in the principal amount of $50,000,000 (the "Series 2004 Bonds"). On July 18, 2006, the District issued the third and final series of bonds of the 2002 Authorization in the principal amount of $9,360,000 (the "Series 2006 Bonds"). All of the 2002 Authorization has been issued.

On November 3, 2011, the District issued refunding bonds in the principal amount of $42,190,000 (the "Series 2011 Refunding Bonds"). The proceeds from the sale of the Series 2011 Refunding Bonds were used to currently refund the Series 2002 Bonds and to pay costs of issuance. As of June 30, 2020, the outstanding principal balance of the Series 2011 Refunding Bonds was $6,950,000.

On August 14, 2012, the District issued refunding bonds in the principal amount of $44,930,000 (the "Series 2012 Refunding Bonds") to advance refund $46,565,000 of the Series 2004 Bonds. The defeased bonds were subsequently redeemed on August 1, 2013. As of June 30, 2020, the principal balance outstanding of the Series 2012 Refunding Bonds was $35,015,000.

On May 20, 2015, the District issued Refunding Bonds in the amount of $8,005,000 (the "Series 2015 Refunding Bonds") to currently refund $7,695,000 of the Series 2006 Bonds as a private placement. The defeased bonds were subsequently redeemed on August 1, 2015. As of June 30, 2020, the outstanding principal balance of the Series 2015 Refunding Bonds was $6,225,000.

On December 21, 2017, the District privately placed refunding bonds in the amount of $21,190,000 (the "Series 2017 Refunding Bonds") to advance refund the Series 2011 Refunding Bonds maturing on August 1, 2022 through August 1, 2026, and pay costs of issuance. The defeased bonds will be redeemed on August 1, 2021. As of June 30, 2020, the principal balance outstanding was $20,225,000.

2006 Authorization. The District established School Facilities Improvement District No. 1 ("SFID No. 1") on June 27, 2006, pursuant to the provisions of Chapter 2 of Part 10 of Division 1 of Title 1 of the Education Code of the State of California, which permit the formation of a school facilities improvement district within the boundaries of a school district. The District received authorization at an election held on November 7, 2006, by an affirmative vote of 60.8% of the votes cast by eligible voters within SFID No. 1, to issue not to exceed $114,000,000 of general obligation bonds (the "2006 Authorization"). The proceeds of bonds issued pursuant to the 2006 Authorization must be used to improve safety systems at existing schools, construct schools, provide classroom space, improve athletic facilities, and complete other projects, as specified on a list submitted to the voters.

SFID No. 1 is located in the southern portion of the District, and includes territory in the City of Stockton and adjacent unincorporated areas of the County. SFID No. 1 encompasses about 79.8 square miles, representing about 25.5% of the territory of the District and about 39.43% of its assessed value in 2020-21. Because SFID No. 1 is located within the boundaries of the District, the property owners in SFID No. 1 are subject to *ad valorem* property taxes for both the 2002 Authorization Bonds and the 2006 Authorization Bonds.

On August 15, 2007, the District issued the first series of bonds of the 2006 Authorization on behalf of SFID No. 1 in the principal amount of $50,000,000 (the "Series 2007 Bonds"). On May 19, 2016, the District issued refunding bonds in the amount of $34,900,000 (the "Series 2016 Refunding Bonds") to advance refund $37,425,000 of the Series 2007 Bonds. As of June 30, 2020, the principal balance outstanding of the Series 2016 Refunding Bonds was $29,625,000. The outstanding principal balance of the Series 2007 Bonds, $1,885,000, was paid on August 1, 2016.

On October 11, 2018, the District issued the second series of bonds of the 2006 Authorization on behalf of SFID No. 1 in the principal amount of $9,000,000 (the "Series 2018 Bonds"). As of June 30, 2020, the principal balance outstanding of the Series 2018 Bonds was $8,515,000.

On November 17, 2020, the District issued the third series of bonds of the 2006 Authorization on behalf of SFID No. 1 in the principal amount of $10,000,000 (the "Series 2020 Bonds"). As of June 30, 2020, the principal balance outstanding of the Series 2020 Bonds was $____________.

The remaining unissued 2006 Authorization is $45,000,000.

2016 Authorization. At an election held on November 8, 2016, the eligible voters within the entire District approved, by an affirmative vote of 65.18% of the votes cast, the issuance of not to exceed $281,000,000 of general obligation bonds (the "2016 Authorization"). The election was conducted pursuant to California State Proposition 39, which was approved by California voters on November 7, 2000, amended Article XIIIA of the California Constitution to permit the approval of general obligation bonds of a school district by 55% or more of the votes cast on the measure, subject to certain accountability features. On May 24, 2017, the District issued the first series of general obligation bonds pursuant to the 2016 Authorization in the principal amount of $80,000,000 (the "Series 2017 Bonds"). As of June 30, 2020, the principal balance outstanding was $62,390,000. On January 9, 2020, the District issued the second series of general obligation bonds pursuant to the 2016 Authorization in the principal amount of $110,000,000 (the "Series 2020 Bonds"). As of June 30, 2020, the principal balance outstanding of the Series 2020 Bonds was $110,000,000.

The Bonds will be the third and final series of general obligation bonds issued pursuant to the 2016 Authorization.

Combined General Obligation Bond Debt Service. The principal and interest payments for the District's outstanding general obligation bonds issued pursuant to its District-wide authorization and its SFID No. 1 authorization are set forth in the following tables.

COMBINED GENERAL OBLIGATION BOND DEBT SERVICE SCHEDULE
Lodi Unified School District
(District-Wide Authorization)

	2002 Authorization				2016 Authorization			
Year Ending August 1	Series 2011 Refunding Bonds	Series 2012 Refunding Bonds	Series 2015 Refunding Bonds	Series 2017 Refunding Bonds	Series 2017 Bonds	Series 2020 Bonds	Series 2021 Bonds	Total
2021	$3,756,625.00	$3,323,303.13	$595,003.25	$628,120.00	$1,192,175.00	$10,722,900.00	$	$20,218,126.38
2022	--	4,217,206.26	685,638.00	4,811,957.50	2,384,350.00	12,798,800.00		24,897,951.76
2023	--	4,372,456.26	705,572.00	5,044,615.00	2,384,350.00	6,436,800.00		18,943,793.26
2024	--	4,377,706.26	719,529.50	3,454,400.00	2,384,350.00	5,299,800.00		16,235,785.76
2025	--	4,394,706.26	732,650.00	3,633,965.00	2,384,350.00	5,498,400.00		16,644,071.26
2026	--	4,452,456.26	749,933.50	3,812,537.50	3,784,350.00	4,940,800.00		17,740,077.26
2027	--	4,570,743.76	761,240.50	--	3,915,850.00	5,081,800.00		14,329,634.26
2028	--	4,861,250.00	771,710.50	--	4,052,350.00	5,224,200.00		14,909,510.50
2029	--	5,160,750.00	786,343.50	--	4,198,100.00	5,367,600.00		15,512,793.50
2030	--	--	--	--	4,342,100.00	5,516,600.00		9,858,700.00
2031	--	--	--	--	4,493,850.00	5,670,600.00		10,164,450.00
2032	--	--	--	--	4,652,350.00	5,829,000.00		10,481,350.00
2033	--	--	--	--	4,816,600.00	5,991,200.00		10,807,800.00
2034	--	--	--	--	4,980,600.00	6,161,600.00		11,142,200.00
2035	--	--	--	--	5,158,600.00	6,329,400.00		11,488,000.00
2036	--	--	--	--	5,337,000.00	6,504,200.00		11,841,200.00
2037	--	--	--	--	5,522,200.00	6,685,200.00		12,207,400.00
2038	--	--	--	--	5,718,400.00	6,871,600.00		12,590,000.00
2039	--	--	--	--	5,919,600.00	7,063,400.00		12,983,000.00
2040	--	--	--	--	6,125,000.00	7,259,000.00		13,384,000.00
2041	--	--	--	--	6,338,800.00	7,457,600.00		13,796,400.00
2042	--	--	--	--	--	11,234,450.00		11,234,450.00
2043	--	--	--	--	--	11,572,050.00		11,572,050.00
Total	$3,756,625.00	$39,730,578.19	$6,507,620.75	$21,385,595.00	$90,085,325.00	$161,517,000.00	$	$322,982,743.94

COMBINED GENERAL OBLIGATION BOND DEBT SERVICE SCHEDULE
Lodi Unified School District
(Improvement District No. 1 Authorization)

Year Ending August 1	Series 2016 Refunding Bonds	Series 2018 Bonds	Series 2020 Bonds	Total
	2006 SFID Authorization			
2021	$1,338,202.50	$2,273,240.63	$2,273,240.63	$3,768,368.13
2022	2,440,655.00	190,231.26	190,231.26	4,734,736.26
2023	2,599,050.00	190,231.26	190,231.26	4,644,431.26
2024	2,763,800.00	190,231.26	190,231.26	4,561,331.26
2025	2,941,800.00	190,231.26	190,231.26	4,693,531.26
2026	3,126,800.00	190,231.26	190,231.26	3,817,331.26
2027	3,322,800.00	190,231.26	190,231.26	3,997,331.26
2028	3,528,550.00	190,231.26	190,231.26	4,187,081.26
2029	3,735,950.00	190,231.26	190,231.26	3,978,481.26
2030	3,955,550.00	190,231.26	190,231.26	4,198,081.26
2031	4,196,350.00	190,231.26	190,231.26	4,438,881.26
2032	4,446,950.00	190,231.26	190,231.26	4,689,481.26
2033	--	305,231.26	305,231.26	2,972,531.26
2034	--	321,637.50	321,637.50	321,637.50
2035	--	332,250.00	332,250.00	332,250.00
2036	--	347,375.00	347,375.00	347,375.00
2037	--	361,637.50	361,637.50	361,637.50
2038	--	375,225.00	375,225.00	375,225.00
2039	--	387,875.00	387,875.00	387,875.00
2040	--	406,375.00	406,375.00	406,375.00
2041	--	418,375.00	418,375.00	418,375.00
2042	--	434,125.00	434,125.00	434,125.00
2043	--	453,375.00	453,375.00	453,375.00
2044	--	470,875.00	470,875.00	470,875.00
2045	--	491,437.50	491,437.50	491,437.50
2046	--	510,687.50	510,687.50	510,687.50
2047	--	533,625.00	533,625.00	533,625.00
2048	--	555,062.50	555,062.50	555,062.50
Total	$38,396,457.50	$11,070,953.25	$11,070,953.25	$61,081,535.75

Certificates of Participation. The District sold $10,985,000 principal amount of refunding certificates of participation on September 25, 2003 (the "2003 Certificates") to provide funds to construct a warehouse facility and to currently refund the outstanding $8,605,000 principal amount of Certificates of Participation (Education Support Center Refunding) issued by the District on June 29, 1993. On January 23, 2014, the District privately placed its issuance of refunding certificates of participation in the principal amount of $8,165,000, which were used to currently refund the 2003 Certificates (the "2014 Refunding Certificates"). As of June 30, 2020, the outstanding principal balance was $5,395,000.

On July 22, 2010, the District sold $75,000 principal amount of tax-exempt certificates of participation (the "2010 Series A Certificates") and $5,500,000 certificates of participation (Qualified School Construction Bonds, federally taxable direct payment) (the "2010 Series B Certificates") (together, the "2010 Certificates") to finance the completion of the Lockeford School addition project, the McNair High School field renovation, and the Lawrence Elementary School addition. The payment of interest and principal on the 2010 Certificates is subject to annual appropriations of the District. With respect to the 2010 Series B Certificates, the District receives a cash subsidy payment from the United States Treasury on or about each interest payment date. The Internal Revenue Service has announced that, pursuant to sequestration, federal subsidy payments processed on or after October 1, 2020 and on or before September 30, 2030, for direct-pay bonds, such as the 2010 Series B Certificates, are subject to the 5.7% sequestration rate. As of June 30, 2020, the principal balance of the 2010 Certificates was $2,535,000.

The principal and interest payments for the District's outstanding certificates of participation are as follows:

COMBINED ANNUAL RENTAL PAYMENTS FOR
CERTIFICATES OF PARTICIPATION
Lodi Unified School District

Year Ending June 30	2010 Certificates[1]	2014 Refunding Certificates	Total
2021	$524,887.50	$709,904.00	$1,234,791.50
2022	506,600.00	706,600.00	1,213,200.00
2023	487,537.50	712,768.00	1,200,305.50
2024	467,687.50	708,056.00	1,175,743.50
2025	452,037.50	712,816.00	1,165,853.50
2026	430,212.50	706,696.00	1,136,908.50
2027	408,025.00	710,048.00	1,118,073.00
2028	--	712,520.00	712,520.00
2029	--	709,112.00	709,112.00
TOTAL	$3,276,987.50	$6,388,520.00	$9,665,507.50

(1) *Gross lease payments, without regard to the receipt of subsidy payments from the U.S. Treasury.*
Source: Lodi Unified School District.

Qualified Energy Conservation Bonds. On November 18, 2010, the District received a $9,915,000 allocation of the American Recovery and Reinvestment Act of 2009 of Qualified Energy Conservation Bonds from the California Debt Limit Allocation Committee ("CDLAC") for the installation of photovoltaic systems at four District sites (the "2010 QECBs"). The 2010 QECBs were sold as a private placement pursuant to an Equipment Lease-Purchase Agreement between the District and PNCEF, LLC, dba PNC Equipment Finance.

The 2010 QECBs were issued under Section 54D of the Code. The District receives a cash subsidy payment from the United States Treasury on or about each interest payment date. The Internal Revenue Service has announced that, pursuant to sequestration, federal subsidy payments are scheduled to be 5.7% in fiscal year 2021, which begins on October 1, 2020. Subsidy payments processed on or after October 1, 2020 and on or before September 30, 2030, for direct-pay bonds, such as the 2010 QECBs, are subject to the 5.7% sequestration rate. The annual payment schedule for the 2010 QECBs is as follow:

ANNUAL PAYMENTS
Qualified Energy Conservation Bonds
Lodi Unified School District

Fiscal Year Ending June 30	Principal	Interest*	Total
2021	$500,000.00	$269,677.00	$769,677.00
2022	530,000.00	241,104.75	771,104.75
2023	560,000.00	210,843.50	770,843.50
2024	595,000.00	178,752.50	773,752.50
2025	630,000.00	144,831.75	774,831.75
2026	660,000.00	108,940.50	768,940.50
2027	700,000.00	71,219.50	771,219.50
2028	740,000.00	20,831.00	760,831.00
TOTAL	$4,915,000.00	$1,246,200.50	$6,161,200.50

* *Gross lease payments, without regard to the receipt of subsidy payments from the U.S. Treasury.*
Source: Lodi Unified School District.

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the operations of the District and the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem property tax required to be levied in the District by the County in an amount sufficient for the payment thereof. See "Sources Of Payment For The Bonds" in the front half of this Official Statement.

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts.

The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources, and all related liabilities, obligations, and equities. The major fund classification is the general fund which accounts for all financial resources not required to be accounted for in another fund. The District's fiscal year begins on July 1 and ends on June 30. All governmental funds are maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, that is, both measurable and available to finance expenditures for the current period. For more information on the District's accounting method, see Appendix B – "Audited Financial Statements Of The District For Fiscal Year Ended June 30, 2020" – Note 1 – Significant Accounting Policies.

GASB published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments, and special purpose governments such as school districts and public utilities, on requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include: (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting; (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting; and (iv) required supplementary information. The District implemented Statement No. 34 for the fiscal year 2001-02 audited financial statements.

Effective beginning in fiscal year 2014-2015, GASB published its Statement No. 68 "Accounting and Financial Reporting for Pensions." Statement No. 68 requires state and local governments, and special purpose governments such as school districts and public utilities providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

Effective beginning in fiscal year 2017-18, GASB published its Statement No. 75 "Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions." Statement No. 75 provides accounting and financial guidance for governments that provide Other Postemployment Benefits (OPEB) to their employees, and significantly alters the measurement and reporting standards previously in place under GASB 45. Statement No. 75 requires full recognition of the total OPEB liability on the balance sheet instead of as a note disclosure, bringing more focus onto OPEB liabilities and related deferred outflows/inflows.

Budget Process

The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. Under current law, the governing board of the school districts must adopt a budget on or before July 1 of each year, and file the adopted budget with the county superintendent of schools within five days of adoption or by July 1, whichever occurs first.

On or before September 15, the county superintendent of schools will approve, conditionally approve, or disapprove the adopted budget for each school district. The county superintendent of schools is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education, and identify technical corrections necessary to bring the budget into compliance. The county superintendent of schools is also required to determine if the adopted budget allows the district to meet its current financial obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a local control and accountability plan, and whether the budget's ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

In the event the county superintendent of schools conditionally approves or disapproves the school district's budget, the county superintendent of schools will submit its recommendations for revisions and reasons for the recommendations to the school district's governing board by September 15. Any recommendations made by the county superintendent must be made available by the district for public inspection. And, no later than October 22, the county superintendent of schools must notify the State Superintendent of Public Instruction (the "State Superintendent") of all school districts whose budgets have been disapproved.

For a school district whose budget has been disapproved, the governing board of the school district must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent of school's recommendations. The county superintendent of schools must determine if the revised budget conforms with the standards and criteria applicable to final school district budgets and, not later than November 8, will approve or disapprove the revised budget. If the revised budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. Until a school district's budget is approved, the school district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year. By December 31, every school district must have an adopted budget, or the county superintendent of schools may impose a budget and will report the school district to the State Legislature and the Department of Finance.

Subsequent to approval, the county superintendent of schools will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine if the school district can meet its current or subsequent year financial obligations on an ongoing basis. If the county superintendent of schools determines that a school district cannot meet its current or the subsequent year's obligations, the county superintendent of schools will notify the school district's governing board, the State Superintendent and the president of the State Board of Education (or the president's designee) of the determination and take at least one of the following actions (and all actions that are necessary to ensure that the school district meets its financial obligations): (a) develop and impose, after also consulting with the State Superintendent and the governing board of the school district, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year; (b) stay or rescind any action inconsistent with the school district's ability to meet its obligations for the current or subsequent fiscal year; (c) assist in developing, in consultation with the governing board of the school district, a financial plan that will enable the school district to meet its future obligations; (d) assist in developing, in consultation with the governing board of the school district, a budget for the subsequent fiscal year; and (e) appoint a fiscal advisor to perform the aforementioned duties, as necessary.

In addition, the county superintendent of schools will make a report to the State Superintendent and the president of the State Board of Education (or the president's designee) about the financial condition of the school district and the remedial actions proposed by the county superintendent of schools. The county superintendent of schools may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent of schools assumed authority.

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

Under California law, any school district and 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 applicable county superintendent of schools determines that the district's repayment of indebtedness is probable.

District's Adopted Budget and Interim Certification. All available financial records indicate that the District has never had an adopted budget disapproved by the County Superintendent of Schools, and has never received a "qualified" or "negative" certification of an Interim Financial Report pursuant to AB 1200.

The District's 2020-21 Budget

The budget for the 2020-21 fiscal year was adopted by the District Board of Education on June 23, 2020. In preparing the District's 2020-21 budget, the District followed guidelines provided by School Services of California, San Joaquin County Office of Education, and its internal budget assumptions and Local Control Accountability Plan (LCAP). The District's budget, interim reports, and certifications are available on District's website using the following link: *www.lodiusd.net*, and from the office of Business Services, 1305 E. Vine Street, Lodi, California 95240. The information set forth on such website is not incorporated herein by reference thereto. The District may impose a charge for copying, mailing, and handling.

Comparative Financial Statements

The District's Audited Financial Statements for the fiscal year ended June 30, 2020, were prepared by Gilbert CPAs, Sacramento, California (the "Auditor"). Audited financial statements for the District for the fiscal year ended June 30, 2020, and prior fiscal years are on file with the District and available for public inspection in the Business Services Department. See Appendix B – "Audited Financial Statements Of The District For Fiscal Year Ended June 30, 2020." Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District.

The District considers its audited financial statements to be public information, and accordingly, no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit in the Official Statement.

The following tables show the audited revenue and expenditure statements for the District's general fund for fiscal years 2014-15 through 2019-20; and, the District's adopted budget, first interim and second interim reports for Fiscal Year 2020-21. See "District Financial Information – State Budget Measures" herein.

LODI UNIFIED SCHOOL DISTRICT
Summary of General Fund Revenues, Expenditures and Changes in Fund Balance for Fiscal Years 2014-15 through 2019-20 (Audited)

	Audited 2014-15	Audited 2015-16	Audited 2016-17	Audited 2017-18	Audited 2018-19	Audited 2019-20
REVENUES						
State apportionment	$ 166,576,635	$193,087,342	$207,746,848	$214,866,018	$231,292,833	$236,146,257
Local sources	37,789,932	43,010,454	46,805,679	47,140,703	50,730,671	52,618,941
Total revenue limit/ local control funding formula	204,366,567	236,097,796	254,552,527	262,006,721	282,023,504	288,765,198
Federal revenues	15,623,982	18,253,253	15,571,734	20,917,862	19,333,613	17,088,671
Other state revenues	37,190,953	51,831,277	45,253,732	48,579,268	62,911,652	53,849,112
Other local revenues	4,569,907	5,150,911	2,878,708	3,830,555	5,550,663	5,878,915
Total revenues	$261,751,409	$311,333,237	$318,256,701	$335,334,406	$369,819,432	$365,581,896
EXPENDITURES						
Current:						
Instruction	$180,031,225	$198,145,020	$193,230,425	$204,583,004	$223,006,819	$218,180,752
Instruction-related services:						
Supervision of instructor	7,074,382	7,828,791	7,389,377	8,113,937	8,397,701	9,046,365
Administrative Unit (AU) of multidistrict SELPA	1,716,124	1,767,259	1,748,804	1,648,502	2,274,042	2,517,807
Instructional library, media and technology	1,770,176	1,969,650	1,873,090	2,206,954	2,195,953	2,218,131
School site administration	16,666,662	18,137,226	17,838,535	18,815,436	21,130,111	20,714,707
Pupil services:						
Pupil transportation	5,500,800	8,357,458	5,705,846	6,328,637	5,814,426	4,933,672
Food services	98,704	116,606	31,412	1,199	5,154	195,828
Other pupil services	11,435,032	16,928,994	18,900,125	20,062,349	23,726,569	22,696,849
Ancillary services	976,139	1,330,833	1,338,674	1,691,695	1,504,690	1,923,151
Enterprise activities	130,283	131,083	139,587	144,743	158,925	156,574
General administration:						
Data processing services	5,697,250	5,825,439	6,036,628	6,112,096	6,322,303	6,449,471
Other general administration	9,991,823	10,522,453	12,213,168	11,892,730	12,914,055	13,068,289
Plant services	24,457,940	27,884,980	27,775,936	29,918,597	32,950,946	30,446,757
Debt service:						
Principal	1,131,433	1,425,967	4,597,903	219,848	248,238	287,709
Interest and other charges	90,288	75,825	185,404	50,244	24,736	21,434
Capital outlay	1,226,812	912,282	539,146	880,190	3,274,773	3,465,748
Transfer to other agencies[1]	278,991	564,883	629,438	554,719	395,486	575,382
Total expenditures	$268,274,064	$301,924,749	$300,173,498	$313,224,880	$344,344,927	$336,898,626
Excess (deficiency) of revenues over expenditures	(6,522,655)	9,408,488	18,083,203	22,109,526	25,474,505	28,683,270
OTHER FINANCING SOURCES (USES)						
Interfund transfers out	(1,922,384)[3]	(11,874,149)[3]	(6,388,080)[3]	(3,118,634)[3]	(23,954,356)[3]	($5,481,075)
Proceeds from capital lease[2]	827,951	1,442,416	2,327,837	--	--	162,862
Interfund transfers in	18,446	2	--	--	--	7,500,000
Total other financing sources and uses	($1,075,987)	($10,431,731)	($4,060,243)	($3,118,634)	($23,954,356)	$2,181,787
Increase (decrease) in fund balances	(7,598,642)	(1,023,243)	14,022,960	18,990,892	1,520,149	30,865,057
Fund balance – beginning	39,615,789	32,017,147	30,993,904	45,016,864	64,007,756	65,527,905
Fund balance - ending	$32,017,147	$30,993,904	$45,016,864	$64,007,756	$65,527,905	$96,392,962

(1) "Transfers to other agencies" are payments of tuition for students placed in State Special Schools and other tuition, excess cost, and/or deficit payments to County Offices.

(2) "Proceeds from capital lease" represents equipment acquired by a capital lease.

(3) Interfund transfers out for fiscal year 2012-13 through fiscal year 2018-19 include transfers to Special Reserve Fund for Capital Outlay, Debt Service Fund, Capital Projects Fund and Child Development Fund.

Source: Lodi Unified School District.

LODI UNIFIED SCHOOL DISTRICT
Summary of General Fund Revenues, Expenditures and Changes in Fund Balance for Fiscal Year 2020-21 (Adopted Budget, First Interim Report and Second Interim Report)

	Adopted Budget 2020-21	First Interim Report 2020-21	Second Interim Report 2020-21
REVENUES			
Local sources	$260,749,238	$283,837,407	$285,609,401
Federal revenue	25,149,959	58,223,681	59,133,234
Other state revenue	41,630,267	50,411,526	51,631,766
Other local revenue	998,550	1,444,731	1,605,041
Total revenues	$328,528,,014	$393,917.345	$397,979,442
EXPENDITURES			
Certificated Salaries	145,723,987	147,380,663	148,837,889
Classified Salaries:	53,160,697	53,355,500	55,049,959
Employee Benefits	88,804,023	88,172,,710	88,794,439
Books and Supplies	16,779,594	56,861,635	54,266,025
Services and Other Operating Expenses	44,035,885	57,274,004	59,773,619
Capital Outlay	1,489,874	3,133,546	3,695,257
Other Outgo (excluding Transfers of Indirect Costs)	1,053,359	1,131,372	1,134,623
Other Outgo – Transfers of Indirect Costs	(1,199,338)	(1,230,844)	(1,282,940)
Total expenditures	$349,848,081	$406,078,586	$410,268,871
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,320,067)	(12,161,241)	(12,289,429)
OTHER FINANCING SOURCES (USES)			
Interfund transfers			
Transfers in	--	--	--
Transfers out [1]	(1,203,468)	(429,477)	(429,477)
Other Sources/Uses			
Sources	--	--	--
Uses	--	--	--
Contributions	--	--	--
Total other financing sources/uses	($1,203,468)	(429,477)	(429,477)
Fund balance – beginning	$96,392,961	$96,392,961	$96,392,961
Fund balance - ending	$73,869,426	$83,802,243	$83,674,055

[1] The Interfund Transfers-in for the 2020-21 Special Reserve Fund for Capital Outlay, Child Development Fund and Charter School Fund.

Source: Lodi Unified School District.

Limit on School District Reserves

State regulations require school districts to budget a reserve for economic uncertainties. The recommended minimum amounts vary from 1% to 5% of total expenditures and other financing uses, depending on the district's A.D.A. SB 858, adopted in June 2014, imposed limitations relating to ending fund balances for school districts. First, beginning in 2015–16, a school district that proposes to adopt or revise a budget that includes an ending fund balance that is two to three times higher than the State's minimum recommended reserve for economic uncertainties must substantiate the need for the higher balance. Second, in a year immediately following a deposit into the Public School System Stabilization Account established in the State General Fund (See Appendix A – "General and Financial Information of the District– Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Propositions 98 and 111," below), a school district's adopted or revised budget may not contain an ending fund balance that is two to three times higher than the State's minimum recommended reserve for economic uncertainties. A county superintendent could waive the prohibition, pursuant to specified conditions, for up to two consecutive years within a three-year period.

If the cap is triggered, unless exempted, a school district would be required to increase expenditures in order to bring its ending fund balance down to the maximum level. The Public School System Stabilization Account appears to be intended to provide a substitute for local reserves in the event of a future economic downturn. However, there is no linkage between the sizes of the State reserves and local reserves.

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

The District is required to maintain a reserve for economic uncertainties at least equal to 3% of general fund expenditures. As of June 30, 2020, the District had a Reserve for Economic Uncertainty of $11,350,000. In addition, the Board also assigned another $11,350,000 for Economic Uncertainties. The total Reserves for Economic Uncertainty represents 3.3% of general fund expenditures and other financing uses. The remaining unassigned balance consists of $4,000,000 for Programmatic Reserve, $5,000,000 Instructional Materials Reserve, $5,000,000 Unforeseen Special Education Cost, $9,000,000 Retain and Recruit, $6,737,393 STRS and PERS reserve, $425,000 for Affordable Care Act Penalty Reserve, $4,691,023 of One-Time Discretionary funds, $1,662,016 or other purchase order commitments, and $11,001,579 or Locally Defined Unrestricted expenses.

STATE FUNDING OF EDUCATION

School district revenues consist primarily of guaranteed State moneys, local property taxes and funds received from the State in the form of categorical aid under ongoing programs of local assistance. All State aid is subject to the appropriation of funds in the State's annual budget.

Previously, school districts operated under general purpose revenue limits established by the State Department of Education. Each school district was determined to have a target funding level which consisted of a "base revenue limit" per student multiplied by the district's student enrollment measured in units of average daily attendance. The base revenue limit was calculated from the district's prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. The amount of State funding allocated to each school district was generally the amount needed to reach that district's base revenue limit after taking into account certain other revenues, such as local property taxes. This is referred to as State "equalization aid." To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State's contribution; ultimately, a school district whose local property tax revenues exceeded its base revenue limit received no State equalization aide, and received only its special categorical aid, which is deemed to include the "basic aid" of $120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as "basic aid districts," which are now referred to as "community funded districts." School districts that received some equalization aide were commonly referred to as "revenue limit districts," which are now referred to as "LCFF districts" (as defined herein). The District is a LCFF district.

The adoption of the 2013-14 State Budget and its related legislation included significant reforms to education financing in the State. Beginning in fiscal year 2013-14, school districts are being funded based on uniform funding grants assigned to certain grade spans. Under the LCFF, the emphasis shifted from funding based largely on A.D.A. and the revenue limit with numerous State-mandated categorical programs, to a locally-controlled system with a funding formula which attempts to better meet the needs of students, specifically low-income and English language learners who may require more support in order to be successful in school. In addition, the LCFF provides local school officials with the ability to decide how best to meet the needs of their students. See "Revenue Sources - Local Control Funding Formula," below.

Revenue Sources.

The District categorizes its general fund revenues into four sources: (i) LCFF sources (consisting of a mix of State and local revenues); (ii) federal revenues; (iii) other State revenues; and (iv) other local revenues. Each of these revenue sources is described below.

Local Control Funding Formula. Legislation adopted in connection with the State's 2013-14 budget included the implementation of the LCFF, which changed the formula by which school districts in California receive State funding. Shifting from a State-controlled system that emphasized inputs (largely in the form of categorical funding which required funds to be spent on specific projects and programs), the LCFF implements a locally-controlled system in which local agencies decide the best way to spend funds, focused instead on improved outcomes. In exchange for local control, school districts will be required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received.

The LCFF affects how much funding a district will receive, but generally not the source of such funding (i.e., its share of local property taxes together with the State funding provided in the LCFF). It changes the State funding system for school districts, charter schools and county offices of education by, among other changes, consolidating most categorical programs with the existing revenue limit structure to provide a new student formula (to be phased in over a span of eight fiscal years), and implementing supplemental and concentration grants to English language learners and economically disadvantaged students. The LCFF includes the following components:

- A base grant for each local education agency.
- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 22.5% of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.
- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

For fiscal year 2018-19, the base rates per unit of A.D.A. for each grade span are as follows: (i) $7,459 for grades K-3; (ii) $7,571 for grades 4-6; (iii) $7,796 for grades 7-8; and (iv) $9,034 for grades 9-12. For fiscal year 2019-20, the base rates per unit of A.D.A. for each grade span are as follows: (i) $7,702 for grades K-3; (ii) $7,818 for grades 4-6; (iii) $8,050 for grades 7-8; and (iv) $9,329 for grades 9-12. The base rates for grades K-3 and 9-12 are increased by 10% and 3%, respectively, to cover the costs of class size reduction in the early grades and to support college and career readiness programs in high schools. (Under full implementation of the LCFF, as a condition of receiving the K–3 base–rate adjustment, districts must maintain a K–3 school–site average class size of 24 or fewer students, unless collectively bargained otherwise.) These target base rates are to be updated each year for cost–of–living adjustments (COLAs). For fiscal year 2020-21, no cost-of-living-adjustment is included in LCFF funding as a result of the decrease in State revenues budgeted due to the COVID-19 pandemic's impact on the State economy. See "State Funding of Education –2020-21 State Budget" herein.

School districts that serve students of limited English proficiency ("EL" students), students from low-income families that are eligible for free or reduced-priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced-priced meals ("FRPM") and are not discussed separately herein). A supplemental grant add-on (each, a "Supplemental Grant") is authorized for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts' percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable Base Grant multiplied by the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold. The District's percentage of unduplicated students is projected for 2020-21 to be 71.14% for the purposes of calculating Supplemental Grant and Concentration Grant funding.

The District has a high proportion of English language learners, students from low-income families and foster youth (70.93% in 2018-19 and 70.69% in 2019-20). The District received LCFF funding in the amount of $281,554,596 for 2018-19 and $290,184,251 for 2019-20, and is projected to be $290,184,251 for 2020-21, based on LCFF gap funding at 100%. There are many variables which still remain to be finalized with respect to the LCFF model of education finance and the District is unable to predict at this time all of the impacts that this change in education funding will have on its finances.

The following table sets forth the District's actual and budgeted A.D.A., enrollment (including percentage of students who are English language learners, from low-income families and/or foster youth (collectively, "EL/LI Students")), and targeted Base Grant per unit of A.D.A. for fiscal years 2014-15 through 2021-22, respectively. The A.D.A. and enrollment numbers reflected in the following table include special education and District-funded county program students, but excludes adult education; however, the District has experienced actual enrollment in 2020-21 that is lower than originally projected.

LODI UNIFIED SCHOOL DISTRICT
(San Joaquin County, California)
Average Daily Attendance, Enrollment and Targeted Base Grant
Fiscal Years 2014-15 through 2021-22

Fiscal Year		A.D.A./Base Grant Enrollment K-3	4-6	7-8	9-12	Total A.D.A.	Total Enrollment	Enrollment[6] Unduplicated % of EL/LI Students
2014-15	A.D.A. [2]:	8,382	6,263	4,105	8,134	26,884	28,254	70.24%
	Target Base Grant[3][4]:	$7,011	$7,116	$7,328	$8,491			
2015-16	A.D.A. [2]:	8,239	6,540	4,116	8,047	26,943	28,248	70.47%
	Target Base Grant[3][5]:	$7,083	$7,189	$7,403	$8,578			
2016-17	A.D.A. [2]:	8,323	6,509	4,141	8,295	27,268	28,499	70.52%
	Target Base Grant[3][7]:	$7,083	$7,189	$7,403	$8,578			
2017-18	A.D.A. [2]:	8,327	6,505	4,132	8,282	27,246	28,656	71.32%
	Target Base Grant[3][8]:	$7,941	$7,301	$7,518	$8,939			
2018-19	A.D.A. [2]:	8,221	6,456	4,199	8,339	27,215	28,581	70.93%
	Target Base Grant[3][9]:	$8,235	$7,571	$7,796	$9,269			
2019-20	A.D.A. [2]:	8,252	6,134	4,317	$8,412	27,115	28,237	70.69%
	Target Base Grant[3][10]:	$7,702	$7,818	$8,050	$9,329			
2020-21[1]	A.D.A. [2]:	7,988	6,112	4,229	8,397	26,726	27,471	71.01%
	Target Base Grant[3][11]:	$8,503	$7,818	$8,050	$9,572			
2021-22[1]	A.D.A. [2]:	7,977	6,083	4,257	8,396	26,713	26,959	70.78%
	Target Base Grant[3][12]:	$8,830	$8,118	$8,359	$9,687			

(1) Figures are projections.

(2) Funded A.D.A. for the school year, generally based on the second period of attendance in mid-April and includes non-public school A.D.A. and special education extended year A.D.A. The A.D.A. in this table includes special education extended year A.D.A. and non-public schools A.D.A. For the 22019-20 school year, due to the outbreak of COVID-19, P-2 A.D.A. only reflects full school months from July 1, 22019 through February 29, 2020. See "Risk Factors – COVID-19 and the Effect of COVID-19 Response on California School Districts" herein.

(3) Such amounts represent the targeted amount of Base Grant per unit of A.D.A., and do not include any supplemental and concentration grants under the LCFF. Such amounts are not expected to be fully funded in fiscal years 2013-14 through 2017-18.

(4) Targeted fiscal year 2014-15 Base Grant amounts reflect a 0.85% cost of living adjustment from targeted fiscal year 2013-14 Base Grant amounts.

(5) Targeted fiscal year 2015-16 Base Grant amounts reflect a 1.02% cost of living adjustment from targeted fiscal year 2014-15 Base Grant amounts.

(6) Reflects enrollment as of the October report submitted to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year. For purposes of calculating Supplemental and Concentration Grants, a school district's fiscal year 2013-14 percentage of unduplicated EL/LI Students will be expressed solely as a percentage of its fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI Students enrollment will be based on the two-year average of EL/LI Students enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district's percentage of unduplicated EL/LI Students will be based on a rolling average of such school district's EL/LI Students enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

(7) Targeted fiscal year 2016-17 Base Grant amounts reflect a 0% cost of living adjustment from targeted fiscal year 2015-16 Base Grant amounts.

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

(9) Targeted fiscal year 2018-19 Base Grant amounts reflect a 3.70% cost of living adjustment from targeted fiscal year 2017-18 Base Grant amounts.

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

(11) Targeted fiscal year 2020-21 Base Grant amounts reflect a 1.0326% cost of living adjustment from targeted fiscal year 2019-20.

(12) Targeted fiscal year 2020-21 Base Grant amounts reflect a 0% cost of living adjustment from targeted fiscal year 2020-21.

Source: Lodi Unified School District.

All school districts, county offices of education, and charter schools are required to develop and adopt local control and accountability plans to identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate. County superintendents will review and provide support to the school districts under their jurisdiction, and the Superintendent of Public Instruction will perform a corresponding role for county offices of education. In addition, the 2013-14 State budget created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their accountability plans.

The State will continue to produce an Academic Performance Index for schools and subgroups of students, measure student achievement through statewide assessments, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under the Every Student Succeeds Act, the Individuals With Disabilities Education Act, and specialized programs such as Drug Free Schools.

Other State Revenues. In addition to State funding determined pursuant to the LCFF, the District receives other State revenues that consist primarily of restricted revenues for the implementation of a majority of State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions for a majority of State mandated programs were eliminated, and funding for those programs was incorporated into the LCFF. However, because categorical funding for certain programs was excluded from the LCFF, school districts will continue to receive restricted State revenues to fund those programs.

The District receives State aid from the California State Lottery (the "Lottery"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the increase in Lottery revenues over 1997-98 levels must be restricted to use on instructional material. Lottery revenues generally comprise less than 2% of general fund revenues.

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings, rentals, and other local sources.

State Budget Process

The State Constitution requires the Governor to propose a budget to the State Legislature no later than January 10 of each year and, in a process known as the "May Revise," the Governor resubmits the proposed budget based upon the latest economic forecasts by May 14. The State Constitution requires the Legislature to adopt a final budget no later than June 15. The latter deadline was frequently missed when passage of the budget required a 2/3 majority of each house of the Legislature. Proposition 25, which was approved by the voters in November 2010, allowed the Legislature to pass the budget by a simple majority vote. The budget becomes law upon the signature of the Governor, who retains veto power over specific items of expenditure. School district budgets must be adopted by the district's governing board by July 1 and then revised within forty-five (45) days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget.

Possible Delays in Apportionments

If the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district's State funding may be treated differently. In 2002, a California Court of Appeal held in *White v. Davis* (also referred to as *Jarvis v. Connell*) that the State Controller cannot disburse State funds after the beginning of the fiscal year until the adoption of the budget bill or an emergency appropriation, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State constitution, such as appropriations for salaries of elected State officers, or (iii) required by federal law, such as payments to State workers (but at no more than minimum wage). The court specifically held that pre-budget disbursements of Proposition 98 funding for school districts are invalid. In 2003, the California Supreme Court upheld the decision of the Court of Appeal. During the 2003-04 State budget impasse, the State Controller nonetheless treated revenue limit apportionments to school districts as continuous legislative appropriations under statute. The State Controller did not disburse certain categorical and other funds to school districts until the 2003-04 budget act was enacted.

Prior Years' Budgeting Techniques

Commencing in fiscal year 2008-09, as a result of declining revenues and fiscal difficulties, the State undertook a number of budgeting strategies, which had subsequent impacts on local agencies within the State. Such techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools, until a later date in the fiscal year, or even into the following fiscal year (known as statutory deferrals), trigger reductions (i.e., budget cutting measures which were implemented or could have been implemented if certain State budgeting goals were not met), and the dissolution of local redevelopment agencies in part to make available additional funding for local agencies. There can be no certainty that budget-cutting strategies such as those implemented in recent years will not be used in the future should the State budget again be stressed and if projections included in such budget do not materialize. See, "State Budget Measures –Fiscal Year 2020-21 State Budget" for measures being implemented by the State during fiscal year 2020-21 that affect State funding for school districts.

State Budget Measures

The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guaranty the accuracy or completeness of this information and has not independently verified such information.

2020-21 State Budget. Governor Newsom signed the fiscal year 2020-21 State budget (the "2020-21 State Budget") on June 29, 2020. According to the State, the economic impact of

COVID-19 pandemic has resulted in a $54.3 billion budget deficit, which the State is addressing through the following measures:

- Reserves. The 2020-21 State Budget draws down $8.8 billion in reserves, including $7.8 billion from the Rainy Day Fund, $450 million from the Safety Net Reserve, and all of the funds in the Public School System Stabilization Account.

- Triggers. The 2020-21 State Budget 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. If the State receives a lesser amount between $2 billion and $14 billion, the reductions and deferrals will be partially restored. The trigger includes $6.6 billion in deferred spending on schools, approximately $970 million in funding for the University of California and the California State University, $2.8 billion for state employee compensation, $150 million for courts, and funding for child support administration, teacher training, moderate-income housing, and infrastructure to support infill housing. The trigger would also fund an additional $250 million for county programs to backfill revenue losses.

- Federal Funds. The 2020-21 State Budget relies on $10.1 billion in federal funds that provide general fund relief, including $8.1 billion already received. This includes the enhanced Federal Medical Assistance Percentage (FMAP), a portion of the State's Coronavirus Relief Fund allocation and funds provided for childcare programs.

- Revenues. The 2020-21 State Budget 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. These short-term limitations will generate $4.4 billion in new revenues in fiscal year 2020-21.

- Borrowing/Transfers/Deferrals. The 2020-21 State Budget relies on $9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 school districts. (Approximately $900 million in additional special fund borrowing is associated with the reductions to employee compensation and is contained in the trigger.)

- Cancelled Expansions, Updated Assumptions and Other Solutions. The 2020-21 State Budget includes $10.6 billion of other solutions for addressing the budget deficit, such as cancelling multiple program expansions and anticipating increased government efficiencies, higher ongoing revenues, and lower health and human services caseload costs that previously estimated.

Because of such measures described above, the 2020-21 State Budget is a balanced budget for fiscal year 2020-21 that projects approximately $137.7 billion in revenues, and $88.8 billion in non-Proposition 98 expenditures and $45.1 billion in Proposition 98 expenditures. The 2020-21 State Budget sets aside $2.6 billion in the Special Fund for Economic Uncertainties, and it includes total funding of $98.8 billion ($48.1 billion general fund and $50.7 billion other funds) for all K-12 education programs. The 2020-21 State Budget estimates the Proposition 98 minimum guarantee at $78.5 billion in fiscal year 2018-19, $77.7 billion in fiscal year 2019-20, and $70.9 billion in fiscal year 2020-21. The reduction in Proposition 98 funding will result in per pupil spending of $10,654 in fiscal year 2020-21, a $1,339 reduction from fiscal year 2019-20.

The 2020-21 State Budget offsets such reduction in Proposition 98 funding in several ways, including the following:

- Local Control Funding Formula Deferrals. As a result of the COVID-19 pandemic, $1.9 billion in LCFF apportionments in fiscal year 2019-20 were deferred until fiscal year 2020-21, and the 2020-21 State Budget provides that apportionment deferrals in fiscal year 2020-21 will grow to $11 billion. Such deferrals allow LCFF funding to remain at fiscal year 2019-20 levels in both fiscal years. The 2020-21 State Budget suspends the statutory LCFF cost-of-living adjustment in fiscal year 2020-21. The 2020-21 State Budget provides that $5.8 billion of deferrals will be triggered off in fiscal year 2020-21 if sufficient federal funding is provided that can be used for such purpose.

- Learning Loss Mitigation. Additionally, the 2020-21 State Budget includes a one-time investment of $5.3 billion (comprised of $4.4 billion from the federal Coronavirus Relief Fund, $589.9 million in Proposition 98 general fund resources, and $355.2 from the federal Governor's Emergency Education Relief Fund) to local education agencies to address learning loss resulting from school closures. To ensure that those local educational agencies serving students most affected by the COVID-19 pandemic receive additional funding, the 2020-21 State Budget will allocate $2.9 billion of such funds based on the LCFF supplemental and concentration grant allocation, $1.5 billion of such funds based on the number of students with exceptional needs, and $979.8 million of such funds based on the total LCFF allocation.

- Supplemental Appropriations. In fiscal years 2019-20 and 2020-21, the Proposition 98 funding level drops below the target funding level, by a total of approximately $12.4 billion. To accelerate the recovery from such funding reduction, the 2020-21 State Budget provides supplemental appropriations above the required Proposition 98 funding level, beginning in fiscal year 2021-22, and in each of the next several fiscal years, in an amount equal to 1.5% of general fund revenues, up to a total of $12.4 billion.

- Revised PERS and STRS Contributions. To provide immediate and long-term relief to school districts facing rising pension costs, the 2020-21 State Budget redirects $2.3 billion appropriated in the 2019-20 State budget to California State Teachers' Retirement System ("STRS") and the California Public Employees' Retirement System ("PERS") for long-term unfunded liabilities to instead reduce employer contribution rates in fiscal years 2020-21 and 2021-22. Such reallocation will reduce the STRS employer contribution rate from 18.41% to approximately 16.15% in fiscal year 2020-21 and from 17.9% to 16.02% in fiscal year 2021-22. The PERS Schools Pool employer contribution rate will be reduced from 22.67% to 20.7% in fiscal year 2020-21 and from 24.6% to 22.84% in fiscal year 2021-22.

- Federal Funds. In addition to the Coronavirus Relief Fund and Governor's Emergency Education Relief Fund allocations described above, the 2020-21 State Budget includes $1.6 billion in federal Secondary School Emergency Relief funds. Of this amount, $1.5 billion will be allocated to local educational agencies in proportion to the amount of Title I-A funding they receive, and may be used for costs relating to the COVID-19 pandemic. Of the remaining $164.7 million, $112.2 million will be used to provide up to $0.75 per meal for local educational agencies participating in certain school meal programs and serving meals between March 2020 and August 2020 due to school closures, $45 million will be used for grants to local educational agencies to increase access to health, mental health, and social service supports for high-need students, $6 million will be used to provide educator professional development for providing high quality distance learning, and $1.5 million will be used for State Department of Education costs associated with the COVID-19 pandemic.

- Temporary Revenue Increases. As described above, the 2020-21 State Budget includes a temporary three-year suspension of net operating losses, and a limitation on business incentive tax credits to offset no more than $5 million of tax liability per year. These temporary changes, along with other tax changes, will generate additional general fund revenues, approximately $1.6 billion of which will benefit the Proposition 98 guarantee.

- Special Education. The 2020-21 State Budget provides for increased special education base rates of $625 per pupil pursuant to a new funding formula. The 2020-21 State Budget also includes $100 million to increase funding for students with low-incidence disabilities, $15 million in federal Individuals with Disabilities Education Act ("IDEA") funds for the Golden State Teacher Scholarship Program to increase the special education teacher pipeline, $8.6 million in IDEA funds to assist local educational agencies to develop regional alternative dispute resolution services and statewide mediation services, and $1.1 million in IDEA funds to study the current special education governance and accountability structure.

- Average Daily Attendance and Distance Learning. The 2020-21 State Budget assumes that local educational agencies will provide in-classroom instruction during the 2020-21 school year, but recognizes that public health officials may require school closures. To ensure funding stability regardless of instructional model, the 2020-21 State Budget includes a hold-harmless for the purpose of calculating apportionments in fiscal year 2020-21, and it provides that average daily attendance will be based on the 2019-20 school year. The 2020-21 State Budget also includes requirements for distance learning services in the event of school closures.

- Employee Protections. The 2020-21 State Budget suspends layoffs of non-management certificated staff during fiscal year 2020-21 and classified staff who hold positions in nutrition, transportation, or custodial services during fiscal year 2020-21. The 2020-21 State Budget includes $60 million Proposition 98 general fund resources to provide a match of State funds for participating classified employees to be paid during the summer recess period. The 2020-21 State Budget also state that it is 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.

The complete 2020-21 State Budget is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Proposed 2021-22 State Budget. On January 8, 2021, Governor Newsom presented the State budget proposal to the California Legislature for fiscal year 2021-22 (the "Proposed 2021-22 State Budget"). The Proposed 2021-22 State Budget proposes $227.2 billion in spending, which includes $164.5 billion general fund expenditures and $85.8 billion in Proposition 98 funding, and projects $34 billion in total reserves and surplus. The budget significantly restores the State's rainy day fund, and economic support reserves that were diminished in the prior year. A surplus of $15 billion, largely in one-time funds, are available for spending to address COVID-19 and support recovery and resilience.

During his press conference unveiling the Proposed 2021-22 State Budget, the Governor said his budget proposal focused on the "most urgent needs" of Californians, including vaccinations, the safe reopening of schools, support for small businesses, economic stimulus, and wildfire preparedness. The budget proposal features the highest investment ever in public schools, $4.5 billion to accelerate recovery and job creation in the State, $370 million to expedite the delivery of COVID-19 vaccinations, and a $14 billion broad-based recovery package to support businesses, individuals, and job creation both during the pandemic and as the State recovers from the pandemic. The budget proposal also includes $1 billion to reduce wildfire risk and improve forest health, signaling continued focus on managing the State's growing wildfire threats amid the coronavirus pandemic and its economic fallout.

The Proposed 2021-22 State Budget estimates that general fund revenue will be higher than the 2020-21 State Budget projections by nearly $71 billion from 2019-20 through 2021-22. The Governor and his team cautioned that most of this is one-time funding, and that structural deficits are expected beginning in Fiscal Year 2022-23 (of $7.6 billion), when the demand on existing State programs will outpace revenue growth, and forecast to grow to over $11 billion by 2024-25. Given this, the proposal favors the use of surplus funding for one-time purposes, to limit ongoing liabilities.

The Proposed 2021-22 State Budget provides $3.5 billion of pandemic relief for immediate action in January, to include $2.4 billion for the Golden State Stimulus (a $600 State payment to low-income workers who were eligible to receive the earned income tax credit in 2019); an additional $575 million for grants to small businesses and small non-profit cultural institutions disproportionately impacted by the pandemic; and immediate and targeted fee relief for impacted industries, including restaurants and personal services. While this immediate relief package is intended to provide support in the first few months of 2021 to households hardest hit by the pandemic, the Proposed 2021-22 State Budget notes a critical need for more federal relief as the economic impacts of the pandemic are projected to extend beyond the first quarter of 2021.

The Proposed 2021-22 State Budget includes $2 billion in one-time Proposition 98 General Fund grants to local educational agencies (LEAs) for the safe reopening of schools. The Governor has requested that the Legislature take immediate action on this item to allow the program to begin in February 2021, prioritizing for returning to in-person instruction the youngest children (transitional kindergarten through 2nd grade) and those with the greatest needs first, then other grade levels through the spring. The trailer bill language establishes two rounds, first for LEAs qualifying in February 2021, and another for those qualifying by March 1st. The in-person grants specifically allow funding to be used for improved ventilation and the safety of indoor and outdoor learning spaces.

The Proposed 2021-22 State Budget includes $4.6 billion one-time Proposition 98 General Fund spending for extending learning time, including summer school programs and other strategies to address the pandemic's impacts on student learning, with an emphasis on increasing in-person instructional minutes, evidenced-based interventions, and support to students that are either one-grade-level or credit-deficient in core subject matters.

Other significant features with respect to K-12 education funding include the following:

- Local Control Funding Formula. The 2020-21 State Budget did not provide a statutory cost-of-living adjustment for the LCFF in 2020-21. The Proposed 2021-22 State Budget proposes funding the LCFF in 2021-22 with both the 2020-21 cost-of-living adjustment (2.31%) and the 2021-22 cost-of-living adjustment (1.5%), creating a compounded combined cost-of-living adjustment of 3.84%, and increasing ongoing LCFF funding by $2 billion, when adjusted for declining ADA. This increase brings total LCFF funding to $64.5 billion, and results in all local education agencies funded at their full LCFF target level..

- STRS and PERS Employer Contribution. The Proposed 2021-22 State Budget provides that STRS will apply $820 million in fiscal year 2021-22 to reduce the employer rate from 18.1% to approximately 15.92%, and that PERS will apply $330 million to reduce the Schools Pool employer contribution rate from 24.9% to 23%.

- Public School System Stabilization Account (Proposition 98 Rainy Day Fund). The Proposed 2021-22 State Budget projects that a $747 million deposit into the Proposition 98 Rainy Day Fund will be required in fiscal year 2020-21 and $2.2 billion deposit in fiscal year 2021-22, for a projected balance of $3 billion, which triggers the school district reserve caps of 10% beginning in fiscal year 2022-23.

- Deferrals. The Proposed 2021-22 State Budget proposes paying off the full K-12 deferral of LCFF apportionments from fiscal year 2019-20 and $7.3 billion of the K-12 deferral from fiscal year 2020-21, leaving an ongoing K-12 deferral balance of $3.7 billion in fiscal year 2021-22. The Proposed 2021-22 State Budget provides that the June 2022 apportionment will be delayed until July 2022.

- Full-Day Kindergarten and Transitional Kindergarten (TK). Building upon the $100 million general fund revenues provided in the 2018 budget act to eligible school districts for constructing new or retrofitting existing facilities for full-day kindergarten programs, the Proposed 2021-22 State Budget includes a $200 million one-time non-Proposition 98 general fund revenues for school districts to construct and retrofit existing facilities to support TK and full-day kindergarten programs. The Proposed 2021-22 State Budget provides $250 million one-time Proposition 98 general fund revenues, available for multiple years, to provide grants to LEAs that offer early access to TK. The Proposed 2021-22 State Budget sets aside $50 million one-time Proposition 98 general fund revenues to support preparation of TK teachers, and to provide both TK and kindergarten teachers with training in inclusive practices, support for English language learners, socio-emotional learning, trauma-informed practices, restorative practices and mitigating implicit biases.

- Proposition 51. The Proposed 2021-22 State Budget proposes to continue to allocate the release of $1.5 billion in Proposition 51 bond funds to support school construction projects.

- ADA Collection. The Proposed 2021-22 State Budget establishes new expectations for LEAs in how they serve students and how the State funds education, including assumptions that in-person instruction is the default mode of instruction in 2021-22, and not including a new ADA hold harmless in 2021-22. LEAs experiencing enrollment declines in 2021-22 will retain the ability to receive apportionment based on the higher of their 2019-20 or 2020-21 ADA.

- School Climate Surveys . The Proposed 2021-22 State Budget includes $10 million one-time Proposition 98 general fund revenues for County Offices of Education to make school climate surveys available to assess community needs from the COVID-19 pandemic and distance learning from students, families and educators; and provide grants and training to LEAs to implement survey instruments, interpret data, inform ongoing improvement efforts, and support costs associated with conducing annual surveys.

- Teacher Preparation and Support Programs. The Proposed 2021-22 State Budget includes $315.3 million in Proposition 98 general fund resources to provide educators with the support they need to meet the needs of their students in the short and long terms; $225 million to continue the Golden State Teacher Grant Program; $300 million in ongoing Proposition 98 general fund revenues for the Special Education Early Intervention Grant for evidence-based services for infants, toddlers and preschoolers; $5 million one-time Proposition 98 general fund revenues to establish professional learning networks to increase LEA capacity to access Medi-Cal funds and $250,000 for a lead COE to provide guidance within the statewide system of support; and $500,000 one-time Proposition 98 general fund revenues for a study to examine certification and oversight of non-public school special education placements.

- Student Health and Well-Being. The Proposed 2021-22 State Budget includes $264.9 million one-time Proposition 98 general fund revenues for LEAs to develop or expand new or existing models of community schools while prioritizing schools in high-poverty communities; and $400 million one-time mix of federal funds and general fund revenues to implement an incentive plan to increase the number of students receiving preventative and early intervention services by schools.

May Revision to Proposed 2021-22 State Budget. On May 14, 2021, Governor Newson presented his $267.8 billion spending plan —called the "California Comeback Plan," but otherwise referred to as the "May Revise" — to the Legislature. In contrast to economic situation when the 2020-21 State Budget was adopted (the State was then facing a $54.3 billion budget shortfall), the State has seen significant increases in its tax revenues and federal funding. This has resulted in the 2020-21 revenues and transfers being adjusted to $182 billion (an increase of $26.8 billion), with much of those revenue gains carrying-over into the 2021-22 budget year.

The Constitution sets a minimum annual funding requirement for schools and community colleges under Proposition 98, and budget reserves and debt payments under Proposition 2. Due to the significant increases in the State's revenues and the constitutionally-required minimum annual funding requirement, the May Revise provides for the State to deposit $7.6 billion in the Budget Stabilization Account and to spend $3.4 billion to pay down debt, as required by Proposition 2.

The May Revise also changes the Proposition 98 funding described in the Proposed 2021-22 State Budget. It increases the minimum guarantee to $93.7 billion (pupil spending will increase to $13,977 per student); reduces supplemental payments in 2021-22 by $2.3 billion; and increases Proposition 98 funding by $15.4 billion. The May Revise also projects a $4.6 billion increase in the Proposition 98 reserve deposit due to higher estimates of capital gains revenues. As a result of the projected increase, the school district reserve caps would be triggered beginning in fiscal year 2022-23. See "—District Financial Information – Limit on School District Reserves" and " – Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Proposition 98 and 111; Proposition 2" herein.

Other significant features with respect to K-12 education funding include the following:

- Local Control Funding Formula. The May Revise provides $5.4 billion for various augmentations related to LCFF, which is an increase of $3.6 billion from the Proposed 2021-22 State Budget. This increase reflects an increase in the cost-of-living adjustment from 3.84 percent to 4.05 percent; an additional 1 percent increase in LCFF for all districts; and an increase in funding for concentration grants and a new funding stream for expanded learning (which includes after-school programs and summer enrichment) for districts with relatively high numbers of low-income and English learners.

- Community Schools Grant Programs (One Time). The May Revise provide $3 billion to promote the community school model, setting aside 70 percent of the available funding to create new community schools and 30 percent for expanding and continuing existing community schools. The May Revise also sets aside $60 million for technical assistance.

- Education Workforce Initiatives (One Time). The May Revise provides $2.8 billion for preparation, training, and retention activities. This includes $1.5 billion for Educator Effectiveness Block Grants that can be used by districts to fund training, coaching, mentoring, and other activities for teachers, administrators, and classified staff; $550 million for teacher residency programs; and $250 million for incentive grants that encourage teachers to obtain National Board Certification and teach or mentor in high-poverty schools.

- School Reopening (One Time). The May Revise contains $2 billion for health and safety activities related to reopening school. The funds, which are separate from the $2 billion provided by AB 86, can be used for testing and vaccine initiatives, enhanced cleaning, personal protective equipment, and improved ventilation.

- Paying Down Deferrals (One Time). The May Revise pays down $8.4 billion in school deferrals, an increase of $1.1 billion when compared to the Proposed 2021-22 State Budget. Notwithstanding this reduction, a total of $2.6 billion will remain deferred from 2021-22 to 2022-23.

- Transitional Kindergarten (Multiyear). The May Revise outlines an implementation schedule for expanding transitional kindergarten and addresses the one-time and ongoing costs of such an expansion.

- Targeted Intervention (One Time). The May Revise proposes applying $2.6 billion to create a new targeted intervention grant. The grants will be funded from various federal funding ($2 billion), and from the Proposition 98 general fund ($623 million). The grants to districts will be allocated proportional to their respective share of total funding under LCFF, and can be used by districts to provide services to students affected by COVID-19. Such services can include intensive tutoring, additional instructional time, and other supports. The federal funding can be used to pay for future expenses or to reimburse expenses incurred by districts after March 13, 2020, and the state funding can be used to pay for such expenses incurred after July 1, 2021.

The State Appropriations Limit ("SAL") limits how the State may use revenues that exceed specified thresholds. The May Revise allocates $23 billion to purposes which satisfy SAL requirements -- $15 billion for various types of capital outlay projects and $8.1 billion for tax rebates. The $15 billion that the Governor proposes to spend on capital outlay projects includes $2.6 billion for transit and rail projects; $2 billion for affordable college student housing; $550 million for the Homekey Program which assists agencies acquire housing for people experiencing or at risk of homelessness; and $500 million for zero-emission vehicle fueling infrastructure. The $8.1 billion is to provide $600 stimulus checks/tax rebates for eligible Californians with adjusted gross incomes of $75,000 or less who did not receive a check from the State's first round of relief funds. Those with dependents will receive an additional $500, and undocumented residents will receive $500.

The Governor is proposing to use $700 million in discretionary resources to repay special fund loans and to set the balance of the Special Fund for Economic Uncertainties at $3.4 billion for the end of the 2021-22 fiscal year. The Governor is also proposing to spend $1.8 billion for ongoing programmatic activities, such as increasing child care slots, expanding full-scope Medi-Cal coverage to all adults age 60 and older, and implementing Medi-Cal reforms (the California Advancing and Innovating Medi-Cal).

California will receive approximately $27 billion of Coronavirus State Fiscal Recovery Funds from the American Rescue Plan's ("ARP"), and $550 million in Coronavirus Capital Project Funds from the ARP. The Governor proposes to use $1.5 billion to pay for the State's share of direct COVID-19 2019 expenditures; $5.5 billion for broadband access, affordability and infrastructure; approximately $5 billion for housing and homelessness; and $3.6 billion for higher education.

To combat climate change and prevent wildfires, the Governor is proposing to spend $11 billion on programs to combat Climate change, precent wildfires, bolster water supplies and promote clean air. This is an increase of $9 billion from what was in the Proposed 2021-22 State Budget. The funds will be used for a variety of programs which include staffing more firefighters and California National Guard crews; charging stations for electric cars; preparing communities for fire, flooding and earthquake disasters; restoring state parks; and creating habitats for threatened bumble bees that pollinate crops.

Factors Affecting the Budget and Projections

The State has in past years experienced budgetary difficulties and has balanced its budget by requiring local political subdivisions to fund certain costs theretofore borne by the State. No prediction can be made as to whether the State will take further measures which would, in turn, adversely affect the District. Further State actions taken to address its budgetary difficulties could have the effect of reducing District support indirectly, and the District is unable to predict the nature, extent or effect of such reductions.

The District cannot predict whether the State will encounter budgetary difficulties in the current or future fiscal years. The District also cannot predict the impact future State Budgets will have on District finances and operations or what actions the State Legislature and the Governor may take to respond to changing State revenues and expenditures. Current and future State Budgets will be affected by national and State economic conditions and other factors which the District cannot control.

Consequently, the District cannot predict the impact that the 2020-21 State Budget, or subsequent budgets, will have on its own finances and operations. Additionally, the District cannot predict the accuracy of any predictions made in the 2020-21 State Budget.

Additional Information on State Finances

Summaries of the enacted 2020-21 State Budget and the Proposed 2021-22 State Budget may be found at the internet website of the California Department of Finance, *www.dof.ca.gov*, under the heading "California budget." The Legislative Analyst's Office's (the "LAO") overview of the 2020-21 State budgets may be found at *www.lao.ca.gov*. In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, *www.treasurer.ca.gov*. These websites are not incorporated herein by references thereto.

Periodic reports on revenues and/or expenditures during the fiscal year are issued by the Governor's Office, the State Controller's Office and the LAO. The Department of Finance issues a monthly bulletin, which reports the most recent revenue receipts as reported by State departments, comparing them to budget projections. The Governor's Office also formally updates its budget projections three times during each fiscal year, in January, May and at budget enactment. These bulletins and other reports are available on the Internet.

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

Future State Budgets

The District cannot predict what actions will be taken in the future by the Legislature and the Governor to deal with changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and state economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund schools as budgeted. However, the obligation to levy *ad valorem* taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

Legal Challenges to State's Funding Method

The application of Proposition 98 and other statutory regulations has been the subject of various legal challenges in recent years, and is likely to be further challenged in the future.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The information in this section concerning certain provisions of Articles XIIIA, XIIIB, XIIIC and XIIID of the State Constitution, Propositions 98, 111, 1A, and 218, and certain other law is provided as supplementary information only, to outline the principal constitutional and statutory laws under which the operating revenue and finances of K-12 school districts in the State are determined. The tax for the Bonds was approved in conformity with all applicable constitutional and statutory limitations. For specific financial information on the District, see "Appendix A – General and Financial Information of the District - District Financial Information" herein.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, changes in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIIIA of the California Constitution

<u>Basic Property Tax Levy</u>. Article XIIIA of the State Constitution limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness approved by two-thirds of the voters on or after July 1, 1978, for the acquisition or improvement of real property, and (iii) bonded indebtedness approved by 55% of the voters of a school district or community college district for the

construction, reconstruction, rehabilitation or replacement of school facilities, the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities. As shown on the table titled "Combined General Obligation Debt Service Schedule," the District's bonds from the 2002 Authorization and the 2016 Authorization (as those terms are defined under "General Information – District Debt – General Obligation Bonds" herein) were approved pursuant to clause (iii) above. The California Government Code provides that additional *ad valorem* taxes may be levied to pay debt service on bonds issued to refund voter-approved general obligation bonds.

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." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA permits the reduction of the full cash value base in the event of a decline in property value caused by damage, destruction, or other factors. The full cash value base is not increased upon reconstruction of property damaged or destroyed in a disaster, if the fair market value of the property as reconstructed is comparable to its fair market value before the disaster. If the full cash value has been reduced owing to a decline in market value, the full cash value is restored to the full cash value base as quickly as the market price increases (without regard to the 2% limit on increases that otherwise applies).

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

<u>Legislation Implementing Article XIIIA</u>. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter approved indebtedness). The 1% property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 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.

Inflationary Adjustment of Assessed Valuation

As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIIIA, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004, a petition for review was filed with the California Supreme Court. The petition was denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property that is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the State Board of Equalization ("SBE") as part of a "going concern" rather than as individual pieces of real or personal property. State assessed unitary and certain other property is allocated to the counties by SBE, taxed at special countywide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Article XIIIB of the California Constitution

Under Article XIIIB of the California Constitution, state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain monies that 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 appropriation of moneys that are excluded from the definition of "appropriations subject to limitation," such as appropriations for voter approved debt service, appropriations required to comply with certain mandates of the courts or the federal government, and appropriations for qualified capital outlay projects (as defined by the Legislature).

The appropriations limit for each agency in each year is based on the agency's limit for the prior year, adjusted annually for changes in the cost of living and changes in population, and adjusted where applicable for transfer to or from another governmental entity of financial responsibility for providing services. With respect to school districts, "change in cost of living" is defined as the change in percentage change in California per capita income from the preceding year and "change in population" means the percentage change in average daily attendance for the preceding year.

The appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate "proceeds of taxes" received by an agency over such two-year period above the combined appropriations limit for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years. Under current statutory law, a school district that receives any proceeds of taxes in excess of the allowable limit need only notify the State Director of Finance and such district's appropriations limit is increased and the State's limit is correspondingly decreased by the amount of the excess.

Article XIIIC and Article XIIID of the California Constitution

Articles XIIIC and XIIID of the California Constitution, adopted by Proposition 218 in November 1996, impose certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. The District does not impose any such taxes, assessments, fees or charges; and, with the exception of *ad valorem* property taxes levied and collected by the County under Article XIIIA of the California Constitution and allocated to the District, no such taxes, assessments, fees or charges are imposed on behalf of the District. Accordingly, while the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Article XIIIC also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. The initiative power is, however, limited by the United States Constitution's prohibition against state or local laws "impairing the obligation of contracts." The District's general obligation bonds represent a contract between the District and the bondholder secured by the collection of *ad valorem* property taxes. While not free from doubt, it is likely that, once the District issues general obligation bonds, the taxes needed to pay debt service on the bonds issued would not be subject to reduction or repeal. Legislation adopted in 1997 provides that Article XIIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure that would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIIID deals with assessments and property-related fees and charges. Article XIIID explicitly provides that nothing in Article XIIIC or XIIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however, it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District.

The interpretation and application of Proposition 218 and the U.S. Constitution's contracts clause will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Propositions 98 and 111; Proposition 2

Proposition 98, a constitutional and statutory amendment adopted by California voters in 1988 and amended by Proposition 111 in 1990, guarantees a minimum level of funding for public education from kindergarten through community college (K-14).

Proposition 98 guarantees a level of funding based on the greater of two amounts determined under three different methods of calculation. The first amount is based on a percentage of State general fund revenues. This amount is defined under "Test 1" as the amount produced by applying the same percentage of State general fund revenues appropriated to K-14 education in

1986-87, or about 40.7%. (This percentage has been adjusted to approximately 41.2% to account for subsequent redirection of local property taxes, since such property tax shifts affect the share of districts' revenue limits that are to be provided by State general fund revenues.) The second amount is determined under one of two methods, "Test 2" or "Test 3," the choice of which is determined based on the relative growth of per capita income and general fund revenues.

In years of high or normal growth of general fund revenues, Test 2 applies. Test 2 is designed to maintain prior-year service levels. The amount determined under Test 2 is the amount required to ensure that K-14 schools receive from State funds and local tax revenues the same amount received in the prior year, adjusted for changes in enrollment and for increases in per capita personal income. Test 3 is operative in years in which general fund revenue growth per capita is more than 0.5% below growth in per capita personal income. The amount determined under Test 3 is the prior-year total level of funding from state and local sources, adjusted for enrollment growth and for growth in general fund revenues per capita, plus 0.5% of the prior year level. If Test 3 is used in any year, the difference between the amount determined under Test 3 and Test 2 will become a credit (called the "maintenance factor") to be paid to K-14 schools in future years when State general fund growth exceeds personal income growth.

The State's estimate of the total guaranteed amount varies through the stages of the annual budgeting process, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as various factors change. The guaranteed amount will increase as enrollment and per capita personal income grow. If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount may be suspended for one year at a time by enactment of an urgency statute. In subsequent years in which State general fund revenues are growing faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount.

Proposition 2, the "Rainy Day Budget Stabilization Fund Act," was approved at the November 4, 2014, statewide election. Proposition 2, among other things, altered the State's existing requirements for the Budget Stabilization Account (the "BSA"), as established by Proposition 58 and commonly referred to as a "rainy day fund.

Proposition 2 also created a new State budget stabilization fund known as the "Public School System Stabilization Account" (the "PSSSA"). In years where capital gains tax revenues exceed 8% of total General Fund revenues, if a number of conditions are satisfied (including that Test 1 is operative, all maintenance factor obligations have been satisfied, and the Proposition 98 funding level is higher than the previous year), that part of the "excess" capital gains tax revenues accruing to the Proposition 98 guarantee, instead of being appropriated, would be deposited in the PSSSA, provided that the amount spent on schools and community colleges grows along with the number of students and the cost of living. The State would spend money out of the reserve in order to maintain spending on schools and community colleges in budgetary years in which such spending would otherwise decline from the prior year's level (adjusted for student population and cost of living). Proposition 2 thus changes when the State would otherwise be required to spend money on schools and community colleges but not the total amount of State spending for schools and community colleges over the long run.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as "Proposition 39") to the California Constitution. This amendment allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds; and changes existing statutory law regarding charter school facilities. The local school jurisdictions affected by Proposition 39 are K-12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for any local government debts approved by the voters prior to July 1, 1978, or bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

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

Proposition 30 and 55

Guaranteed Local Public Safety Funding Initiative Constitutional Amendment approved by voters on November 6, 2012 ("Proposition 30") temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax is levied at a rate of 0.25% of the sales price of the property so purchased.

Beginning in the taxable year commencing January 1, 2012 and ending December 31, 2016, Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $340,000 but less than $408,000 for head of household filers and over $500,000 but less than $600,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $408,000 but less than $680,000 for head of household filers and over $600,000 but less than $1,000,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $680,000 for head of household filers and over $1,000,000 for joint filers).

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 increase to personal income tax rates for high-income taxpayers (i.e., income over $250,000) that were approved as part of Proposition 30 through 2030. Proposition 55 did not extend the temporary Sales and Use Tax rate increase enacted under Proposition 30, which expired as of January 1, 2017.

The revenues generated from these temporary tax increases has been included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "Propositions 98 and 111" above. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State created Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding; however, no school district will receive less than $200 per unit of A.D.A. and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district was granted sole authority for determining how the moneys received from the EPA are spent, provided the appropriate governing board made these spending determinations in open session at a public meeting and such local governing boards did not use any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 51

The California Public School Facility Bonds Initiative ("Proposition 51") was approved by the voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in general obligation bonds by the State to fund the construction and modernization of facilities for both K-12 schools and community colleges. The revenues from the sale of the bonds will be allocated as follows:

- $3 billion for construction of new K-12 school district facilities.
- $3 billion for the modernization of K-12 public school sites, which includes repairing outdated facilities to increase earthquake and fire safety, removing asbestos, upgrading technology, and other health and safety improvements.
- $500 million for charter school facilities.
- $500 million for career technical education facilities.
- $2 billion for the construction and modernization of community college facilities.

The impact that Proposition 51 will have on school districts is unclear. Some school districts may increase the number of facility projects and spend more local funds, knowing that additional state funding could be available. Other school districts may spend less local funds due to the greater support of state funding. It is also possible that the number of school district proposals for construction and modernization projects will not change.

Proposition 19

On November 3, 2020, California voters approved Proposition 19, the Home Protection for Seniors, Severely Disabled, Families and Victims of Wildfire or Natural Disasters Act. Proposition 19 limits individuals who inherit family properties from retaining the low property tax base unless the home is used as their primary residence. Proposition 19 permits homeowners who are over 55 years old, disabled, or a victim of a wildfire or natural disaster to transfer the assessed value of their primary residence to a newly purchased or newly constructed replacement primary residence up to three times. The District cannot predict what effect the implementation of Proposition 19 will have on District revenues or the assessed valuation of real property in the District.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning, in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a Constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provision of Proposition 1A. This initiative amends the State Constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Future Initiatives

Articles XIIIA, XIIIB, XIIIC and XIIID of the California Constitution and Propositions 98, 111, 22, 218, 30, 39 and 51 (discussed above) were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted, further affecting the District's revenues or the District's ability to expend revenues. The nature and impact of these measures cannot by anticipated by the District.

APPENDIX B

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

APPENDIX C

GENERAL INFORMATION ABOUT THE COUNTY OF SAN JOAQUIN AND THE CITIES OF LODI AND STOCKTON

The Lodi Unified School District (the "District") encompasses all of the city of Lodi ("Lodi"), and a portion of the city of Stockton ("Stockton"), as well as unincorporated areas of the County of San Joaquin (the "County"). The following information is included only for the purpose of supplying general information regarding the community in and around the District. The Bonds are not a debt of the County, Lodi, Stockton, the State of California (the "State"), or any of the State's other political subdivisions; and neither the County, Lodi, Stockton, the State, nor any of the State's other political subdivisions is liable for the Bonds. Neither the District nor the Underwriter has independently verified the information set forth herein.

General

The County is located in the Central Valley of California, about 83 miles northeast of San Francisco and 35 miles south of Sacramento. Lodi is located in the northern portion of the County. The County is bordered by Sacramento County on the north, Calaveras County on the east, Stanislaus County on the south, and Contra Costa County on the west. The largest cities in the County are Stockton (the county seat), Tracy, Lodi, and Manteca.

Population

The historic population estimates of Lodi, Stockton, the County, and the State are shown in the following table.

CITY OF LODI, COUNTIES OF STOCKTON AND SAN JOAQUIN, AND STATE OF CALIFORNIA
Population

Calendar Year	City of Lodi	City of Stockton	County of San Joaquin	State of California
2011	62,570	294,133	691,982	37,561,624
2012	63,054	297,488	699,127	37,924,661
2013	63,389	299,397	704,615	38,269,864
2014	63,540	301,775	711,119	38,556,731
2015	64,292	306,154	722,627	38,870,150
2016	65,860	309,976	734,091	39,131,307
2017	65,523	313,504	745,481	39,398,702
2018	66,390	314,950	753,934	39,586,646
2019	67,430	317,271	765,556	39,695,376
2020	67,930	318,522	773,632	39,782,870

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2020, with 2010 Census Benchmark. May 1, 2020.

Transportation

U.S. Highway 99 and Interstate 5 provide the County with access to the rest of California and the western United States. The County is served by long and short-haul trucking firms, as well as by trains and buses. Lodi is located on the main line of the Union Pacific Railroad.

The Port of Stockton, the largest inland deep water seaport in the State, is served by numerous international shipping companies through the Stockton Channel to the San Francisco Bay. The modern port facility handles dry and liquid bulk commodities and general cargo.

The Stockton Metropolitan Airport is a general aviation airport serving the San Joaquin Valley with passenger and air freight facilities, and provides scheduled passenger service to San Diego, Las Vegas, and Phoenix.

Employment and Industry

The largest manufacturing and non-manufacturing employers in Lodi and Stockton as of June 30, 2020, are shown below.

CITY OF LODI
Major Employers
Fiscal Year Ending June 30, 2020

Employer	Number of Employees
Pacific Coast Producers	1,392
Lodi Unified School District	1,379
Adventist Health Lodi Memorial	1,163
Blue Shield of CA	896
Walmart Supercenter	423
City of Lodi	378
Costco Wholesale	300
Rich Products formerly known as Cottage Bakery	240
Frank C Alegre Trucking Inc.	217
Farmers & Merchant Bank	198
Total	6,586

Note: Principal employers are based on best available information.
Source: City of Lodi, Comprehensive Annual Financial Report for fiscal year ended June 30, 2020.

CITY OF STOCKTON
Major Employers
Fiscal Year Ending June 30, 2020

Employer	Number of Employees
St. Joseph's Medical Center	4,600
Stockton Unified School District	3,897
City of Stockton	2,099
Amazon	2,000
Kaiser Permanente	1,065
University of the Pacific	1,029
San Joaquin Delta College	1,007
Lincoln Unified School District	857
Dameron Hospital	800
O'Reilly Auto Parts	600
Total	17,954

Note: Principal employers are based on best available information.
Source: City of Stockton, Comprehensive Annual Financial Report for fiscal year ended June 30, 2020.

The following table lists the major employers within the County without regard to the number of employers.

COUNTY OF SAN JOAQUIN
Major Employers

Employer Name	Location	Industry
A Sambado & Sons Inc	Linden	Nuts-Edible
Amazon Fulfillment Ctr	Stockton	Mail Order Fulfillment Service
Blue Shield of California	Lodi	Insurance
Dameron Hospital Assn	Stockton	Hospitals
Deuel Vocational Instn Fire	Tracy	City Govt-Correctional Institutions
Foster Care Svc	Stockton	Government Offices-County
Leprino Foods Co	Tracy	Cheese Processors (mfrs)
Lodi Health Home Health Agency	Lodi	Home Health Service
Lodi Memorial Hospital	Lodi	Hospitals
Morada Produce	Stockton	Fruits & Vegetables-Growers & Shippers
NA Chaderjian Youth	Stockton	State Govt-Correctional Institutions
Pacific Coast Producers	Lodi	Canning (mfrs)
Prima Frutta Packing Inc	Linden	Fruit & Produce Packers
Safeway Distribution Ctr	Tracy	Distribution Centers (whls)
San Joaquin County CA Pubc	Stockton	Government Offices-County
San Joaquin County Human Svc	Stockton	Government Offices-County
San Joaquin County Sch	Stockton	School Districts
San Joaquin General Hospital	French Camp	Hospitals
San Joaquin Sheriff’s Office	French Camp	Government Offices-County
Sjgov	Stockton	Government Offices-County
St Joseph’s Cancer Ctr	Stockton	Cancer Treatment Centers
St Joseph’s Regional Health	Stockton	Hospitals
Stockton Police Dept.	Stockton	Police Departments
Stockton Unified School Dist	Stockton	School Districts
Walmart Supercenter	Stockton	Department Stores

Source: California Employment Development Department, extracted from America’s Labor Market Information System (ALMIS) Employer Database 2021 1st Edition.

The following table summarizes employment and unemployment of the civilian labor force in San Joaquin County and the wage and salary employment in San Joaquin County by industry.

COUNTY OF SAN JOAQUIN
(Stockton-Lodi Metropolitan Statistical Area)
Civilian Labor Force, Employment and Unemployment,
and Employment by Industry
(Annual Averages)

Civilian Labor Force [1]	2016	2017	2018	2019	2020
Civilian Labor [2]	318,500	323,600	326,400	327,100	331,800
Employment	292,600	301,100	306,800	307,900	294,500
Unemployment	25,900	22,600	19,600	19,200	37,400
Unemployment Rate	8.1%	7.0%	6.0%	5.9%	11.3%
Wage and Salary Employment [3]					
Agriculture	16,700	16,400	15,600	15,400	14,300
Mining and Logging	100	100	100	100	100
Construction	11,100	11,700	12,800	13,100	12,900
Manufacturing	19,800	20,300	20,600	20,600	20,500
Wholesale Trade	10,700	11,100	11,700	11,600	10,500
Retail Trade	26,500	26,800	26,700	26,200	24,600
Transportation, Warehousing & Utilities	23,000	26,200	28,400	31,300	38,300
Information	2,000	1,800	1,800	1,800	1,200
Financial Activities	7,500	7,800	7,800	7,900	7,800
Professional and Business Services	19,600	19,200	19,600	20,200	21,100
Educational and Health Services	36,400	38,200	38,800	39,100	37,100
Leisure and Hospitality	20,400	21,500	22,000	22,600	18,400
Other Services	7,500	7,600	7,600	7,800	6,700
Federal Government	3,000	3,100	3,100	3,200	3,300
State Government	6,400	6,600	6,700	6,800	6,800
Local Government	31,400	32,800	33,700	34,900	33,100
Total All Industries[4]	242,000	251,100	256,900	262,400	256,600

(1) Not seasonally adjusted.
(2) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(4) Totals may not add due to rounding.

Source: California Employment Development Department, Labor Market Information, March 2020 Benchmark

Commercial Activity

Summaries of the historic annual taxable sales within Lodi and Stockton are shown below.

CITY OF LODI
Taxable Transactions for 2015 to 2019
(Dollars in Thousands)

	Total Retail and Food Services	Total All Outlets
2015	$766,868	$939,003
2016	809,763	977,819
2017	890,004	1,063,066
2018	945,400	1,133,728
2019		

Source: California Department of Tax and Fee Administration.

CITY OF STOCKTON
Taxable Transactions for 2015 to 2019
(Dollars in Thousands)

	Total Retail and Food Services	Total All Outlets
2015	$2,793,759	$3,735,726
2016	2,956,409	3,907,843
2017	3,204,986	4,242,918
2018	3,343,743	4,480,636
2019		

Source: California Department of Tax and Fee Administration.

The following table summarizes the historical annual taxable transactions and permits for the County.

COUNTY OF SAN JOAQUIN
Taxable Transactions for 2015 to 2018
(Dollars in Thousands)

	Total Retail and Food Services	Total All Outlets
2015	$7,159,024	$10,639,360
2016	7,575,580	11,117,625
2017	8,220,279	12,379,074
2018	8,855,169	13,457,721
2019	9,073,238	14,383,854

Source: California Department of Tax and Fee Administration.

Income

Total personal income in the County increased by 23.95% between 2015 and 2019. Per capita personal income in the County grew by 17.47% between 2015 and 2019.

COUNTY OF SAN JOAQUIN
Personal Income
2015-2019
(Dollars in Thousands)

Year	County of San Joaquin	Annual % Change
2015	$28,984,215	--%
2016	30,502,705	5.24
2017	31,900,044	4.58
2018	33,634,157	5.44
2019	35,926,949	6.87

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

COUNTY OF SAN JOAQUIN
***Per Capita* Personal Income**
2015-2018
(Dollars)

Year	County of San Joaquin	Annual % Change
2015	$40,129	--%
2016	41,624	3.73
2017	42,917	3.115
2018	44,697	4.15
2019	47,139	5.46

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

Construction Activity

The following table summarizes building permits and building valuation in Lodi since 2015.

CITY OF LODI
Building Permit Activity
2015-2020

	2015	2016	2017	2018	2019	2020
Valuation						
Residential	$25,732,120	$65,453,233	$75,445,788	$62,936,620	$52,139,251	$14,801,230
Non-Residential	30,166,190	23,960,628	43,032,228	26,395,125	62,876,646	11,833,525
TOTAL	$55,898,310	$89,413,861	$118,478,016	$89,331,745	$115,015,897	$26,634,755
Dwelling Units						
Single Family	80	189	168	243	111	44
Multiple Family	0	82	134	0	158	0
TOTAL	80	271	302	243	269	44

Source: California Homebuilding Foundation.

The following table summarizes building permits and building valuation in Stockton since 2015.

CITY OF STOCKTON
Building Permit Activity
2015-2020

	2015	2016	2017	2018	2019	2020
Valuation						
Residential	$75,421,857	$149,038,470	$141,540,460	$166,060,338	$197,939,940	$159,520,084
Non-Residential	78,556,509	122,974,891	255,823,953	200,503,274	305,600,703	85,696,548
TOTAL	$153,978,366	$272,013,361	$397,364,413	$366,563,612	$503,540,643	$245,216,632
Dwelling Units						
Single Family	123	215	238	324	302	481
Multiple Family	257	25	115	0	262	93
TOTAL	380	240	353	324	564	574

Source: California Homebuilding Foundation.

The following table summarizes building permits and construction valuation in the County since 2015. The number of residential building units issued in the County in 2020 was -2.1% higher than in 2019.

COUNTY OF SAN JOAQUIN
Building Permit Activity
2015-2018

	2015	2016	2017	2018	2019	2020
Valuation						
Residential	$547,434,803	$633,339,138	$801,460,030	$1,077,745,919	$999,653,932	$949,415,865
Non-Residential	500,627,042	607,993,597	834,552,723	1,019,479,386	926,219,692	958,358,309
TOTAL	$1,048,061,845	$1,241,332,735	$1,636,012,753	$2,097,225,305	$1,925,873,624	$1,907,774,174
Dwelling Units						
Single Family	1,698	1,754	2,078	2,765	2,564	2,843
Multiple Family	387	550	516	593	461	245
TOTAL	2,085	2,304	2,594	3,358	3,025	3,088

Source: California Homebuilding Foundation.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

________________, 2021

Board of Education
Lodi Unified School District
1305 E. Vine Street
Lodi, CA 95240

FINAL OPINION: $_____________
Lodi Unified School District
San Joaquin County, California
General Obligation Bonds
Election of 2016, Series 2021-A
(Tax-Exempt)

Ladies and Gentlemen:

[legal opinion to come]

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[continuing disclosure certificate to come]

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest, and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds, and other related transactions by and between DTC, the DTC Participants, and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent takes any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect 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 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bonds 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 District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX G

SAN JOAQUIN COUNTY INVESTMENT POOL MONTHLY REPORT DATED APRIL 30, 2021

The investment pool policy is available from the County of San Joaquin, Office of the Treasurer-Tax Collector. Neither the District nor the Underwriter has independently verified the investment pool policy information and neither guarantees the completeness or accuracy thereof. Information regarding the San Joaquin County investment pool policy and monthly report may be obtained by contacting the County of San Joaquin, Office of the Treasurer-Tax Collector, 44 North San Joaquin Street, Suite 150, Stockton, California 95202, Telephone (209) 468-2133, Facsimile (209) 468-2158.

The following table reflects the balance in the San Joaquin County investment pool dated as of April 30, 2021:

SAN JOAQUIN COUNTY INVESTMENT POOL

Currency		$96,809.48
Investments		
BOTW Sweep	$32,124,730.37	
BOTW Money Market Plus	$425,000,000.00	
California Asset Management Program	165,000,000.00	
L.A.I.F.	$75,000,000.00	
Commercial Paper	$349,629,509.72	
Medium Term Notes	$25,007,300.00	
California GO Refunding Bonds	$21,105,800.00	
US Treasury	$707,279,159.40	
Federal Agencies	$2,420,332,310.41	
Total Investments		$4,220,478,809.90
Bank Balance		
BOTW Closing Ledger Balance		$3,456,046.90
BOTW Transactions not in CAPS (net)		($18,471,859.00)
TOTAL TREASURY BALANCE		$4,242,503,525.28

Source: San Joaquin County Treasurer-Tax Collector